EVALUATION AND RESOURCE ALLOCATION IN THE ROMANIAN HEALTH SYSTEM

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Abstract

Labour force ageing in the medical field combined with challenges related to recruiting or maintaining health workers because of the exigencies in job conditions and of the relatively low wages in some of the medical care professions lead in many countries to labour force deficits in the health sector.

Just like the educational system, health represents a priority focused on national realities and traditions.

The Romanian medical system is and was subjected to reforms for a considerable number of years. Most health care institutions are faced with serious issues in particular because of the financial resources allotted to them.

Thus, in the study "Euro Health Consumer Index 2015" (EHCI) realised by the Swedish research company Health Consumer Powerhouse, and that evaluates the way in which European health care systems provide for their patients both from the viewpoint of the quality of medical services and from the one of costs and profitability in 35 countries, Romania is ranked on the 32nd position.

The paper presents a brief analysis of issues facing the health care system in Romania and especially the particularities of the human resources in the field. The differences regarding labour resources are analysed and underpinned for the health care system in Romania's development regions.

Key-words: *health care system, health care workers, health expenditures, regional inequalities in the health care sector, migration*

JEL Classification: *I11, I18, E24, O15, R23*

1. Introduction

Health care systems are some of the largest consumers of resources, during the last 30 years recording continuing increases in the levels of necessary resources. This is due both to population ageing, to the discovery of more efficient drugs and more advanced technologies, and to the increase in the number of individuals benefitting of medical care.

In Romania the health care system was and is subjected to reforms for a considerable number of years. Based on the Law no. 95/2006 the main aspects were redefined regarding the medical sector with the purpose of creating a modern and efficient health care system, compatible with the health care systems in the European Union.

However, the Romanian legislation in the field of health care underwent periodically changes both yearly on the approval of the framework-contracts, and in point interventions for improving the functioning of the health care system. Still, the impact of these interventions was not always to the benefit of health care services and drugs consumers.

Most health care institutions face serious issues because of the financial resources allotted to them. The weight of public expenditures for health in GDP varied in time but maintained, nevertheless, a low level.

By the end of 2014, in Romania were employed 215806 health care workers (physicians, dentists, pharmacists and nursing personnel), 64.12% in the public system, and 35.83% in the private system, hence the number of health-care personnel is suboptimal. In relative terms, in Romania are 276 physicians and 649 nurses for 100000 inhabitants, a level significantly under the European Union average, or of other comparable Member States.

The challenge of facing the issues triggered by the system deficiencies, the absence of job satisfaction, the lacking motivation, the low incomes earned by the health care workers, opposed to the much more performance improving means in practicing their profession abroad associated to better social status determined a considerable share of the health care professionals to opt for the solution of working abroad. Paradoxically, health care units that few years ago claimed to have surplus of nurses and auxiliary personnel begin to face the situation of not being able to ensure health care services and resort to employing personnel for determined or undetermined periods of time.

Due to the trends in the labour force market, and according to the forecasts regarding skills, the health care and social assistance sectors shall be faced with insufficient personnel on medium term[1]. At the Meeting of the Council from July 2012, the Health ministers within the EU discussed about the high potential of labour force employment in the field of health, and

[1] CEDEFOP, (2012). *Skills demand and supply forecasts*, www.cedefop.europa.eu

about the need of innovative approaches and strategies for attracting youths and for developing adequate competences in the health sector (European Commission, 2012).

Also, in the "Draft Joint Employment Report from the Commission and the Council" (accompanying the Communication from the Commission on the Annual Growth Survey 2016)"[1] is highlighted the role of the health care systems in preserving and restoring the good health state of the EU population, in view of supporting economic growth by improving the participation on the labour force market, the labour productivity and by diminishing leave of absences on health grounds from job. In this context is shown that in the near future is required "the evaluation of health care and long-term care systems and the enforcement of consistent and ambitious reforms"[2].

2. Brief Presentation of the Romanian Health Care System

The changes within the Romanian society after 1989 have influenced strongly the reforms in the health care system. Up to 1990, the public health care system from Romania was Semashko-type, completely centralised, of the command-control type and financed by the public budget. The hard inheritance of this type of system was reflected in the issues the health care sector faced also after the year 1990.

In developing the health care policies after the Revolution of December 1989, three periods are distinguishable: 1990-1996, 1997-2007, and the third as of 2008. The main differences between the first two periods result from implementing the Health Care Insurance System after the elections in 1996.

The reform in the health care field triggered as the Law no. 95/2006 was passed, provided for the decentralisation of the health care system as one of the links in the modernisation and European standards alignment process with respect to the health sector. Both the reorganisation and the decentralisation of financing and health care services' supply began in parallel with the implementation of the Health Care Insurance System when, for the first time, the patient was placed at the core of the health care system and provided the option of choosing freely the provider of health care services.

As result of the accession process to the European Union in 2007, Romania was obliged to harmonise legislation also in the field of health with the requirements of the European Union. Nevertheless, some gaps exist still between the legal developments and their enforcement. As of 2007, the

[1] European Commission "Draft Joint Employment Report from the Commission and the Council", www.eu.europa.eu;

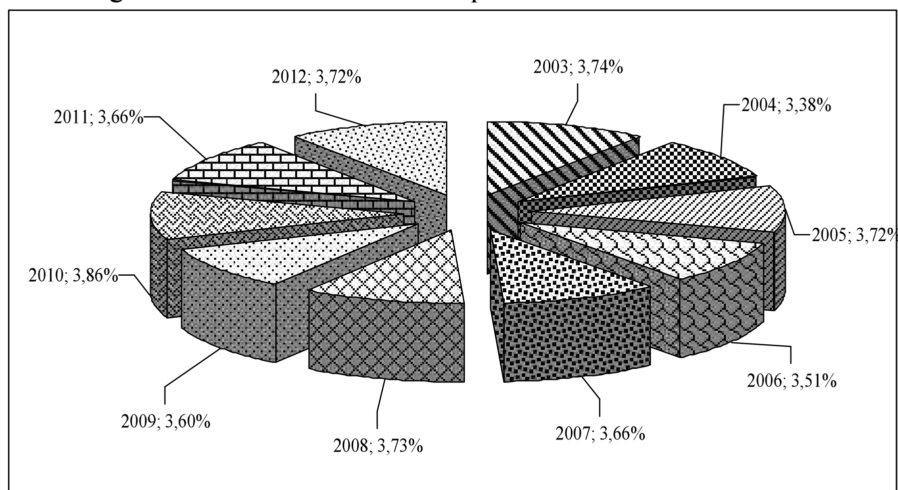
[2] Ibid. 2

health state of the population and of the health care services from the other member-states of the EU turned into comparison criteria of reference for the Romanian health care system.

Currently, to the financing of some administrative and functioning expenditure for public health care entities of local interest participate also the local public administration authorities within the boundaries of approved budgetary credits. However, the statistics for the last few years show an unequal involvement of local public administration authorities in managing health care entities, with broad variations between the regions of the country. These are triggered either by deficient management, or by the unequal distribution of the financial and human resources. Just as well are highlighted inequities in accessing health care services, triggering imbalances in the health care state of the various population groups, of some communities from different geographical areas, but also of the economically disadvantaged groups. At present, in Romania, the financing sources for public health are: the state budget, the budget of the Single National Fund of Health Insurance (which contributes with about 75% in total health expenditures), local budgets, own incomes, external credits, non-reimbursable external funds, donations and sponsorships.

The weight of health care public expenditures in GDP varied, yet it maintained a low level which affected the maintenance of the system, the management, investments in equipment, and access to personalised services for individuals with low incomes (Figure 1).

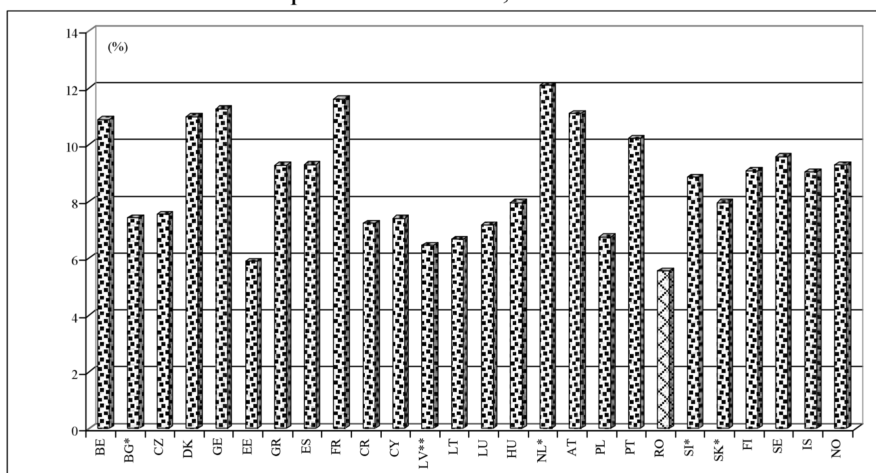
Figure 1 Evolution of Public Expenditures Allotted to Health



Data source: Eurostat statistics, online code [hlth_sha2p]

By comparing the *weight of total expenditures made by health care services' providers* in GDP for a number of 27 European member-states, for the year 2012, which is the last available year in the Eurostat database, it is highlighted that in 19 from them the weight did not exceed 10.0% (Figure 2), and that Romania is ranked on the last position with a weight of 5.56%.

Figure 2 Weight of total expenditures made of health care services' providers in GDP, in 2012



Data source: Eurostat statistics, online code [hlth_sha2p]
Note: * data available for the year 2011

Even if the health indicators highlighted some improvements, within the EU member-states, Romania still maintains one of the weakest positions with respect to health indicators.

According to Euro Health Consumer Index (EHCI)[1], which analyses the national health care systems for 35 countries based on 48 indicators (for instance, in fields such as patients' rights and the information they can benefit from, access to care, treatment, outcomes, services' coverage, prevention and use of pharmaceutical products, etc.) for the year 2015, Romania was ranked on the 32nd position with a score of 527 points. This result is due to the obsolete structure of health care with a high and costly ratio of in-patient care over out-patient care, like in the case of Albania and Bulgaria.

[1] EHCI is a comparison of European health care systems based on waiting times, results, and generosity. The information is presented as a graphic index. EHCI was produced 2005–2009 and 2012-2015 by Health Consumer Powerhouse

3. Health Workforce

In the health care field, human resources are the main category of absolutely necessary resources for ensuring and providing health care services. If in western countries ensuring an optimum rate of the specialised medical staff, the development and improvement of the nursing quality are major components of health care policies, in Romania is obvious the lack of regulations in these fields of concern.

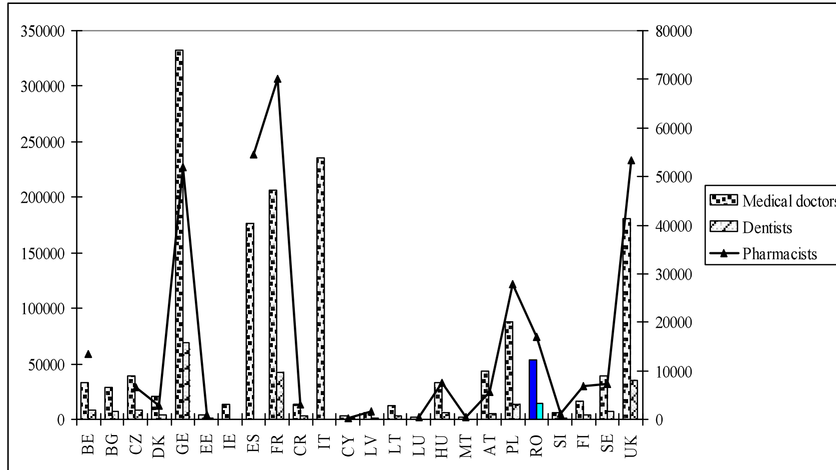
The creation of viable, patient-focused health care systems assumes the existence of health care workers providing the necessary services. But, in order to have well-educated and motivated health professionals, sustained and costly investments are necessary for education and, in particular, for the subsequent remuneration of physicians, nurses, and of the other categories of health care personnel, along with jobs that allows them to practice their profession under adequate conditions corresponding to their experience level and to their professional development and social acknowledgement aspirations.

According to Eurostat statistics, Romania is ranked on the second last position in the top of European Union countries regarding the number of health care workers in relation to population: 2.6 physicians for one thousand inhabitants, under the European average of 3.4, but also under the level of some other EU member-countries, such as: France, Germany, Spain and Italy. The same situation is applicable also for the year 2015 for nurses (6.7 per 1000 inhabitants), dentists (0.8 per 1000 inhabitants) or pharmacists (0.9 per 1000 inhabitants).

By comparing the number of physicians, dentists, and pharmacists from Romania with their numbers in other European Union member-states, is found that in 2014 Romania ranked on the 7th position in the hierarchy of Member-States, registering 53720 physicians, much under Germany, Italy, France, Great Britain and Spain, but above the number of physicians from Slovakia, Finland, Ireland, and Lithuania (Figure 3).

Regarding the number of dentists (14846), Romania is below Germany (69089), France (42281), and Great Britain (34281) and above countries such as: Bulgaria, Finland, and Slovakia (Figure 3). Regarding the numbers of pharmacists, France registered the highest number in 2014: 70136, followed by Spain (54567), Great Britain (53261), Germany (52004) and Poland (27747). Romania registers 17025 pharmacists, and Cyprus, Luxemburg and Malta record below 500 pharmacists.

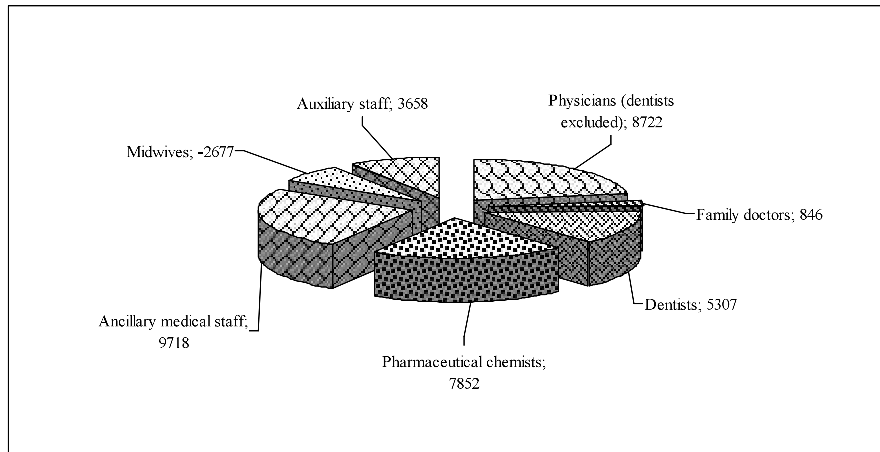
Figure 3 Numbers of health workforce by professional categories, in 2014



Data source: Eurostat statistics, online code [hlth_rs_prs1]
Note: * data available for the year 2013

This situation is recorded under the conditions in which during the last decade the number of physicians in Romania increased by 18.4% (Figure 4), the one of nurses by about 8%, the number of pharmacists by 84.6%, while the number of midwives diminished by half.

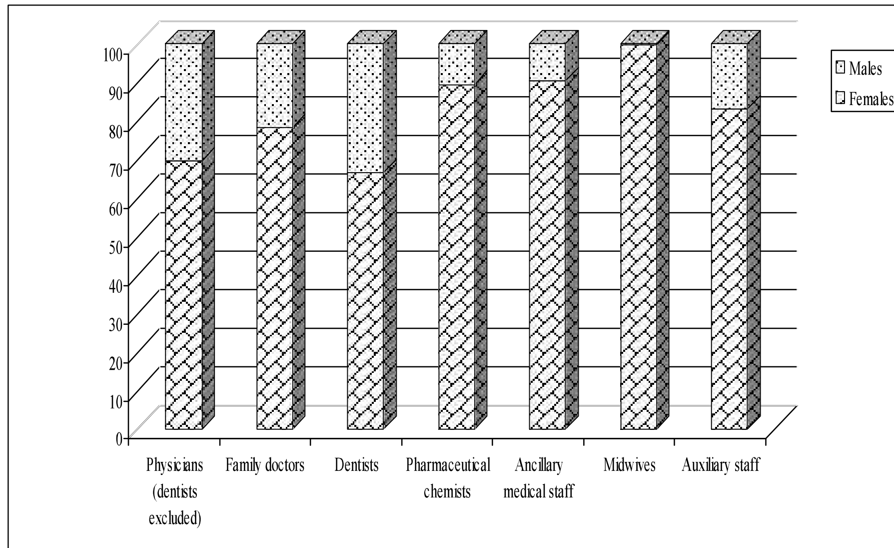
Figure 4 Absolute changes in the numbers of health care workers in 2015 against the year 2005



Data source: TEMPO online databank of the National Institute of Statistics, www.insse.ro

A feature of the medical staff within the Romanian health care system is that the women population represents the majority (Figure 5). Thus, in the year 2015, women represented 69.6% from total physicians (without dentists) and 66.5% from total dentists. Regarding family physicians, the weight of women was of 78.2%, and within the pharmaceutical sector and nursing staff, women represented 89.6%, respectively 91.3%.

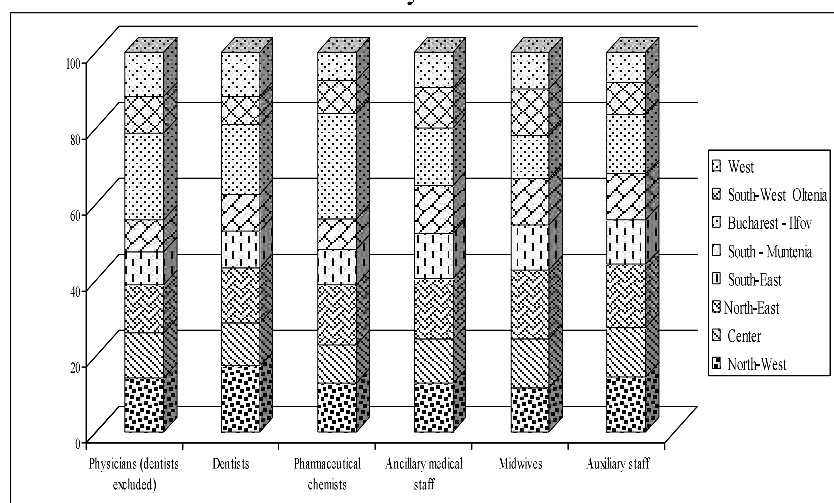
Figure 5 Weight of health care workers on genders, in 2015



Data source: TEMPO online databank of the National Institute of Statistics, www.insse.ro

Moreover, there are significant differences between the development regions of Romania regarding health care personnel. Thus, in the year 2015, the highest numbers of physicians (22.7%) were practicing in the region Bucharest-Ilfov, and in the region South-Muntenia were recorded only 8.3% from their total number at national level (Figure 6). The highest numbers of dentists (18.3%) practiced in the region Bucharest-Ilfov, and in the region South-West Oltenia were recorded only 7.4% from the total number of dentists at national level (Figure 6).

Figure 6 Weight of health care workers on Romania's development regions in the year 2015



Data source: TEMPO online databank of the National Institute of Statistics, www.insse.ro

Regarding the numbers of pharmacists 27.8% from their total numbers at national level were exercising their profession in the region Bucharest-Ilfov, while in the West region were present only 7.6% of them (Figure 6).

The highest weight of the nursing personnel, midwives or auxiliary health workers is recorded in the North-East region where are found over 16% from the total of these professional categories (Figure 6).

In Romania in 2015, in the rural area only 10.04% out of the numbers of physicians, and 12.59% dentists developed their activity, while in the same area were working 17.02% out of the total number of pharmacists, 10.64% nursing staff and 11.74% from the numbers of auxiliary health care staff.

The discrepancies on residential areas regarding the provision of required health care staff are highlighted also by the high number of inhabitants who were allocated to a health care worker in the rural area as compared with the urban area, respectively: 7.7 times more inhabitants per physician; 6 times more inhabitants per dentist; 4.2 times more inhabitants per pharmacist and, finally 7.2 times more inhabitants per nurse.

The penury in the numbers of health care staff with higher and upper-secondary training is determined by the inadequate planning of the health care staff, but also by the intensified phenomenon of their migration to

countries where the profession and individual are acknowledged and where professional and living conditions are better.

Moreover, the graduates of the medical schools entering on the labour market fail to cover the required number of specialists at local level. Many young individuals have opted and still think about leaving Romania for working within the health care systems from abroad.

The reasons leading to *physicians and nurses migration* are triggered on one hand by the "push" factors from the "source" country: difficult working environments, lack of adequate infrastructure and professional development opportunities, extended working hours and low wage levels. On the other hand, the "pull" factors to the countries of destination which include: the perspective of better remuneration and better living conditions.

The estimates from the field show that by 2020, Europe expects a deficit of 1 million health care workers. With a high number of vacancies and domestic personnel training levels lower than the necessary, the high-income countries from Europe shall require an increasingly higher number of migrant medical staff to provide the services demanded by their inhabitants. As result, also in the following years we will witness a "*medical exodus*" of physicians, nurses and other health care workers to high-income countries, a situation leading to the weakening of the health systems in less developed countries of origin and which multiplies inequities in the field of health.

Conclusions

The health care system from Romania registered significant progress as of the passing of the Law no. 95/2006. Medical services show superior, and continuously developing parameters as compared with the end of the years ninety, and the data infrastructure represents a reference at European level. The recent economic-financial crisis determined the authorities from the field to take measures for controlling costs, which often had unintended consequences.

In 2015, Romania ranked on position 32 out of 35 evaluated countries in the Euro Health Consumer Index. On the background of economic, social policy, and health issues some mortality and morbidity indicators place Romania on the last positions in Europe.

From among the most significant reasons generating the issues of the health care system from Romania, we mention:

- limited resources invested in medical care, including within the pharmaceutical system;
- the payment-settlement system for health care services;
- the lack of performance technical/medical devices endowment;

- the inequity in the provision of services (for instance, discrepancies between the rural and urban area, but also between the development regions);
- inefficient organisation and financing in the health care sector;
- the transfer of funds to the 43 health insurance houses is not made on objective bases, the largest five county health insurance houses absorbing about 35% of the resources, while the smallest five receive ten times less.

In this context, also the outcomes of the Eurobarometer regarding health care services published in June 2014 are relevant, as they showed that 73% of the Romanian population regarded the general quality of medical services as "bad", as compared with an EU average of only 27%. If the European average improved by 1 pp during the last four years, the value for Romania deteriorated by 4 pp.

Regarding the migration of health care personnel, the reasons triggering this phenomenon are related to difficult working environments, lack of adequate infrastructure and opportunities for professional development and low wage levels, but also by the opportunities provided by the countries of destination: the perspective of professional accomplishment, better remuneration and living conditions.

The success of reforms within the medical system depends on changing the mentality of all involved stakeholders, so that the patient is placed at the centre of the activities, and decisions, including financial ones are aligned to the patient's interests.

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