

## **Report on Health care system in the Czech Republic – Autumn 2008**

FEMS plenary session, held in Prague in May 2008, and especially the adopted resolutions refusing risky experiments in Czech health care system helped to start off vast offensive of the Trade unions, patient's organizations and medical students against reforming plans of the Minister of Health Dr. Julínek.

Special „thanks“ belongs to the FEMS president Dr. Wetzel, who with his TV performance and following interviews for Czech press, has gained the popularity among Czech physicians and became respected by certain part of political representatives, those with common sense.

Under this strong pressure, the Minister of Health was forced to postpone enforcement of these most controversial bills:

On Health Insurance

On Health Insurance Companies

On University Hospitals

However, also those proposals that are officially considered to be less controversial – On Medical Services, On Special Medical Service, On Medical Salvage and Rescue Service, contain number of unacceptable regulations. These regulations for example thoroughly eliminate competences of the professional medical self-government – The Czech Medical Chamber; ignore the Trade unions as well as the patient's organizations.

In June under the menace of suspension, the minister Julínek was forced to start the negotiations with Czech Medical Chamber. However, the co-operation of the Ministry of Health is only a formal. Our suggestions for the proposed bills are not respected and there is not at all the running communication between the physicians Trade union ( LOK-SČL ) and M.H.

Protest actions were unfortunately finished due to the summer holidays. But the danger is not warded off. The minister doesn't give up his plans, he has only postponed the negotiation of his bills due to the election of 1/3 of Senators and the regional elections as well, both held in

the middle of October. The results of these elections, which decide the future destiny of the coalition, hurled and unsettled with scandals (corruption and blackmailing of deputies,...).

Eventual defeat of a governing right wing party ODS may cause, that Julínek's reform would be fully stopped.

Because of Czech health care system situation there is not a reason for the doctors to be optimistic

- 1) **The proportion of funds spent on health care has fallen below 6,5%, which is under the potential of the Czech economy.**

Health care expenditure GDP rate is still decreasing

	2003	2004	2005	2006	2007
Aggregate expenditures	195 155	206 752	215 584	220 878	230 980
<b>Health care GDP rate</b>	<b>7,6 %</b>	<b>7,3 %</b>	<b>7,2 %</b>	<b>6,9 %</b>	<b>6,5 %</b>
Public expenditures	175 592	184 825	191 356	194 344	203 120
	90,0 %	89,4 %	88,8 %	88,0 %	88,0 %
Fiscal expenditures	23 891	21 495	21 263	22 828	17 510
	12,3 %	10,4 %	9,9 %	10,3 %	7,6 %
Health insurance companies	151 701	163 330	170 093	171 516	185 610
	77,7 %	79,0 %	78,9 %	77,7 %	80,4 %
Private expenditures	19 563	21 927	24 228	26 534	27 860

From all of the 30 member states of OECD, only Korea and Poland have lower GDP rate invested in health care system. Therefore the economic situation of Czech health care system is becoming critical. If there wasn't still good economical growth, Czech health care system would fall down because of fatuity of several political representatives, who consider, in the better case, the health care system to be no more than black hole in the economy, in the worse case, to be a fat spoils.

The transformation of more than hundred former district hospitals to the regional level has catastrophic consequences. Regions actually don't contribute enough to run their hospitals. Most hospitals deal with financial problems and verge on personal catastrophe. In spite of

inflation, state budget expenditure for few last years fell off for more than 6 million CZK in nominal value.

## **2) Government restricted incomes of health insurance companies:**

- State payments for children, pensioners and unemployed will not be adjusted for at least 2 years. The state pays a sum representing a mere 24% of the income of health insurance companies, regardless of the fact that these people consume 80% of medical care.
- No health insurance is paid from incomes that exceed 4 times the average salary.

**However, health insurance companies pay much less for the medical health care than they should.** This year only the payments to the general practitioners have been visibly increased. It is because the general practitioners represent strong lobby even the Minister of Health is afraid of. Nowadays, there is more than 30 billions CZK in the accounts of health insurance companies (more than 15% of their overall turnover per year). The money paid by the citizens to cover their consumption of medical care is ready to become a special bonus for stakeholders, to whom the minister Julínek wants to sell those health insurance companies.

**3) In 2008** salary of the employees in the public sector (including public hospitals workers) hasn't been increased. Seeing that the inflation is 6% **real incomes of physicians-employees are decreasing.**

**4) Adoption of amendment of the Labor Code that implements so-called „opt-out“.** That means there is a possibility of individual agreement between employer and employee about increasing numbers of overtime working hours from an average of 8 hours per week, that is in accordance with EWTD, to 16 hours per week, or more precisely, to 20 hours in case of Medical Salvage and Rescue Service employees. This exception should be valid till the end of the year 2013.

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