

# THE IMPACT OF EUROPEAN UNION POLICY IN THE MANAGEMENT AND FINANCING OF THE HEALTH SYSTEM IN ALBANIA

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## ABSTRACT

Albanian health care system is undergoing comprehensive changes. The paper focuses on the system of contributions for health insurance scheme. The paper will argue the need for immediate measures regarding this issue. Based on the primary and secondary data, through an economic analysis is studying the trend of contributor's number for five years. Are identified the economic, social and political factors, that affect this process and whole health insurance scheme (HIS). In Albania, partly scheme function, an informal labor market, lack of incentives for participation in health scheme, weak administration capacity for contributions collecting and poor structure, regulatory and supervisor and all in all its funding challenges, are the main factors that accompanies for years the health care system and as the result the contributions system for health insurance. The main economic factor is a little economic growth and a problem with which Albania has already begun to face nowadays. In this paper research we want to present the new low reforming in health care system in Albania. Like any robust reform process, we face significant challenges across a spectrum of efforts. Designing country strategies was more time and labor intensive than originally anticipated, particularly because a large number of partners were engaged in the process to determine tough trade-offs. The Albanian Health sector is in the continuing transformation in the function of the realization of the proper standards. To realize the reform in this sector and to help the decision makers in their decision is necessary to have the right information on the source of the financing of health sector, on the destination of the expenditure in this sector and their control. "The establishment of the National Health Service is an integral part of the new Government program and it is also the fairest intervention intended to upgrade the system of service financing at the levels required by providers and recipients of health services.

**Keywords:** *public administration according to EU standards, Albanian strategy, health sector, national service, progress in health service*

**JEL Classification:** *H51, I13, I15, I18*

## 1. Introduction

This article presents a summary of the current status, of health Albanian system. The developing health care system of undergraduate, postgraduate and continuous medical education in Albania and suggests opportunities for development and partnerships that would help the country's medical education reform. Albania is a small south-eastern European country still recovering from almost half a century of a fierce communist regime. But what I would like to underline here as a very significant element is that the financial reform in the hospital sector must be deepened according to the unchan It is necessary to create due conditions for investments, especially at

regional hospitals but also at tertiary ones with the intention to provide all over the country the same package of services in compliance with the well-defined protocols. (Belishova 2015) Hospitals should be paid for the treated patient, something that is considered as a highly efficient financing mechanism, which will encourage hospitals to treat as much patients as p previously because the traditional method of financing through historic budget was used. This new conduct will increase transparency toward the patients, in order they become aware of the exact service package they are receiving in hospitals and the medical staff that will be paid based on the performance. On the other hand, this transparency will create facilities for decision-makers to predict the costs more easily, which as you probably know are too much unpredictable. This package was the result of the cooperation of HII with MOH and with the technical assistance of USAID, sanctions all the services, that the patient gets from the Primary Healthcare Centers, that the patient gets from the Primary Healthcare Centers, where an important and very detailed part goes for the services provided by the family doctor for the prevention, identification or diagnosis and treatment of the patient with mental health disease. (Hoering, Uwe. 2002)

### **1.1. Albanian health system and categories of patients suffering from chronic diseases**

Thirdly, as the health sector is the largest user of the workforce, negotiations with doctors and medical staff are still a very important element, in order that they are paid according to the services provided to the patient. We should think about improving the actual legislation with regard to the profession safety in the long term. Thus, last year, three cases (2 in Vlora and 1 in Lushnja city) have burdened the budgets of hospitals and consequently the service to the patient by Lek over 31 million, something that is directly related to profession safety. This problem may become a So, this reform may be defined as one that is travel toward a health service, where all have access and feel safe in it and with it and all the staff providing this h with the belief that we are behaving according to the present and future expectations. 36 % of the interviewed patients were over 60 years old and 36% were 41 - 59 years old. It came out from this interviews that people over 41 years old, about 72%, were the greatest users of the health services in primary health care, as this is the most vulnerable age of the population.

### **1.2. Indicators of health care and health problems**

75% of interviewed patients were suffering from chronic diseases and 45% were patients suffering from acute diseases. This paper research indicates that people suffering from chronic diseases comprise the greatest number of patients and they are the greatest users of primary health care services. (Theodorakis PN, Benton, Glaros 2008) The following indicators represent the demographic structure of patients interviewed by age group and type of patients (chronic / acute). Patients express their satisfaction about the attention that the physician paid to their health problems (98%) and a vast majority of patients (94.5%) underline that their physicians have given explanations on the causes of their health troubles The recently formed HII is a new health sector entity. Eventually, the institute is intended to assume a larger health-funding role ( JJ, Anderson JP 2008)

### **1.3. Some data in Albanian conditions employees.**

The self-employers contribution rate at urban areas is 9% of the minimal salary, meanwhile the self employers at the rural areas pay 5% of the minimal salary, at hilly and mountain areas, and at the field areas is 8%. The voluntarily insurance is another opportunity to be insured. The contribution rate is 3.4% of minimal month salary. Budget for the year 2015 is estimated to

amount to 37.4 billion, or a 7% increase compared to 2014. This growth will make possible a salary increase of 4-5% on average for other health sector employees. The amount to be allocated for the drugs reimbursement will be also increased and it will amount to Lek 7.5 billion (Source: ISKSH, year).

## **2. Literature Review and Hypotheses**

### **2.1. American health care system, a perfect implementing model**

Health care models such as Wagner's Chronic Care Model (CCM) and Patient-Centered Medical Home (PCMH) promote a safety culture for patients. (Wagner Health Model) CCM promotes health care delivery systems designed to support community-based resources, self-management of care, and information support systems. Information support systems provide the basis for much of the continuity in patient records and clinician communication. PCMH uses a team-based model led by a primary care physician who provides continuous and coordinated care throughout the patient's life. Features such as open scheduling, expanded hours, and new options for communication between patients and their personal physicians and practice staff enhance patient experiences and improve the quality of care (Wagner & Sholdenn; Maderings & Waldders, 2011).

### **2.2. Development of Hypotheses**

A well-integrated, culturally competent health care delivery system that allows patient information to be readily available to providers positively affects the quality and efficiency of care and therefore patient outcomes. The adoption and use of health information technology (IT) can be an effective way to manage health care costs and improve the quality of care. Since the publication of the Institute of Medicine (IOM) report *Unequal Treatment: Confronting Racial and Ethnic Disparities in Healthcare*, which emphasized the need for standardized collection and reporting of racial and ethnic data, the need for more granular detail on racial and ethnic subgroups has become apparent.

### **2.3. Albanian partnership and modifications medical programs**

The impact of these changes and developing health care sector in Albania may be reduced by two modifications in undergraduate medical programs. The process of bidding individual contracts between hospitals and the staff is improved and the criterion that the contracts have to be bided only if the staff is a member of relevant professional orders (Order of Physicians, Pharmacists, and Nurses) is set. The process of applying penalties is improved and due to this various penalties for different violations are applied for e.g. fines were put when it was found that clinical diagnosis were not defined accurately, all the columns of the case record were not fully completed, the medical record was not finished, or delivered in due time etc (Glaros D. 2000). First identifying, training practice discrepancies, with a view of correcting them. Computerization of all pharmacies started for the first time in 2007. Partnership with health institutions and namely with pharmacies was also strengthened. The intention of this corporation was to insure hardware equipment to support the software produced by HII( Hordenss 2001).

### **2.4. The partnership and the health collaboration reform.**

Since their system was designed in such a way that it served not only to HII, but also to pharmacies in their everybody work, very so improving the system. The HII received more than

17% of all health funds, with 8.5% coming from the state budget, 4.3% from employers and 4.4% from individual contributions. While the state remains the major source of health care financing, its contribution shrank from around 84% in 1990 to less than 60% in 1999 as other funding, especially out-of-pocket payments, increased. (Bernin & Waldders year 2011)

## **2.5. Albanian medicines inefficiency medical education**

Under such a situation, the most emergent issue to be solved is that of drugs. We all know that in the recent years, the government has allocated Lek about 2 billion more for medicines in public hospitals. But the ways used to purchase, distribute and use these drugs have caused a considerable inefficiency that must be addressed as soon as possible. While major reform and support have focused on healthcare and higher education (HE) in the past decade, there have not been major attempts to improve medical education (Welfare, 2000). The time is now ready for medical education improvements created by increasing internal and external pressures as Albania aims to align its HE with the European Union standards and adapts the Bologna system. One of the main concerns of health insurance scheme in Albania has continuously been the care for patients suffering from cancer medical care, but also staying close to them because of psychosocial and economic problems that may arise.

### **H1: Healthcare is funded by the state and private practice is limited to a small niche sector.**

The state system is supposed to be funded through insurance contributions from those employed and their employers, but poverty in Albania is rife and few can afford to pay. All citizens of the Republic of Albania benefit from health insurance schemes, whether contributory or vulnerable categories, since the state contributes for the later. The contract emphasizes the increase of the healthcare quality active participation in the system of Continuous Medical Education, as one of the priorities of HII funding policies. Another way of improving the health services quality is the financial motivation of health personnel based on The Information Technology achieved:

1. The application of the standard form for the visits and medical procedures by the medical staff of the HC, which helps in:
  - a. reporting, monitoring and financing the Performance and Services quality
  - b. decision-making to increase the service quality
2. The electronic registration of the population and the application of the effective payments per capita (still in process).

The extension of the financing reform in the hospital service:

- a) Change the method of financing. HII as an active purchaser
- b) Autonomy of Hospitals, which consist of: financial: existence of a separate budget, the right to propose it and to manage it financially.
- c) Organizational: relative independence to be self-organized normative: the power to issue self-regulatory norms.
- d) Contractual freedom, the possibility to enter in relations freely with the others. The rewards to medical staff shall not be the similar for those

### **H2: The net result is that many people fail to get much needed medicine and medical care to treat their ailments.**

The failure to collect a substantial amount of contributions means that healthcare system is strongly reliant on charitable aid for medical supplies and drugs. HC 2014 contract can be considered as such that consolidates management position of health centres directors as well as accountability of all actors who are part of this contract. The reform in the health care sector started in January 2007. During this period, the following significant steps have been undertaken by HII with the intention to consolidate the primary health care service:

- 1) Health services package, which created the premises for the provision of a standard health care to all residents, was developed in the primary health care sector.
- 2) A supportive supervision was carried out in primary health, something that enabled an accurate measurement of the discrepancies between actual and expected level of health services provided by HC management and their addressing in due time, in order to improve the quality, performance and efficiency of health services.

### **H3: Treatment of out-patients with drugs will be unified with the treatment received by in-patients during their hospitalization.**

Something that will give an end to abusive cases of treating the out-patients with expensive drugs an important factor affecting a growth of the service quality is not only financial motivation, but also upgrading of the medical personnel professional skills. This contract sets out some additional tasks for the Director such as: to create opportunities that professionals are involved in continuous education activities in accordance with the needs of their working position; to encourage professionals to take part in sustainable education activities and add another.

### **2.6. The health care reform and the cost centre for patients, in order to strengthen the management role of HC Directors**

This contract sets out that HC director has to draft a monthly analysis of HC activity together with the health personnel and participate in monthly meetings held at Regional Directorates. This obligation will strengthen the management role of HC Directors both inside the institution and in relations with other parties. The responsibility of HC director to provide arguments for all excessive expenditures and failure to realize indicators is another step that leads to a better management of the reimbursement fund and accomplishment of performance and quality indicators. The administration form of direction in Albanian health care system to administer human resources as one of the elements of The entire population benefits health services free of charge through health insurances; free of charge service by the family doctor; specialist doctors; free of charge health services at home, from polyclinics and hospital.

## **3. Methodology**

### **3.1. Research Goal**

In this survey we aim to identify the mediating effect of health care system in Albania on the relationship between Albanian government relations and institutions of health care, hospital performance, politics reforming of Ministry of Health. To test the propositions, a field survey using questionnaires will be conducted. The survey of this study will be conducted on middle and senior innovations in Albanian health care reforming system, Cure the special categories of patients, health services of high performing financing and services in health Albanian System.

Data obtained from questionnaires will be analyzed through the health statistical packet program and three proposed relations will be tested through regression analyses (Barbullushi M, Koroshi A, Tase M 2000) tation, multiple sclerosis and major CA.

### **3.2. Sample and Data Collection**

The financial contracts between HII and health centers were bided based on an established traditional process, consisting in a close cooperation with all stakeholders contributing in the primary health care. The process commenced with getting the opinions of all HIRD-s and health centers that have made contracts with these directories and as well as the viewpoints of other stakeholders in the health sector: Ministry of Health (Department of Public Health), Order of Physicians, Order of Nursing, associations and health services unions. (Borkan J 2010) The problems identified during monitoring and control of contract implementation during fiscal year 2011 served also as a source of information for improving the contract.( Bowman, L CroftsA 1991) During the process of developing 2015 contract with primary health care centers, a special attention was paid to elements that affect the consolidation of health center management, as a public entity responsible for serving the population that is registered next to it.

### **Analyses and Results**

Thus, while the management of electronic registry of patients is now a reality in health centers, they will be also responsible for updating the data on the patients. Under such a situation, the process of transferring patients from one doctor to another, or from one HC to another will become more simple and easy for the patients. Reforms achievements in PHC wants:

- 1) More funds were allocated to the HC as a consequence of the improvement of their performance and quality indicators.
- 2) The HC have a better conceptions regarding the management of the allocated found.
- 3) The level of autonomy of the HC has increased.

### **The contracts with HC have improved and the Boards function.**

- 1) There have been improvements in the collection of the secondary incomes and better possibilities to manage them by the HC.
- 2) Improvement of the information technology.
- 3) It is in process of implementation, supportive supervision, as a new methodology applied to help in solving the HC problems and improve their performance

### **Material and Methods**

In this retrospective study are included 66 patients with ADPKD admitted -July 2015. Is prepared a fold tip taken following data: age, gender, birthplace, residence, diagnosis, the basic disease complications, the examinations made, the cost for each examination in money (leke), treatment day and expenses for each medicament taken by patients. The diagnosis of ADPKD was based on household data for the presence of ADPKD and echo-graphic criteria. The renal function alteration was considered then the createnemia level was bigger than 1.5 mg/dl. For data analysis was used SPSS. For continuous data were calculated the average and standard deviation. (For the comparison between, ISKSH 2015)

### 3.3. Patients Satisfaction with the Environment and Delivered Service

Most patients are satisfied with the service they receive at health centers (95.3%) and they like to recommend these centers to their friends as well (93.2%). Most of the interviewed patients feel that the center premises are suitable for a better service to citizens (about 70%). But, according to the opinion of half of the citizens there is still room for improvement in relation to equipments and appliances of the health centers. The patients believe that it is necessary to make further improvements, in spite of the fact that in 2014, Health Centers were equipped with some necessary health facilities (Bolton R 1996)

## 4. Conclusions

Taking into consideration the results of this survey and comparisons of outcomes with 2013,2014,2015 survey, we arrive at the following conclusions: providers of health services at primary health care, something that indicates that the results of the reform in the primary health care all over our country were positive and more specifically :

- a) Consolidation of the health insurance scheme and autonomy of primary health care providers;
- b) Obvious improvement of HC funding based on the realization of performance indicators and quality of services;
- c) Installment of Health Information System in primary health care led to significant improvements in receiving accurate data on the primary health care activity and in getting information in due time.

These data were intended to be used for the improvement of payment procedures of health care providers and the all health indicators in primary health care. (Cairncross L 1992) The access to primary health care services and quality of health services as perceived by patients are significantly upgraded; the barriers put in the way of identifying the insured persons to be supplied with health cards have been already removed; the monitoring of the health service provided by the family physician is strengthened; referring system and health services packages in primary health care service are achievements in the primary health care sector are improvements with regard to relations between the medical staff and HC-s heads, transparency in decision making and budget spending and communication at all levels. All these are due to advantages of decentralization of the health system in primary health care sector.

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