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Health

IMPROVING HEALTH OUTCOMES AND INCREASING EFFICIENCY

- The health system of the Slovak Republic provides universal coverage to its population but struggles to become more efficient and needs to address the large regional differences in both health outcomes and resources.
- There is a need to exand the number of general practicioners and the scope of primary services, to address both souring health in rural areas and the efficiency of the health system.
- The recently implemented Value for Money initiative which aims at reducing ineffective spending as well as amenable mortality is promising and can be expanded further, to gain better health outcomes by targeting groups which are underserved and in most need.

What's the issue?

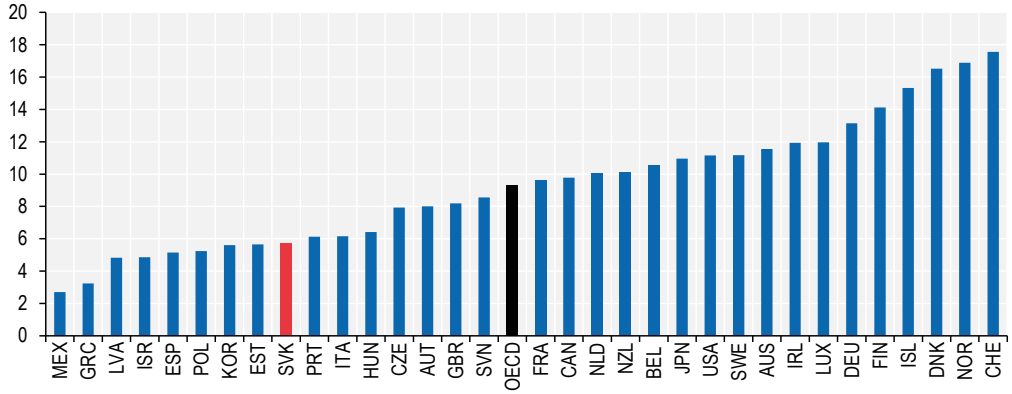
Slovakia's health system is based on compulsory insurance and health insurance companies have to insure everybody, regardless of medical history or other risks. The government owns about 43% of total inpatient facilities and the largest health insurance company. The government-defined benefit package is broad and attempts have been made to narrow the publicly funded benefit package, to increase financial sustainability and to avoid implicit rationing. Measures are in place to protect vulnerable groups, including payment ceilings for prescribed pharmaceuticals and tightened rules for extra charges by providers.

At 7% of GDP, health spending in the Slovak Republic is similar to its neighbouring countries but lower than in most other OECD countries. The health shae spending in total government spending has risen from 9.1% in 2000 to 13.5% in 2014, indicating that public priority to health is good. But the allocation of these resources raises concerns, with relatively large amounts spent on pharmaceuticals. The government is currently implementing the results of the 2016 *Value for Money* review, which identified opportunities to make public spending more efficient. During the first half of 2017 more than EUR 27 million of savings were achieved, with the government expecting savings for the entire year 2017 to reach around EUR 100 to 110 million. Key areas of improvement include expenditure on prescription medicines, healthcare materials and imaging and diagnostics costs, without any disruption to the access nor quality of care.

The allocation of resources, and especially of health staff,

Increasing the number and role of nurses can increase both access and efficiency of the system

Practising nurses per 1 000 population, 2014 or latest available year



Note: Data include not only nurses providing direct care to patients, but also those working in the health sector as managers, educators, researchers, etc.
Source: OECD Health Statistics 2015, http://dx.doi.org/10.1787/health-data-en

is not aligned with population needs. Unlike most OECD countries, the number of nurses in Slovakia has been falling for the last 10 years and is now 5.8 per 1000 people, one of the lowest shares in the OECD. A large number of nurses find better paid jobs in other countries and Slovak nurses have low wages relative to the national average wage, compared to other OECD countries. Also, while the overall number of physicians is relatively high, Slovakia has a very low share of general practisioners, exacerbated by an unequal geographical distribution. The number of doctors is 6.8 physicians per 1000 population in the Western region, while the other regions have between 2.6 and 3.3 physicians. General practisioners also face restrictions regarding their competencies and prescription-writing authority. Large disparities in staff supply between urban and rural areas cause accessibility problems in already deprived areas where people suffer the hardest from poor health status. The biggest health and efficiency gains can be made from investing in underserved areas. Large health inequalities also exist between the Roma and non-Roma population, with an estimated gap in life expectancy at birth of about 20 years (though these differences only partly reflect failings in the health-care system).

Slovakia's health services show a mixed picture in terms of quality and efficiency. Acute hospital care has improved in quality (as measured in 30-day mortality rates after acute myocardial infarction and stroke) for several years and is on par with average OECD levels. Survival rates for these diagnoses should improve considerably if preventive efforts are strengthened. Management efficiency in hospitals can improve with recent efforts by the government to develop public procurement procedures and the introduction of diagnostic-related groups for pricing of services.

Hospital admission rates for preventable conditions such as asthma, chronic obstructive pulmonary disease (COPD) and congestive heart failure (CHF) are very high, indicating a sub-optimal allocation of resources to primary care, or ineffective services. Slovakia also struggles to improve prevention and public health efforts. Child immunisations rates are falling from previously high levels and Slovakia has very low cancer screening rates. Since Slovakia reports a relatively large share of the total health budget allocated for public health services (3.1%, compared to 2.0% in Poland and 2.3% in the Czech Republic), effectiveness of this spending is a concern.

Why is this important for the Slovak Republic?

Raising the efficiency of health spending can contribute to improving currently relatively poor health outcomes.

The rate of amenable mortality is twice as high as in the EU average and well above Poland's and the Czeck Republic's rates. Life expectancy at birth in the Slovak Republic is 76.5 years, one of the lowest levels in OECD countries. The Slovak Republic also has the highest Infant mortality rate of all European OECD countries. Cancer mortality rates are very high, and increasing.

Improving the health system to the EU level in terms of amenable mortality could save about 5 000 lives per year. Healthy people are more productive and more active, with less absenteeism and longer working lives, resulting in higher lifetime incomes and well-being. Promoting efficiency is also necessary to contain public health-care spending, which will otherwise rise as the population ages. Improving the health of underprivileged communities also matters because their potential health gains are large and it will boost inclusiveness.

What should policy makers do?

- Prioritise geographical areas and population groups with low health status by responding to the shortage of general practitioners and nurses.
- Expand general practitioners' prescription-writing authority.
- Phase in the diagnosis-related-group-based hospital financing system, further centralise hospital procurement and cut the number of acute-care beds, and end political appointments of hospital directors and professionalise their management.
- Promote Roma access to health care by increasing support for trained Roma mediator programmes and by deploying mobile medical units for regular visits to segregated Roma communities.

Further reading

OECD (2017), *OECD Economic Surveys: Slovak Republic*. OECD Publishing, Paris. http://www.oecd.org/slovakia/economic-survey-slovak-republic.htm

OECD (2017), *Health Policy in the Slovak Republic*, OECD Publishing, Paris. http://www.oecd.org/els/health-systems/Health-Policy-in-Slovak-Republic-March-2017.pdf

OECD (2016), *Trends in Medical Education and Training in Slovak Republic*, OECD Publishing, Paris. http://www.oecd.org/slovakia/OECD-Health-Workforce-Policies-2016-Doctors-Slovak-Republic.pdf

OECD (2015), *Health at a Glance 2015*, OECD Publishing, Paris. http://www.oecd.org/health/health-at-a-glance-19991312.htm