

**SESSION 5: HEALTH CARE REFORMS IN CEE COUNTRIES****PROJECT PRESENTATION:****“OUT-OF-POCKET PAYMENTS FOR HEALTH CARE AND THE HEALTH CARE REFORM IN BULGARIA”**

Presented by:

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**ABSTRACT:**

Following the common trend in Central and Eastern European countries, the Bulgarian health care sector has experienced radical reforms during the last 20 years. The public health care system was decentralized and the private health care sector was restored. In 2000, the tax-based funding of the public health care sector was completely changed and a previously non-existing social health insurance body was established. Among other issues, the reform included the introduction of formal patient charges. However, these charges were implemented in a situation of informal patient payments. As a result of the increased reliance on out-of-pocket payments, Bulgaria's total health expenditure increased substantially from 3-4% to about 7% of GDP, which is comparable to the EU average. However, the share of out-of-pocket payments is one of the highest in Europe (42.2 % of total health expenditure in 2008). This raises concerns since out-of-pocket payments are highly regressive.

A survey carried out in 2010 among health care consumers in Bulgaria (1003 respondents), show that there are statistically significant differences among the socio-demographic groups with regard to formal and informal payments. This is also evident from the inability to pay reported in the survey. About 30% of respondents state that they needed to either borrow money and/or forgo services due to payments. Consumers are often unaware about the exact size of the official fee, which might well contribute to informal patient payments. Also, more than 60% of the respondents do not know where to complain if they are asked to pay informally for health care.

Overall, it can be concluded that informal patient payments continue to exist in Bulgaria despite the introduction of formal charges for health care services. Increased awareness and social campaigns against informal payments will be necessary to eliminate this type of out-of-pocket payments. Another policy challenge is the burden of out-of-pocket payments. This burden is unevenly distributed among the socio-demographic groups, which indicates inequity in health care financing. The inability to pay reported by a large group of health care consumers requires immediate policy action.

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