

## Volume 10 - Issue 2, 2010 - Interview

### An Overview of the Healthcare System in Greece

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**The Greek healthcare system is characterised by the coexistence of a National Health System (NHS), compulsory social insurance and a strong voluntary private healthcare system. The NHS provides universal coverage to the population and in addition, the entire population is covered by social insurance funds and 15% of the population maintains complementary voluntary health insurance coverage, which, together with out-of-pocket payment, funds a quite large private healthcare market**

Historically, like in many other countries, social insurance played an important role in the development of Greek healthcare services. In particular, the Social Insurance Fund (IKA) established in 1937 and the Farmers' Social Insurance Fund (OGA) established in 1961 contributed significantly to the development of the healthcare system.

However, despite early efforts by the government and other parties, the healthcare system in Greece remained one of the least developed amongst OECD countries until the beginning of the 1980s, with many gaps in the delivery, organisation and funding of healthcare. The system was characterised by lack of infrastructure or adequate funding, with great inequalities in access to healthcare.

In this context, the healthcare reforms introduced in 1981 were much needed. At that time, a National Health System (ESY) was established, aiming at providing free, equitable and comprehensive health coverage to the entire population. The 1980s were primarily devoted to the implementation of the reforms and saw significant improvements in the capital, human and technological infrastructure of the public healthcare sector.

In the period between the early 1990s and today, investment in the public sector continued, with greater emphasis placed on managerial and organisational reform to increase the efficiency of the system. An important development in this period was the evolution of the private healthcare sector, which now accounts for more than half of healthcare expenditure. Today, therefore, the healthcare system in Greece is a mixed one where the NHS, public insurance funds and the private sector are all involved significantly in the funding and provision of healthcare services.

#### Organisation

The NHS includes around 130 general and specialised hospitals, totalling about 40,000 beds financed by the state budget and social insurance funds and provide emergency, outpatient and in-patient care. There are also approximately 13 military hospitals and two university hospitals managed and funded by the Ministries of Defence and Education respectively, with a total capacity of about 4,000 beds. The public healthcare system also comprises about 200 Primary Care Health Centres and 1,500 Rural Medical Surgeries which provide primary care services in rural areas free of charge and are funded by the state budget.

This primary, secondary and tertiary public healthcare system is managed by seven Regional Health Authorities, run by Executive Officers who report to the Ministry of Health and Social Solidarity. The latter has responsibility for developing health policy and coordinating healthcare delivery. The Ministry also supervises bodies such as the National Drug Organisation, the National Emergency Service, the National Centre for Communicable Diseases, and various other specialised institutions.

#### Role of Social Insurance Funds

Around 30 social insurance funds purchase healthcare services for their covered population from the NHS but also from private providers. The majority of the funds are independent entities covering different occupational groups supervised by the Ministry of Labour and Social Affairs. Each provides different benefits and coverage.

The IKA covers 50% of the population, the OGA covers 20% of the population, the Fund for Merchants, Manufacturers & Related Occupations (OAE) covers 13% of the population and the Fund of Civil Servants (OPAD) covers 12% of the population. Apart from purchasing services, the funds also provide healthcare services through their own centres.

Finally, the private sector, which comprises physicians, practices, diagnostic centres, laboratories and hospitals has seen significant growth over the past decade-and-a-half and the healthcare system in Greece is moving towards greater privatisation. This trend is influenced by economic growth, the dissatisfaction of the public with access to and quality of public care and the oversupply of doctors and other private services which enhance the demand for healthcare through supplier-induced demand phenomena.

#### Financing and Expenditure

The public healthcare system is financed through a mixed system, in which the salaries of personnel are covered directly by the state budget, while the rest of the expenses are supposed to be covered by service charges to the insurance funds and patients. Charges are calculated on the basis of a complicated reimbursement system, which in some cases accounts only for the duration of hospitalisation, in others for the consumables and medications dispensed and in others on a pre-fixed fee for the intervention undertaken. In other words, several different reimbursement methods coexist depending on the case. Personnel exclusively employed in the public sector are not allowed to pursue parallel private activity. As the reimbursement fees for the services delivered have not been updated for some time, hospitals and other public services are running huge deficits which are covered by the state budget every few years.

The healthcare budget is set annually by the Ministry of Finance. Taxes account for 70% of the financing of the NHS and the rest comes from social security and out-of-pocket payments. The healthcare services of public sickness funds are directly financed by them and physicians are also allowed to pursue private practice. The private sector is financed through charges to the sickness funds, private insurances and patients themselves. OPAD for instance has contracts with 20,000 doctors and laboratories to cover the healthcare needs of its beneficiaries.

#### **Human, Capital and Technological Resources**

There are more physicians per capita in Greece than in any other OECD country. During the past decades, the number of doctors per capita increased rapidly to reach 4.9 practising physicians per 1,000 population. It should be also noted that there is a very large number of specialised physicians in comparison to other countries and that only 5% of doctors are general or family practitioners. On the other hand, there are only 3.8 nurses per 1,000 population, much lower than the average of 8.6 in the OECD countries.

In this context the country has the lowest ratio of nurses to physicians among OECD countries. As in most OECD countries, the number of hospital beds per capita in Greece has fallen over time. This reduction has coincided with a reduction of average length-of-stay in hospitals and an increase in the number of surgical procedures performed on a same-day (or ambulatory) basis. The average length of stay is six days and the occupancy rate of hospitals stands at 79%. In conclusion, the healthcare system nowadays has the same infrastructure as in other OECD countries, but it is characterised by an oversupply of doctors and a shortage of nurses, which causes operational and service distortions and supplier-induced demand phenomena.

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