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Assessment of patient payment policies and projection of their efficiency, equity and quality effects:
The case of Central and Eastern Europe

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Title: Direct patient payments in Romania: between burden and willingness to pay – a quantitative study

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Direct patient payments in Romania: between burden and willingness to pay – a quantitative study

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SUMMARY

The aim of this study achieved within the ASSPRO CEE Project is to investigate and measure the phenomenon of patient payments as attitudes, behaviors and policy in Romania, within the current economic and health system context, in order to provide health decision makers with evidences and informed recommendations.

Starting from the qualitative research findings, the conceptualization, adaptation and application of the questionnaire studying the willingness and availability to pay for health services, used a cross-disciplinary approach, appropriate for the field of patient payment policies. Romanian data analysis and interpretation for this quantitative research included, besides the regular operations, weighting of data and construction of new variables, as combined variables mainly related to healthcare user groups, money scales, types of direct payments – formal and informal.

Romanian population is generally well accustomed with informal patient payments, tolerating and practicing the phenomenon at large scale as somewhat quite inevitable, although declaring a negative opinion. Noticeable is the fact that insured people also have to pay officially for different medical tests, drugs, devices, hospital taxes and services not covered by the NSHIF or not available, so the burden of direct payments is significant at the level of poor and middle classes, especially for chronically ill patients, affecting also the access to medical specialty care.

Thus, despite the fact that many people understand the need for official (co)payments in the public system, their attitude is influenced by all the characteristics of current health financing, income level and personal experiences as healthcare consumers. Anyway, asking for informal payments is intolerable for any patient, while introducing copayments without decreasing the unofficial charging would be not a solution at all. Therefore, it is important to know the level and specificity of patient payments along with population healthcare needs, in order to build new health policies and reforms oriented to increasing equity, reliability, effectiveness and efficiency of the entire health system.
Research context

In Romania, patient payments are still a sensitive issue and a challenge, especially within the current economic and political context marked by: 2010 government austerity measures; several effects of economic crises on poor and average class; hospital closure, merger and restructuring; gap between the number of contributors (to social health insurance) and number of healthcare beneficiaries; widely spread informal payments in healthcare sector; existing official direct payments in public healthcare system; population disagreement and public providers skepticism towards patient co-payments; recent public rejection of the health reform legislative project; 2012 elections and referendum. In 2010 average net salary was 330 Euro, poverty rate was 17.2% (INS, 2011), at national level, while total health spending did not exceed 6% of GDP and 811 $PPP per capita (WHO, 2012). Although indicators of population health and healthcare system rank Romania among last European countries, many people perceive their own health as good or even very good, according to national studies. Despite several health reform measures undertaken, people claim for a modern, developed and more “European” health system.

Phenomenon of informal payments has officially been accepted as a problem only in the Gov. Decision no.303/23.03.2011 “Strategy for hospital rationalization”, after several decades of practice on a large scale.

Although co-payments for public health services were announced since 2009 by policy makers, aiming to filter access to certain services and to decrease under-the-table payments, the law no.220/28.11.2011 was approved without norms and not entirely applicable yet, just following IMF recommendation. Co-payments are to be calculated as percentage of the service value, while total amount of for an insured person should not exceed 1/12 of their annual net incomes; exemptions are considered children, young students, retired people having low pensions, patients included in national health programs.

Current policy and legislation are limited to recognize the systemic problem of informal payments and to present alternatives from other countries, but does not implement any specific measure, despite their influence on the access to health care (Chereches et al, 2011). In recent National Report on Corruption, Transparency International Romania considered the health system among the vulnerable sectors, mentioning the character very theoretical and not based on needs of the tools and norms currently issued for reform and fight against corruption (TI, 2011). For many years within its country reports, the World Bank has signaled the corruption in healthcare as affecting nearly all population, while informal payments were seen as a „serious impediment to reform” (WB, 2001). A frequently cited study conducted by the World Bank for the Romanian MoH in 2005 estimated informal health payments at $360 million annually, but considered underestimated by professionals.

A 2010 national study on population perception regarding the corruption and direct payments in healthcare, achieved by the Center for Health Policies and Services, evidenced the following main findings: half of respondents think that health system reform moves to a wrong direction; 20% mentioned corruption as the main problem of healthcare system; although 83% declared to be against informal payments, over 25% of healthcare users recognized they practiced informal payments to medical personnel of hospitals and 20% of users had to borrow in order to pay for the hospital services received; only 13.5% agreed with copayments but at low levels, while half of the respondents did not relate this measure to reduction of corruption in the system (Farcasanu, 2010).
An IRES research of perception on Romanian health system showed: a small percentage of population (14%) have private health insurance (A/N hybrid forms); skepticism towards introducing copayments, as it was considered a measure - bad for 67% of respondents, - good for 23%; only 33% of them thought that copayments reduce informal payments in the health system, while 83% believed that medical personnel is poorly paid (IRES, 2011). Studying the key persons’ perception on health system response to the healthcare needs of population in Romania, corruption and informal payments were found an important problem by 51.5% of respondents, while copayments were considered unnecessary by 66.7% of them (Mihaescu-Pintia et al, 2012).

Preceding focus group discussions and in-depth interviews carried out in previous research, already noticed negative reactions of Romanian population, health providers and decision makers towards patient payments, revealing: different aspects of inequity, informational asymmetry, poor access to health services in certain areas / groups, lack of consensus between policy/decision makers, service providers and patients. Data collected within the research project ASSPRO CEE according to the standard questionnaire and methodology developed in 2010, have brought valuable, useful information regarding the patient payments in Romania, along with comparative data from the other countries – Poland, Ukraine, Hungary, Bulgaria, Lithuania and also Albania, Serbia and Russia.

Research objectives

The main purpose was to investigate the patients' attitudes and practices towards formal and informal direct payments for health services in Romania, in terms of burden, willingness and capacity to pay at each main level of care as studied within the ASSPRO CEE project, and to develop policy recommendations accordingly. Research objectives included the following: description of intensity of healthcare services use in Romania, investigate the level of formal and informal payments for medical outpatient and hospital services, study the mentality and attitudes of people towards OOP patient payments, willingness and availability to formally pay/copay for health services. Data obtained have also been compared with findings from other national studies.

Target groups, sample characteristics

Adult users and implicitly payers of different health services in Romania have been targeted, with respect for three levels of care: primary (GP), specialist outpatient and hospital services. The sample included 583 females and 417 males of 48.49 years old in average, of which 43.8% living in rural areas, 60% married, and 50.7% having upper secondary education while 23.1% lower level of education. The age structure of respondents: 18.4% of 18-30, 18.1% of 31-40, 16% of 41-50, 19.5% of 51-60, 16.65 of 61-70, 10% of 71-80 and 1.4% of >80 years old.

Issues: high percentage of pensioners in the sample (37%), more than employees and other categories. Advantage is given by their significant need and usage of health services at all levels of care. High percentage of unemployed persons (15.3%), usually having a lower level of information about health system. Although rural population is well represented (43.8%) and almost coincides with the national proportion, low educated persons in this sample are 23.1% and only 3.2% were farmers.
High level of small households of 1 or 2 persons without children, reflects ageing, drastic reduction in birth rate and demographic decline both overall and per age groups since 1990.

One third of respondents declared 1 person chronically ill in their home, while 12% indicated even 2 such persons, which gives indications about their needs for healthcare, medication and possible home care on regular basis. Income at household level: 17.9% have very low (up to 150 Euro), 56.5% between 151-500 Euro, 16.6% over 501 Euro. Income perceived by respondents reveals the actual poverty level of population, both as a chronic economic problem and as effect of recent crisis, confirmed by European statistics. It influences directly the health expenses and copayment ability. Despite national health and demographic indicators of population placing Romania on one of last among European countries, high percentages of respondents (54.3%) assess their health status as good, very good or even perfect, no direct correlation with age.

**Research approach and methodology**

After the qualitative research developed among the main stakeholder groups involved in the phenomenon of patient payments – healthcare users, health professionals and key persons, the main findings have been used to build and apply the questionnaire aimed for the quantitative research. Conceptualization, research instruments, adaptation, application, and data analysis took into consideration a cross-disciplinary approach, appropriate for the field of patient payment policies.

Particularly for Romania, *quantitative* data analysis and interpretation involved, aside the accustomed operations, the construction of new variables: healthcare nonusers during last 12 months period, combined - users of ambulatory and hospital services, users of healthcare episodes; transforming the types of services (discrete variable) into classes according to their distribution; adjusting the money interval by adding 3 categories for small amounts, in order to adapt the scale to Romanian economic situation; income per person not just family; separating formal payments from total amounts and indicating them per healthcare user types. SPSS version 18.0 was used.

**Findings**

The *intensity of healthcare utilization* during the last 12-month period at the time of study among the Romanian group indicated the following aspects:

- Overall, the consumption of health care (irrespective of type or level) among respondents resulted in 37.2% nonusers of any type of health services, while 44.6% respondents had one episode of care and 18.2% benefiting of more than one.
- Public and private ambulatory health services including primary but except for dental care and alternative services provided by nonmedical healers: 37.3% of respondents did not use any outpatient health services, while the rest of them had at least one such medical consultation (one: 13.8%; 2-3: 20.4%; 4-6: 15.2% and over 6: 13.3%).
- Inpatient /hospital care: 18.1% were hospitalized at least once, while most of respondents did not use this type of care at all.

In terms of OOP *patient payments* made for the healthcare received, both officially and informally, several issues are to be mentioned:
• Total amount for ambulatory care: except for nonusers (37.3%), 26.5% of respondents did not pay anything, 28.3% paid up to 150 Euro, while the rest (7.9%) paid between 150 and 3000 Euro or more. Out of those, informal payments have been reported by 19% of users with variable amounts, while 15.9% did not pay informally (just formally) and 26.4% did not pay anything as outpatient care users.

• For hospitalization: out of total of hospital users (18.1% of respondents), one third did not pay anything, while the rest of them paid various amounts, mostly informally.

The attitude towards informal payments in cash and in-kind for healthcare expressed by the Romanian respondents did not varied significantly according to their consumption of services during last 12 months:

• Most of the interviewed persons (72.2%) declared a negative attitude towards informal payments in cash (73.6% of nonusers, 73.5% of outpatient care users and 65.9% of those using both outpatient and hospital care): 17.7% were indifferent; while 9.2% even appear to be positive towards informal cash payments.

• As for informal payments in-kind (presents or others noncash), 65.3% respondents expressed their negative opinion (55.2% from users of outpatient and inpatient care, 68.2% from outpatient users and 66.8% from nonusers), one fifth of respondents were indifferent, especially from users of both outpatient and inpatient care (23.5%), while a noticeable percentage (14.3%) reported even a favorable attitude on this kind of informal payments (20.2% of users of ambulatory and hospital services).

Moreover, 21.8% of study participants (even 22.9% of outpatient users) revealed they have been specifically asked for informal payments (in cash or in kind) by the health personnel, while 77.2% declared the opposite. In terms of practicing informal payments, significant weights of respondents declared that they paid cash (58%) and gifts in-kind (61.6%). A lot of respondents reported that they would feel uncomfortable (21.5%) or somewhat uncomfortable (23.5%) if not giving any “gratitude” payment in cash or in-kind when leaving the physician office. On the other hand, 66% of respondents said they would recognize the hint of medical staff for cash or in-kind informal payment, 19.6% would somewhat understand it, while 12.6% would not recognize such a hint. More than one third (35.8%) of Romanian interviewed persons would refuse to pay informally if asked by medical staff, 25.5% would somewhat refuse, but the rest of 34.4% would not have this negative attitude towards such a behavior. Instead of paying informally, 51% said they would prefer to use private health services, while 19.2% would not. But in case of serious health problems, 61.7% (65% of nonusers during last 12 months) would be ready to pay as much as they have in order to get better medical care, 25% - somewhat and only 11.2% would not.

Despite the informal payments declared above, 60% of respondents strongly agree plus 19.9% somewhat agree that informal cash payments are similar to corruption, while 17.5% do not. Less of them perceive in-kind informal payments as corruption (47.7% plus 24.1% - somewhat). Informal cash payments to medical personnel are seen as an expression of gratitude by 28.9% of respondents and somewhat like that by other 35.6%, while gifts in-kind means gratitude for 34.5%, somewhat to other 39.1% and 25% do not agree with this statement.
Unfortunately, one third of respondents consider inevitable the informal payments to medical staff and other 29.8% agree somewhat, thus confirming a wide spread mentality. Despite this, only 7.9% of respondents think that informal payments in cash and in-kind should not be eradicated. Only few people (13.2%) seem to always know the official fees of physicians before using their services, one third know sometimes, while almost half of them never know those fees. Even fewer (9.8%) always know the official hospital fees before using them, while over half of respondents have no idea about these payments. If medical personnel ask for informal payments, only 27.5% of respondents said they know where to complain, which relates in a way with their opinion on inevitability.

Concerning the willingness to pay officially for a medical examination in case of a major health problem, the great majority (81.2) expressed their agreement despite the level of poverty in the country. Main reason for the unwillingness to pay of the 16.6% of respondents was their unavailability. Most of respondents willing and able to pay in such a case (70.7%) would give up to 25 Euro. If a planned surgery is needed, majority of respondents (75.6%) are willing to pay official; again, the main reason for the unwillingness to pay of the 21.2% of respondents, was their unavailability. The amount they are willing and able to pay for such a hospital admission varies between 10 and 250 Euro for 65.6% of respondents, while only 3% would pay over 250.

### Key messages and policy recommendations

Most Romanians express a negative opinion towards informal payments to healthcare providers, declaring this phenomenon rather similar to corruption than to gratitude, despite the large scale of practicing this custom since the Semasko system, especially in hospitals. But given the current architecture, functioning and financing of the Romanian health system, many people consider the informal payments inevitable yet and would feel quite uncomfortable not to offer such payments as health care users after all. However, the unofficial payment asked by medical staff as precondition to their services is not acceptable even the hints are easy recognizable. Lack of complains is not an indicator for the level of informal payments at all, but absence of reaction due to mistrust in positive legal effect and as a deficiency from people custom. Private health services could be and sometimes are an alternative to certain public services instead of paying informally, but financial and geographical barriers affect considerably the access.

On the other hand, insured people already have to pay also officially for many medical tests, drugs, devices and services, not covered by the social insurance fund, exceeding the reimbursement limits or just not available. In consequence, overall direct payments do induce burden on poor and middle income patients. Therefore, the overall attitude towards official copayments in public system is rather negative if the informal ones are still in place, although many people accept the fact that copayments for certain medical services would be necessary.

Majority of Romanians would prefer to co-pay officially for both outpatient and inpatient care received, the willingness and availability to pay being influenced mainly by their level of incomes. It is important to recognize measure and signal the informal payments practiced in the healthcare system within the larger context of a “grey economy”, but this is certainly not enough.
Transforming bribes paid in hospitals to medical personnel into official payments, or at least parts of them, would be a nonrealistic ideal in spite of significant amounts made available and spent this way by consumers. But discouraging the overuse of hospital care, charging moderate official fees and developing outpatient services would be an effective commencement for solving this problem.

On the other hand, costs of healthcare services at each level of care and each health provider, have to be correct calculated, contained and managed, in order to spend the public money more accurate and efficiently. Consequently, concerted measures directed to develop a private insurance system coexisting with the social one, stimulate the transparent and efficient use of resources, discourage corruption and informal payments, measure and pay for performance at the level of all health care providers, making more evidenced-based decisions - are to be implemented on a long time scale. Copayments need to be developed only as a component of a much broader reform, considering the current poverty and health status, and aiming to meet the health care needs and expectations of Romanians. Relevant research outcomes need to be taken into account for documenting any health policy and action. Also several lessons are to be learned from the health reform measures successfully adopted in EU countries for similar problems encountered.

In addition, comparative reports based on qualitative and quantitative research developed within ASSPRO CEE in the project countries provide the experts of the European Commission with detailed valuable data and conceptualization about patient payments, in support for future evidence-based policies and programs at regional level.

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