



## Volume 14, Issue 5, 2012 - Country Focus: Romania

### Reflections on Healthcare in Romania

#### How is healthcare organised in Romania?

Political changes in 1990 also affected the Romanian health system, which has gradually become two-tiered with a strong state component and a poorly represented private one, still to grow at national level.

The private network has rapidly developed a number of specialisations (GP, dentistry, ophthalmology, dermatology etc.) Little by little, in all university centres appeared and in all major cities polyclinics that provide almost all medical specialisations, dialysis centres, imaging centres and test labs.

Undoubtedly, the population of Romania still relies on the state hospital system for different purposes:

- In Romania, people's income is lower than in other European countries;
- Private hospital infrastructure is still scarce;
- There are no specific financial products on offer (by private insurance companies); and
- People are still tributary to a socialist mentality (until 1990, all medical services were free, irrespective of their complexity).

To provide a clearer picture of the hospital network, statistics say that Romania has almost 420 state hospitals (one-specialisation, multidisciplinary, regional, municipal, emergency, excellence centres and national institutes) and 30 small and medium-sized private hospitals.

The private hospitals cannot assure the complexity of all type of casualties and cannot perform all complex surgical interventions. The majority of private hospitals still use medical personnel from state-owned hospitals with part-time arrangements.

The health system is mainly financed from the state budget (3-4% of the GDP) with funds being raised by collecting health insurance contributions from the population (both the employee and the employer must pay for the healthcare). However extended the system may be, funds fail to cover the real costs of healthcare and donot allow the public system to invest in infrastructure and state-of-the-art equipment all over the country.

Loans from the World Bank and EU structural funds represent a kind of 'emergency mode' component to Romanian healthcare. At present, only a small part of the healthcare system is financed by the private health insurance or directly by the population.

As for state hospitals, more than 350 of them have been moved from the jurisdiction of the Ministry of Health to that of the local governments in July 2010. The purpose of this transfer was to align the system to the EU practice and to give local governments more responsibility in the process. Thus,

they are more likely to get involved in improving healthcare by relieving hospitals' budgets from the burden represented by maintenance and utilities costs, as well as in getting acquainted with the real needs for healthcare in the area. As a result, most local authorities have taken more financial responsibility, which has led to a reduction in the number of delayed payments to utilities or service providers.

**How is Romania coping with the ongoing financial crisis? Has healthcare suffered spending cuts and how is this affecting the quality of healthcare provision?**

The financial crisis hit Romania in January 2009 with many dramatic consequences: budget cuts, layoffs, investment cuts, bankruptcies, insolvencies, fiscal and budgetary deficit in all fields of activity.

Without an economic and social justification, the crisis brutally affected the medical system. The budget of the medical system has been drastically cut; important acquisitions have been stopped along with the financing for most of the national health programmes. All state employees have had a 25% salary cut (in reality this is nearer 38%), recruitment is on hold and all goods purchases forbidden (furniture, equipment, means of transport, etc). Moreover, in 2010, 70 hospitals were closed down with no economic and social reason (some of them have been reopened this autumn).

These measures, most of them irrational, have led to a decrease in efficiency and to a drop in the number of the free medical investigations during hospitalisation. The pharmaceutical budget has been drastically reduced, there have been negative changes in hospital comfort and scientific research has been restricted to a minimum.

However, the most disturbing aspect is directly linked to the working conditions and poor remuneration, which de-motivates medical staff and has induced a high degree of migration of medical staff towards countries with better financial conditions and opportunities for personal and scientific development.

On the other hand, the private system has developed a lot in the past three years and more medium-sized hospitals have been set up. Most of these focus on gynaecology/neonatology, ophthalmology and cardiology. Although there are also some multidisciplinary ones, as I stated before, they are still scarce and not yet relevant in the general healthcare system.

**I understand there were widespread protests in January of this year after a draft healthcare reform bill proposing increased privatisation of healthcare. What is the current status of this reform? Why was it met with such strong opposition?**

Mainly it is the same reform bill (with some minor alterations) that will be presented to the Parliament during the first session of next year. This project includes insurance co-payments and the disguised privatisation of the local healthcare centres and most hospitals.

The project contained an extra paragraph that stipulated the state (the Minister of Health) no longer had any exclusivity in the emergency system (SMURD), which had its own maintenance and equipment budget.

Taking the example of private medical healthcare, mostly supported by the National Health Insurance House (NHIH), the project allowed any private ambulance unit to provide emergency assistance in case of accidents (road accidents) even if this assistance was offered exclusively by a state company based on a partnership between the Ministry of the Interior and the Ministry of Health (emergency services available by calling 112: ambulance, fire brigade and police) and financially supported by NHIH. After the popular protests in January 2012 that were in favour of the exclusivity of the state system, the extra paragraph was removed and the payment of the service was passed to the Ministry of Health. Moreover, the project was changed to include the whole payment for any

“emergency healthcare” from Ministry of Health budget.

Another popular demand was to drop the copayment for healthcare in all circumstances (for GPs, specialists, hospitals and pharmacies). And last but not least, the population opposed their intention to privatise the local healthcare centres and the National Health Insurance house and their intention to privatise all hospitals. The project the people rejected was rewritten and embellished, the only alteration worth mentioning in the new bill being the one concerning the emergency healthcare units.

**On researching healthcare in Romania the word corruption is a recurrent theme, especially in the form of informal payments. Is this practice still prevalent or has reform successfully removed this practice?**

Unfortunately, no reform can make people change their ways in such a short time. There are at least two important aspects to consider:

- The extremely low salaries for medical personnel, so inferior to their professional skills and the complex conditions of their profession (at least in terms of responsibilities and stress).
- Patients just want to be healthy. It is common knowledge that salaries are low for healthcare professionals and there is a cultural easiness with direct compensations. Until there is a significant change, the culture of informal payments will continue.

**In your opinion, what have been the three most important developments in healthcare in Romania in the past five years?**

1. Health Law 95/2006 that reformed most of the system;
2. The ambulance and emergency unit SMURD (112) that has spread all over the country; due to the high volume and complexity and efficiency of their actions, this service have been remarkable development.
3. Private hospitals. Despite their need to improve medical performance, private hospitals represent a new kind of hospital environment for those patients who can afford it.

## **Hospital Management in Romania**

**Is there a specific training programme for hospital managers in Romania?**

Unfortunately, in Romania there is no specific training course for hospital management. Hospital managers or potential candidates must be university graduates, irrespective of the institution.

In my opinion there must be a more profound specialisation in the complex issues involved in managing a hospital; from ensuring all equipment and medical supplies are available for medical interventions (from drugs to building utilities) to paying salaries based on performance criteria. Managers equipped with these skills permit the medical staff to concentrate on excellent provision of care. This is not an easy task considering the profound changes within the system but performance goals are keys.

**Is there an accreditation system for hospital managers in Romania? How is quality and safety assured in your hospitals?**

Hospital managers are “accredited” after a two-week course. After their appointment, they sign a management contract containing their activity benchmarks with the legal owner of the hospital (town halls, the Ministry or local governments), with precise Key Performance Indicators (KPI) put in place.

Hospital and management performance is assessed once a year by the Ministry through Local Medical Governments. Objectives are set and attained against the national criteria accepted by the Ministry of Health. If all KPIs are fulfilled, the manager will be able to continue the work, establishing a new contract with performance criteria for the next year. If not, the contract is terminated and the management position becomes vacant.

**We understand you are in the process of re-establishing a Romanian association of hospital managers. Can you tell us a little more about this? Your motivations, the role you hope it will play etc.**

Established in 2006, the first four years of the association were outstanding: 260 members, two national conferences organised annually and numerous debates with local decision makers. The association discussed a series of amendments to Law 95, which was responsible for the national collective employment contract. However, after the change in government of 2009, most managers were removed and replaced. Now the association contains the few “survivors” that managed to hold their position.

New parliamentary elections will be held on December 9 this year and the chances for the association to start working properly again largely depend on the popular vote.

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