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# Overview of the Health Care system in Latvia

Prevention and control of viral hepatitis in the Baltic States: Lessons learnt and the way forward

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**The Parliament**

**Legislation**

**The Government**

**Policy  
planning**

**Ministry of Health**

**Health  
Inspectorate**

Supervision and control (medical care, environmental hygiene, drinking water, noise, cosmetics, chemicals, drugs etc.)

2015.11.28.

**The Centre for  
Diseases Prevention  
and Control**

Public health analysis, surveys, statistics, epidemiological safety, preventing diseases including infectious and rare diseases

Sagatavots Veselības ministrijā

**National  
Health  
Service**

Administration of financial resources, signing of contracts with medical institutions on provision of health care services paid by the state. Cancer screening organization.

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## Health care organisation

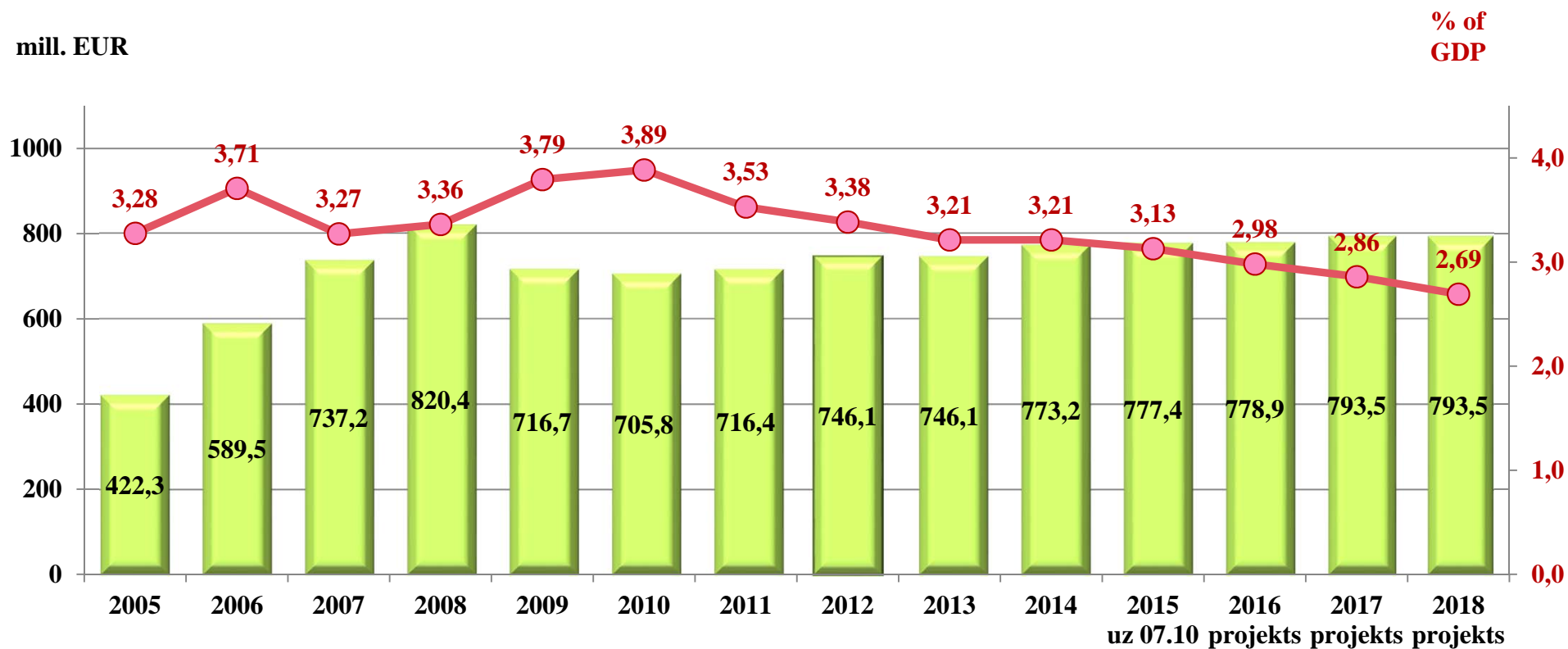
Health care system is based on the residence principle. Categories of Latvian residents (who has rights to receive a health care services that are paid from the State budget) are defined by the law.

- Health care budget – 615 827 659 EUR (2014)
- Population – 1 986 100
- Health service receivers in 2014 – 2 268 599



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# Health care budget in Latvia (EUR)



 Budget of Health Care sector

 Proportion of GDP



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## Health Care Resource allocation

- State budget law – determines scale of subsidy for health care (public financing through general taxation)
- Payment for health care services is determined by the Regulations issued by the Cabinet of Ministers
- Incomings of the medical institutions are made by payments of provided health care services, paid – up by states budget, patients fee and incomings from paid services



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# Health Care Organization principles

1. Health care services are provided by state, municipal and private inpatient and outpatient health care institutions.
2. Patients can receive health care services (financed from the State budget) only in the health care institutions, which have signed agreement with National Health Service.
3. The healthcare is categorized as follows:
  - Emergency medical care
  - Primary health care
  - Secondary health care (inpatient and outpatient)
  - Tertiary healthcare (inpatient and outpatient)



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## Patient's fee

- A patient shall pay a **patient's fee** in order to receive the State paid health care services.
  - Exception – emergency medical assistance – assistance to victims (persons who have been taken ill) in a critical state of danger to life or health.
- **Patient's fee exemptions** (children up to 18 years; pregnant women; politically repressed persons; poor persons etc.).



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# Primary health care services I

Health care services offered by primary health care providers in the outpatient institutions, outpatient departments of the hospitals or at the patient's residence

*Providers of the primary health care services are:*

- family doctor (including pediatrician and internist)
- physician's assistant
- certified nurse
- midwife
- dentist, dentist's assistant; dentistry nurse and hygienist





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## Primary health care services II

Patient can receive primary health care services by turning upon his personal initiative to a family doctor, dentist or hygienist, or, as part of a preventive examination program, upon the request of a family doctor

**Home care** Medical care shall be provided at home if patient needs a regular (permanent) outpatient treatment but due to medical reasons patient is unable to attend health care institution to receive outpatient care



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## Secondary & Tertiary Health Care I

- Referral from GP is required to access to specialists (except for dentists for children, oncologist, gynaecologist, psychiatrist, TB specialist, endocrinologist, dermatologist, narcologist, ophthalmologist, infectologist for patients with diagnosis HIV, pediatrician, pediatric surgeon and in case of emergency medical assistance)
- Secondary health care involves outpatient and inpatient care (emergency, acute or planned diagnostics, treatment and rehabilitation).
- Tertiary health care is highly specialized, using high technologies for serious health conditions



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## Secondary & Tertiary Health Care II

Secondary and tertiary health care is provided by:

1) Multi - speciality hospitals:

- in national level – 3 (University Hospitals)
- in regional level – 7
- in local level – 11

2) Care Hospitals – 9

3) Specialized Hospitals - 12



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## Distribution of financial resources\*

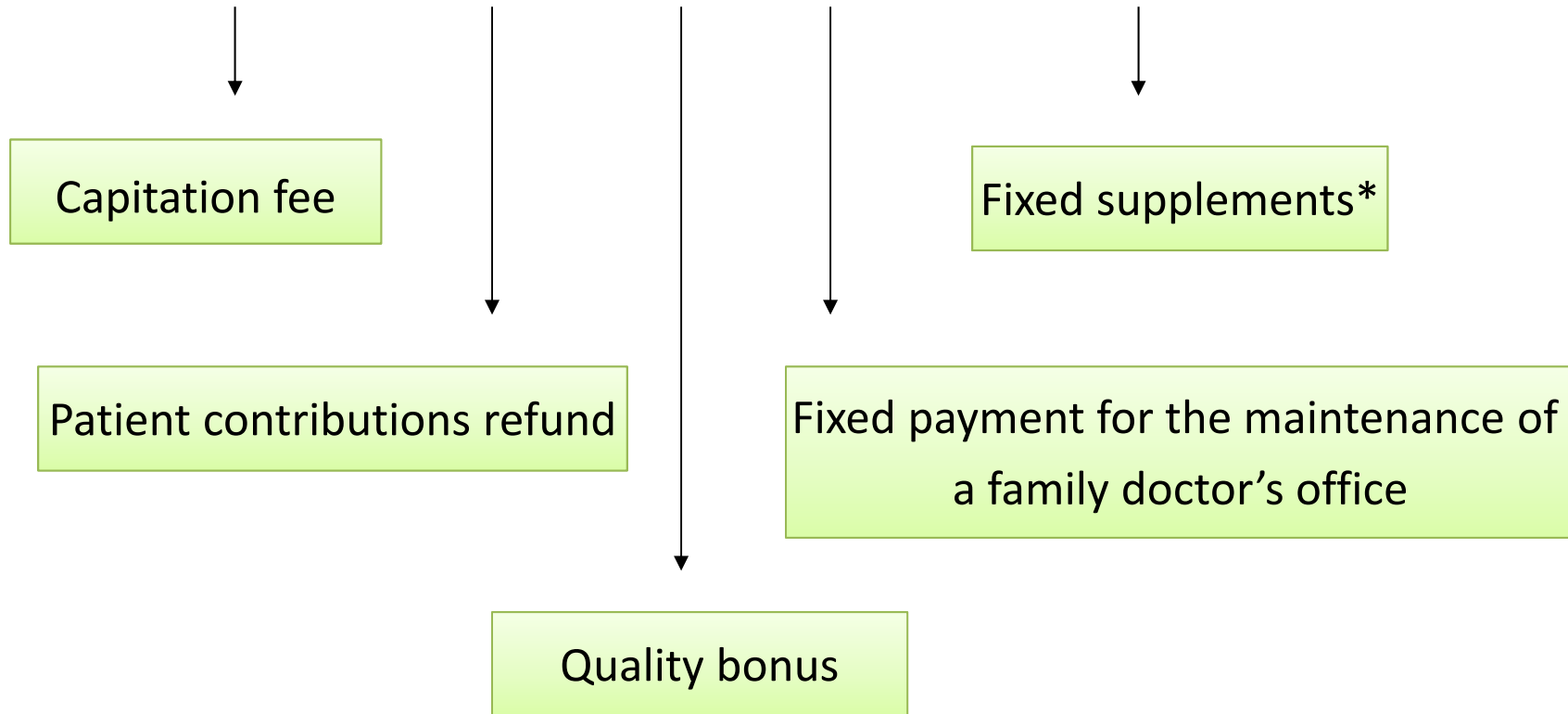
Health Care division	Financial Resources 2014 (EUR)
Out-patient Health Care	257 029 610
In-patient Health Care	233 614 337

*\*Regulations issued by the Cabinet of Ministers determine that NOT less than 45% of health care budget is allocated to out-patient health care and NOT more than 53% - to the in-patient health care*



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# Primary health care financing

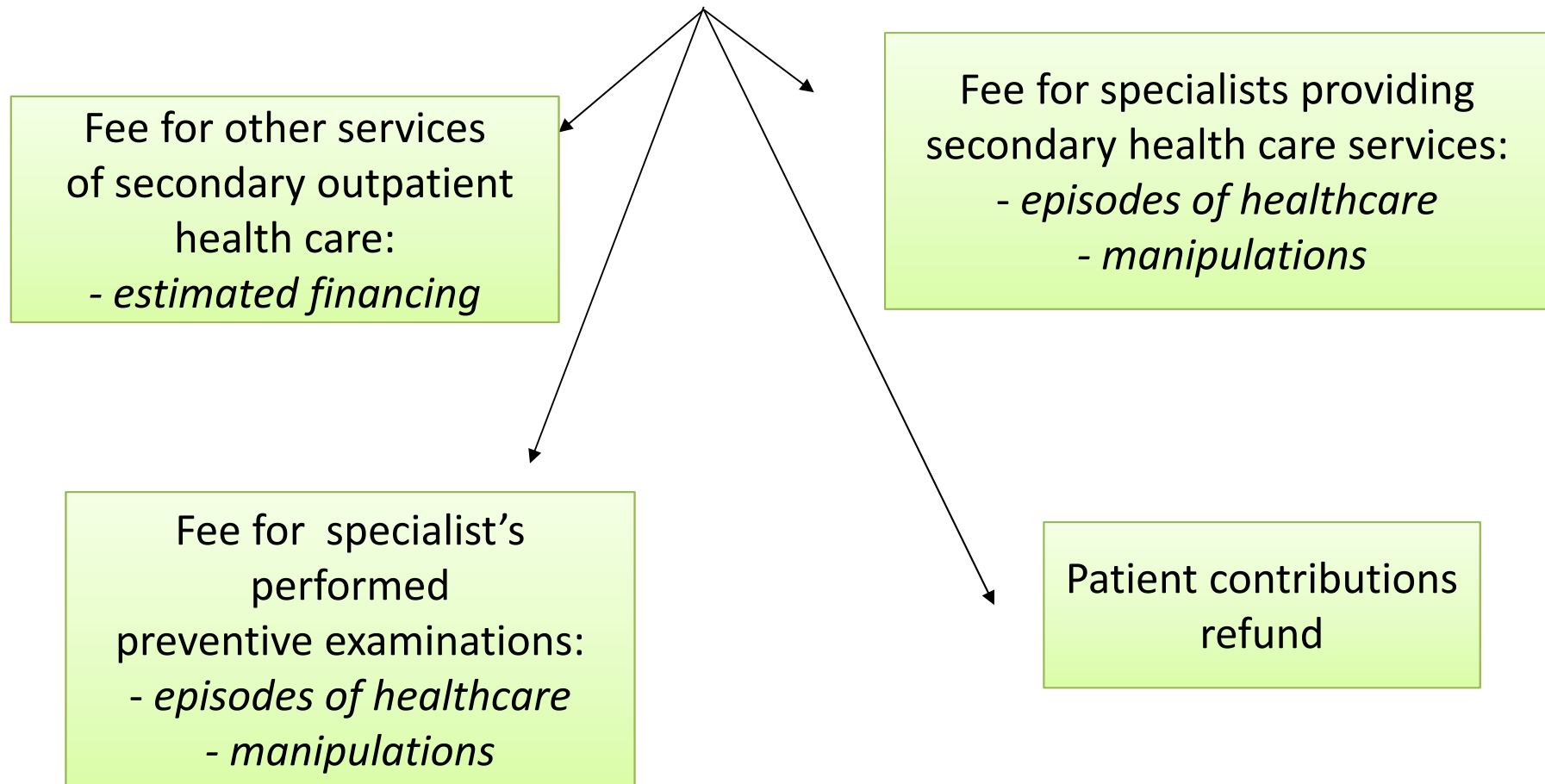


*\* Fee for health care of chronic patients GP will receive from the State only for those patients who have visited their GP three or more times within six months*



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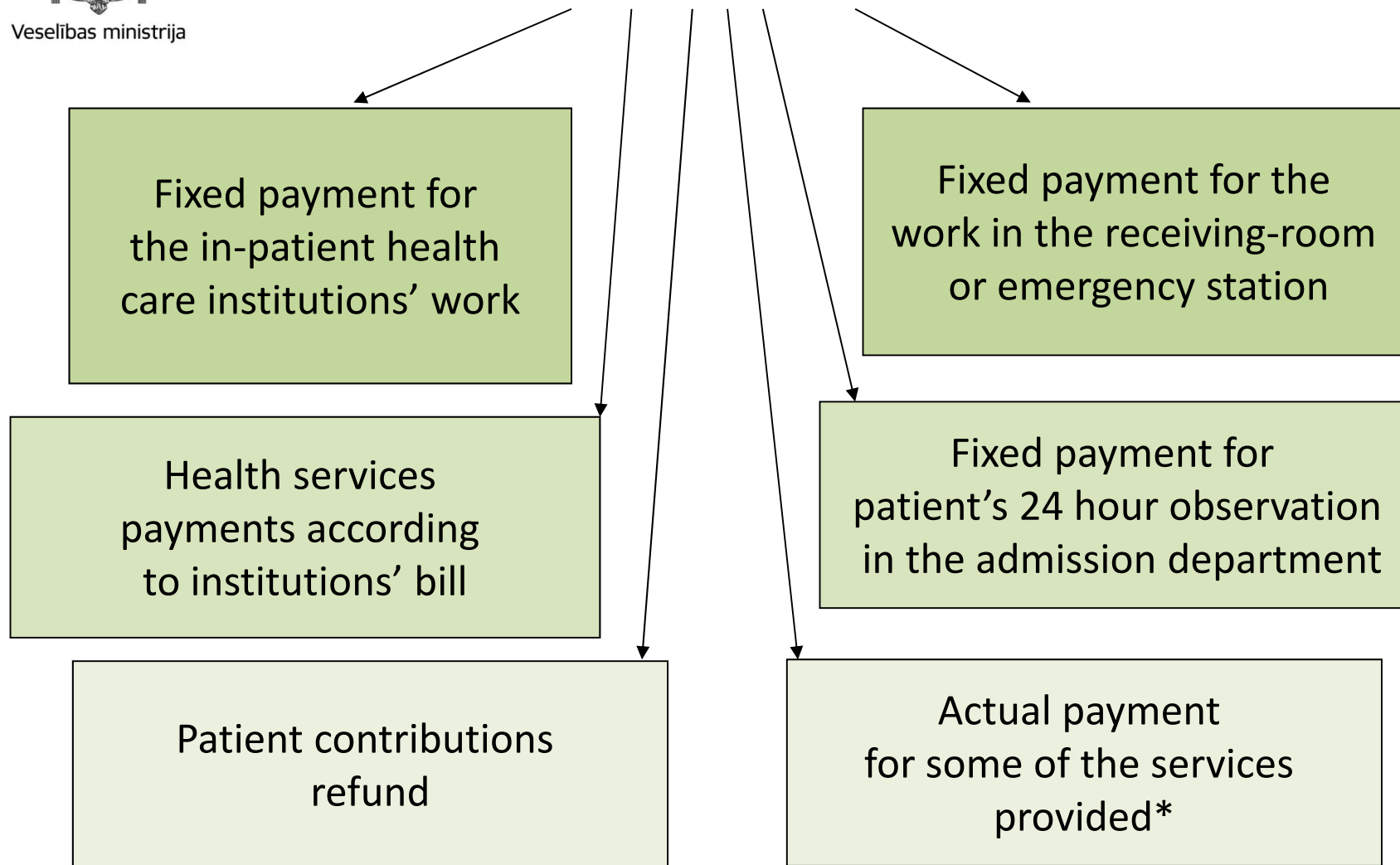
# Financing of secondary out-patient health care





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# Types of payment for in-patient health care



*\*Maternity assistance and long-term services for patients with mechanical ventilation are paid as actual performance*



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# Principles of reimbursement of medicines

- **Rational and cost-effective use of medicines:**
  - reference pricing system;
  - therapeutic group referencing;
  - fostering generic competition and generic substitution;
  - international price comparison and negotiations with pharmaceutical companies on pricing policies;
  - recommendations for rational pharmacotherapy.
- **Assessment of relative therapeutic value and cost-effectiveness (pharmacoeconomic evaluation of medicines)**
- **Analysis of the impact on the budget.**





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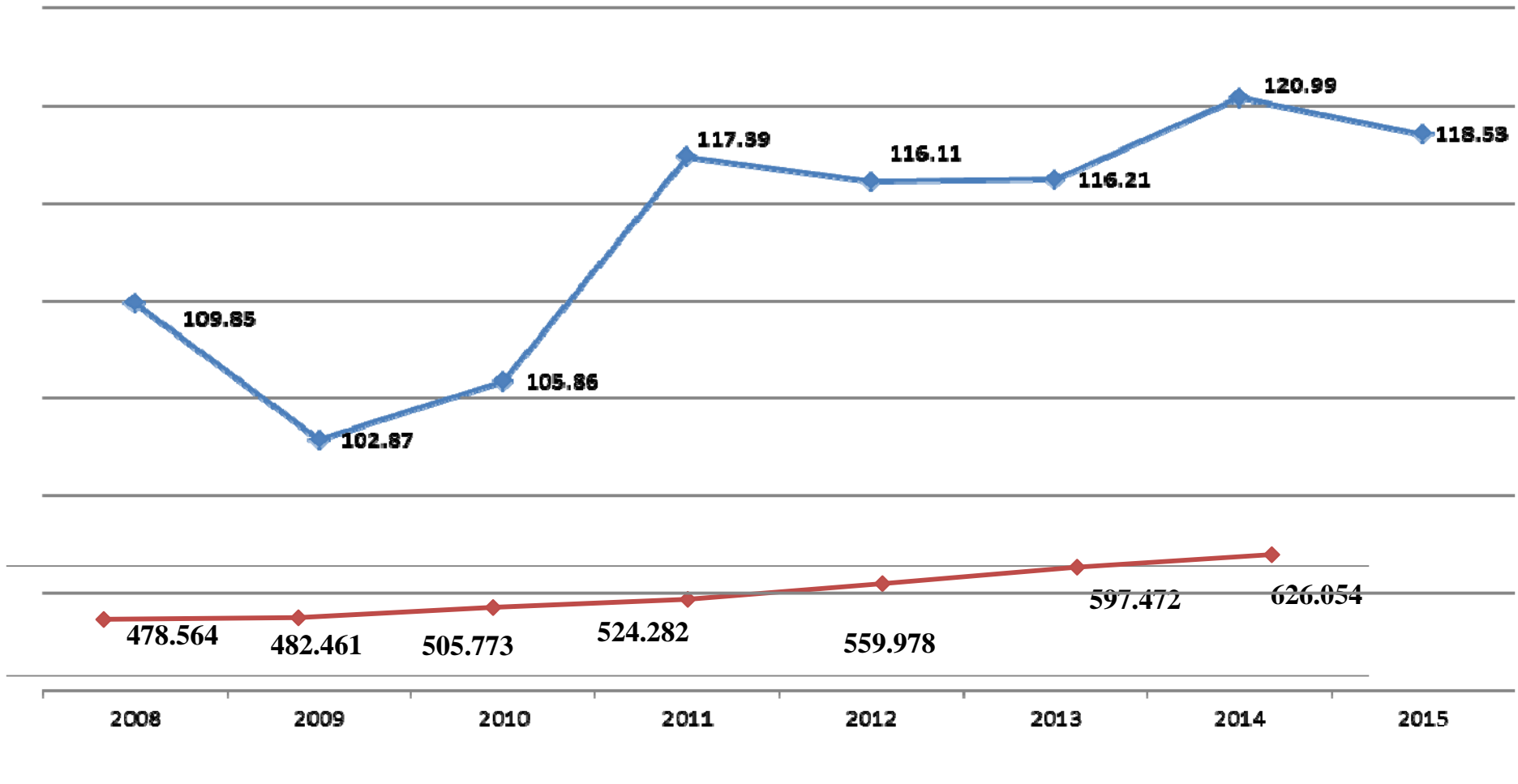
## System of reimbursement

- **The Positive List of Pharmaceuticals:**
  - List A – the reference product list (1192 medicines – 206 INN);
  - List B – non-interchangeable products (332 medicines – 192 INN);
  - List C – expensive products with special reimbursement conditions (23 medicines – 17INN).
- Based on the **severity and chronic nature of the disease** with 100%, 75% or 50% reimbursement rates.



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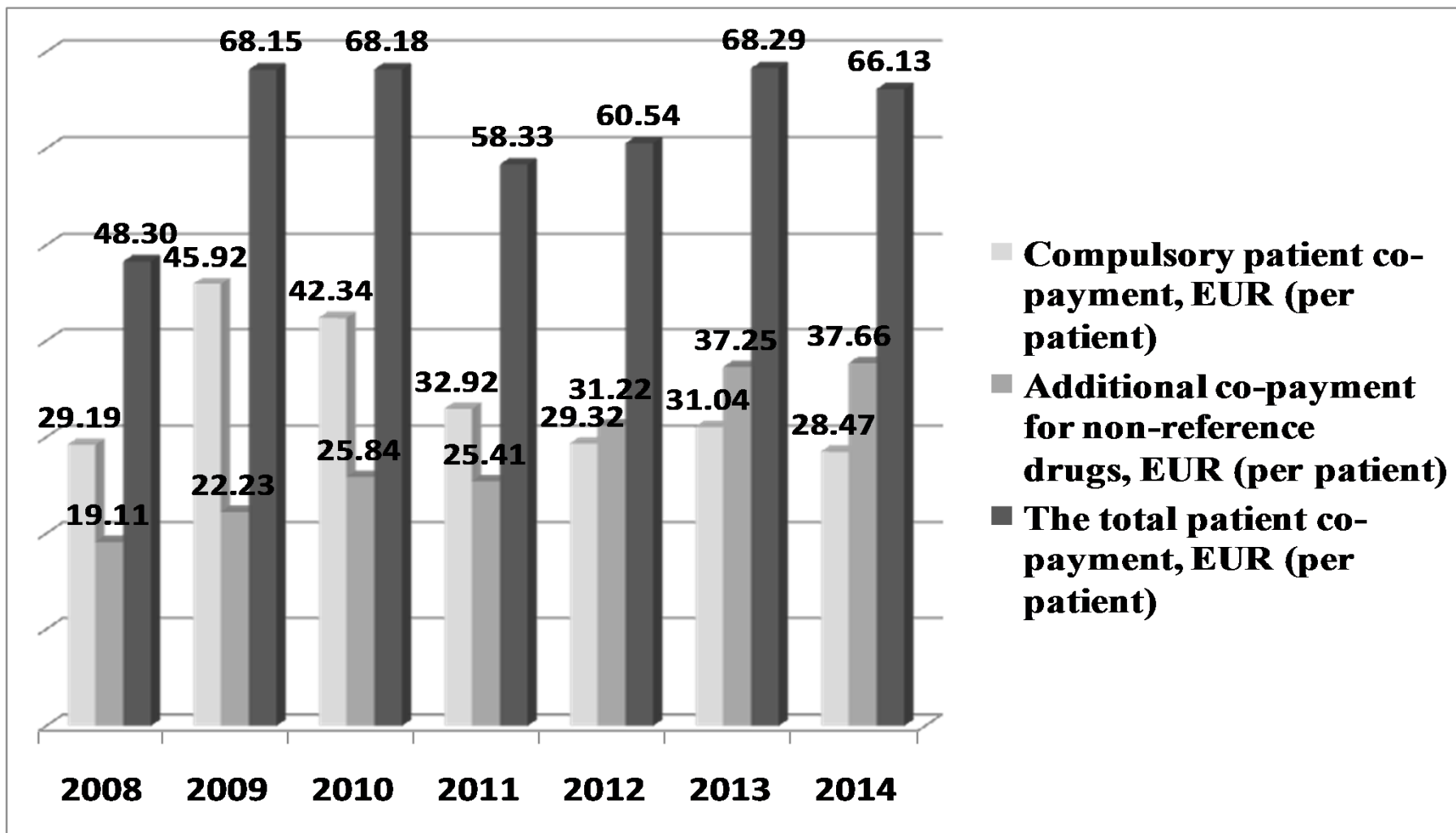
# Expenditure for reimbursement of pharmaceuticals and number of patients in Latvia, 2008-2014, mln.EUR





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# Patient co-payments, EUR per patient





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## Undergoing a cure without overpaying

### **To foster reduction of state budget expenses and out of pocket budget:**

- the doctor must prescribe INN and the pharmacist is obliged to dispense the cheapest reference drug when a patient receives the medicine for the first time;
- the pharmacist must offer the cheapest version of the prescribed drug;
- the doctor can prescribe a more expensive drug, if the prescribed drug doesn't give the desirable therapeutic effect. The doctor must state the reason.



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# Questions?

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