

## Volume 14, Issue 4, 2012 - Country Focus: Slovakia

### The Slovak Hospitals Associations

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#### History

In March 1991 the directors of several Slovak hospitals initiated a meeting aimed at establishing a voluntary association of hospitals which would serve to defend common interests, provide mutual support, exchange information and collaborate with similar organisations abroad. Upon this initiative the Slovak Hospital (ANS) was established in the same year.

The idea of a collective organisation was gradually gaining more and more support and so the number of ANS members increased gradually, from original 35 members in 1991 to 105 members in 2002.

In 1993 ANS took a significant step forward when accepted to the Federation of Employers Associations of the Slovak Republic (FEA SR). This allowed ANS to gain direct contact with the community of employers and also address the Slovak Government and trade unions, thus creating the opportunity to promote the interests of hospitals in preparation of legislation. ANS became a partner to other Slovak non-government associations, health insurance companies and to the Ministry of Health of the Slovak Republic.

Throughout the 21 years of its activity, the ANS has managed to stabilise its position in accomplishing its main goal – to protect interests of in-patient medical facilities in order to maintain and increase the quality of healthcare.

As one of four partners, ANS co-founded the foundation for establishing the school of medical managers in 1992, which was transformed into an independent public corporation known as School of Medical Managers in 1994.

In 1991 ANS was granted the status of an observer in European Association of Hospital Managers, and in 1994 ANS became a permanent member of EAHM. ANS is at EAHM represented by Mr. Juraj Gémeš MD, MPH, who is at the same time member of the editorial board of Hospital magazine.

#### General Characteristics

ANS is a voluntary, employer-promoting, non political and independent common-interest association of legal entities, in-patient hospitals or other eventual medical establishments active within the territory of the Slovak Republic that provide medical care. The current president of the ANS is Mr. Marián Petko. The goal of the ANS is to gather and represent medical establishments in the Slovak Republic to promote concerted action in solving issues of economic, legislative, employer and professional concern. The position of the ANS members is based on the principles of equality and mutual solidarity.

The primary tasks of the ANS at present time are:

- To maintain the intense pressure on health insurance companies in promoting the interest of ANS members;
- To maintain the pressure on the National Council of the Slovak Republic, the Government of the Slovak Republic and the President of the Slovak Republic while promoting requirements of ANS members in the state budget;
- Defending interests of ANS members in relation to central authorities and representatives of state administration and to other legal subjects;
- Exerting pressure on transparent distribution and efficient resource allocation in medical establishments;
- Promotion of return to intersectional segmentation;

•Exerting pressure on implementation of major policies for financing the healthcare system in Slovakia as follows:

1. Using 7-9% of GDP on financing the healthcare system;
  2. Defining the prices and tariffs of medical procedures;
  3. Adopting a law on negotiation of financing medical facilities;
- Amending the legislation of Slovak Republic;
  - Assertion of interests of ANS members' in distribution of EU structural funds;
  - Creating dignified conditions for employees;
  - Collaboration with other employers and professional organisations in assertion of ANS requirements; and
  - Intense communication with mass media.

### **Recent Developments in the Slovak Healthcare System from ANS Prospective**

In 2004, after the laws of the then new government were passed, development in the healthcare system was rather turbulent. Two opposite views were alternating constantly. One side promoted the implementation of market mechanisms into healthcare system, whereas the other, represented mainly by the views of political opposition, did the opposite. The system – “Brake – Accelerator - Brake – Accelerator” – has never been good for the healthcare system. From the ANS prospective, the development should be an evolution, not a revolution. There are two possible reasons for the failure of the reform: either the idea that the market should be able to solve problems in healthcare system proved to be wrong, or it happened because the reform did not have enough time or space to be completed. From ANS prospective the former seems to be the more probable variant; we believe there are limitations to using market mechanisms to solve important issues in healthcare system.

The transformation process has also affected the ANS and its function. During the six-seven year period there was a considerable switch in the ownership of hospitals, which previously had been under the Ministry of Health. Hospitals were gradually transferred to self-governing regions or became private, non-profit organisations. This changed the whole structure of the association.

The position of the ANS also changed significantly, as there was a change in fixed prices for medical procedures and price regulations were cancelled. ANS started to negotiate with health insurance companies about prices for the medical care provided. ANS also started to communicate more intensely with mass media and to be more involved in legislation amendments. Another major change was the mutual position of ANS and trade unions. All hospitals had been previously public, and therefore salaries had been determined by the Ministry of Health and by the law. After the Act on Public Service was cancelled, the issue of salary increases started to unwind, mainly from negotiations with trade-union organisations.

The intensity of the work of the ANS before and after the transformation cannot be compared. When public ownership of hospitals was removed, the representation of hospitals was in a major part taken over by the association. The tasks of ANS became more complicated but its existence became even more justified. In the past, membership in the Association depended on the will of the state; if the government wanted to have hospitals associated in the ANS, they were so. Later all university college hospitals and teaching hospitals left the association, and a number of smaller hospitals were shut down.

Throughout this period there were significant changes within the association. Membership had quite notably depended on the position of the government. In the period of the changes in the Slovak healthcare system mentioned above, all university college hospitals and teaching hospitals left the association (and subsequently founded the Association of College Hospitals), number of smaller hospitals ceased to exist which resulted in sudden and considerable decline in membership. After these changes had taken place, the trend gradually started to turn, medical establishments were integrated by active effort into ANS and their number reached today's level.

Fluctuation of membership was also connected with the fact that the ANS was also trying to find its position in the whole healthcare system. Hospitals changed significantly with some turning into strictly commercial enterprises, or into subsidised organisations of the higher territorial selfgoverning units. Therefore it was the owners of hospitals, not the hospitals themselves, that changed their views on the ANS.

The goal of ANS, however, is to represent hospitals as a whole with no preference for a particular group. As we represent subsidised hospitals, as well as private enterprises and non-profit organisations, we are looking for our common interests. Where there is divergence of views and we cannot find mutual agreement, the hospital or group of hospitals solve their issues themselves, not within the ANS. We promote all that we have in common, not what divides us.

When dealing with insurance companies, ANS always seeks to win the best possible conditions for everyone. However, it is always a matter of compromise and pressure. The results of negotiations cannot be estimated unambiguously in favour of any of the parties. When our requirements are higher, insurance companies argue that they can only provide us with as much resources as available within the financing system. Positive results from dealings with medical insurance companies can be observed for example in comparison to other segments in the system. Negotiations are also complicated due to the different perspectives of different hospital structures, both legally and internally, so it is not

always possible to negotiate conditions favourable to everyone.

However, it is our goal that deals we secure should cover the needs of the greatest possible number of hospitals. Negotiations can be complex procedures as apart from the court there is no arbitrary body defined by the government that would rule in case of controversies between hospitals and health insurance companies. The endeavour of ANS is to implement such institute that should, in our opinion, be performed by the healthcare surveillance authority. As a solution for cases of various discriminations occurring within the system, the ANS also recommends the implementation of a DRG system.

### **Outlook for the Future**

In the near future ANS aims to continue to integrate hospitals that are not members of the Association of College Hospitals into the association. A wider member base will create better conditions for negotiations, and therefore advantages for the hospitals involved.

ANS will also focus on better communication with the Association of College Hospitals to join forces to solve common issues and interests. Other aims include the introduction of a DRG system within four years and continued active involvement in legislative matters as well as increased communication with the Slovak Trade Union of Healthcare and Social Services.

Finally, ANS has the continued ambition to work as a professional association, functioning on a professional and not political basis.

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