

Czech Health Care Report – Spring 2009

The Minister Julínek's Health Care Reform was not realized.

The experiment that failed in Hungary and the Slovak Republic was not brought off by the experts from the World Bank and the advisors from the USA either in the Czech Republic thanks to the objection of the professional society as well as the patients.

Main components of Julínek's reform:

- **Privatization of health insurance companies** ensuring compulsory public health insurance

- **Abolishment of the rules of handling health tax yield** called „insurance“.

Abolishment of the bargain proceedings about the prices of the health performances and the amount of the reimbursement of health care between the health insurance companies and the organizations of the physicians. The insurance companies should have the chance to pay different amount for the same health care to the particular health care providers.

- **Reinforcement of the role of health insurance companies**, which would be in a position to decide, without selection procedures, which health care provider they would make a contract with as well as about the content of such contract.

- **Provision of health care directed by the health insurance companies (managed care).**

Restriction of the patients' right to choose the doctor without restraint as well as the restriction of the physicians will to treat the patients in accordance with their knowledge „lege artis“.

- **Economical liquidation of many physicians running their private practice** that could not stand up to unfair competition with the health care facility chains economically linked by the health insurance companies.

- **Possible privatization of the university hospitals**, which should become the joint stock companies, whereby the national tariff salary tables would not apply for their employees any more.

Another Julínek's proposals:

- **Extension of the basic working time to 8 more hours per week for the health care professionals.** The physicians and the other health care professionals should be the only professional group discriminated by compulsory „Working Saturdays“.

- **Subordination of the Czech Medical Chamber to the Ministry of Health** and setting of such changes in the legislation that should lead to the resulting liquidation of the professional medical self-government so that no power protecting professional interests of the physicians would exist.

However **the symbol of the Julínek's reform was so called „regulation fees“** the patients were bound to pay:

30 CZK (approximately 1 EUR) for every treatment by the doctor

for every drug on the prescription

60 CZK for every day spent in the hospital

90 CZK for every treatment by the emergency service except the ambulance/rescue service

The regulation fees every one was obligated to pay, thus small children and retired people, were refused by the $\frac{3}{4}$ of the population.

Health care system was the main topic of the regional and Senate elections in the autumn 2008, where the government parties sustained a crushing defeat. The Minister Julínek was branded as a one of the main offenders. Prepared bills were withdrawn from the hearing and in January 2009 the minister Julínek was suspended from the office. During the following three months the architectess Ms. Filipiova (also the ODS politician) was holding the Minister's office. However, the political instability in the Czech Republic was getting deeper, until the non-confidence vote to the government in March 2009, regardless the Czech presidency of the EU Council. In the present caretaker government that shall bring the country to the early elections the third Health Minister in this year is Ms. Juraskova, originally the nurse and the chair of the professional association of the nurses.

- Thanks to the election campaign there will be rise in tariff salaries for 3,5% for all the employees of public sector, 7% for the physicians and 15% for the nurses.

- The regulation fees, which became the odious symbol of the Julínek's reform, have been abolished.

- Deepening economical crisis accompanied by the wage cutting and increasing unemployment is decreasing the insurance income. While the insurance companies still have enough money thanks to the excess from the previous two years this year, the year 2010 will be critical for the financial stability of health care sector if the government payments for the people without their own income is not increased.

The main problems of the Czech health care remain unsolved.

Julínek's reform failure will very probably cause that the politicians will be afraid to change the health care system.

1) Insufficient health care expenses

Health care expenses are more and more falling behind the possibilities of the Czech economy and their share in GDP has already decreased to fewer than 7 %

Health care expenses share in GDP is still decreasing

	2003	2004	2005	2006	2007
Share in GDP	7,6 %	7,3 %	7,2 %	6,9 %	6,7 %

From all the 30 OECD sates only Korea and Poland invest lower share in GDP to the health care sector.

2) Inequity in payments on health insurance

Every inhabitant in the Czech Republic is compulsory insured by one of the eleven health insurance companies. The state pays the insurance for persons without their own incomes (children, retired people, unemployed. etc). However the state payments are very low (680 CZK per month, which means approximately 26 EUR per month). All in all the state pays the insurance for 58% of the population, who spend 80% of health care in financial expression,

although the state payments for those people create just 23% of incomes of the health insurance companies.

3) Bad working conditions for health care professionals

In the most of the hospitals the EWTD is only adhered to as a matter of form. The new Labor Code makes it possible for health care professionals to opt – out. The doctors only make the double of average salary in the country thanks to the overtime work, which they are depending on, which keeps it from needed changes in organizing work. The average salary of the doctor in the hospital is approximately 45 000 CZK (approximately 1 700 EUR), but for 250 hours of work per month in average. In the private hospitals and in the hospitals transformed to the joint stock companies the doctors´ salaries are even for 6 % and the nurses´ salaries for 15% lower than in the public hospitals.

4) Shortage of the nurses and physicians

- Decreasing interest to study at the faculties of medicine

	2003	2007
Number of graduates of the 7 faculties of medicine	874	795

- Ageing of the actively working doctors

	under 50 years	50 – 60 years	over 60 years
2000	67,0 %	21,5 %	11,5 %
2007	56,0 %	28,0 %	16,0 %

- The number of the private physicians is decreasing

While number of retired doctors among the members of the Czech Medical Chamber increased to 195 in 2007, the number of the private physicians decreased for 61 doctors in the same year.

- The personal devastation of particularly the regional hospitals is deepening.

While in June 2006 the hospitals were looking for 368 physicians via labor office; they were looking for already 628 physicians in 2008.

The physicians from the Czech Republic are leaving to find the job abroad.

(For instance) There are approximately 800 physicians from the Czech Republic working in Great Britain and 300 in Germany.

The health care sector in the Czech Republic is more and more depending on the workers from abroad.

	2003	2008
Number of foreign physicians	829	2 015

The situation is much worse by the nurses

5) Disorganization of the system of post-gradual education of the physicians

The Czech Republic is probably the only country in the EU, where the government definitely stopped financial support of the postgraduate education of the young doctors. Young doctors are very often exploited as a cheap work force.

6) Absence of the commercial additional insurance for above-standard health care

No health care standards covered within the system of public health insurance have been defined. Citizens pay great money for the medication, but with the exception of stomatology and aesthetic surgery, all the other health care is „free of charge“, regardless the rate: costs ↔ benefit.

7) High spending for drugs

Drug spending creates 28% of total health care expenditures and it is still increasing. For instance, in 2008 the average price for one package of drugs increased for 17% (regarding the inflation of 6%).

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