Organisation and Funding of the Health Care System in Lithuania

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Outline

• Organization and governance of the National Health system
• General financial information
• Basic conditions for the provision and funding of healthcare
• Revenues and Expenditure of the Compulsory Health Insurance Fund Budget
Organization and Governance of the National Health System

Organisational Structure of the Lithuanian National Health System

Source: Health Systems in Transition Lithuania 2013; European Observatory on Health Systems and Policies
Main Indicators of Health Financing in Lithuania, 2013

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total health expenditure (THE) (€ million)</td>
<td>2,273.4</td>
</tr>
<tr>
<td>Public expenditure (€ million)</td>
<td>1,489.7</td>
</tr>
<tr>
<td>of which Compulsory Health Insurance Fund (€ million)</td>
<td>1,235.0 (83%)</td>
</tr>
<tr>
<td>Private expenditure (€ million)</td>
<td>714.6</td>
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<tr>
<td>of which private households OOP (€ million)</td>
<td>695.5</td>
</tr>
<tr>
<td>Capital investments (€ million)</td>
<td>135.8</td>
</tr>
<tr>
<td>THE as % of GDP (%)</td>
<td>6.5%</td>
</tr>
<tr>
<td>Public expenditure on health as % of GDP (%)</td>
<td>4.3%</td>
</tr>
<tr>
<td>Private expenditure on health as % of GDP (%)</td>
<td>2%</td>
</tr>
<tr>
<td>Public expenditure on health as % of THE (%)</td>
<td>65.5%</td>
</tr>
<tr>
<td>Private expenditure on health as a % of THE (%)</td>
<td>31.4%</td>
</tr>
<tr>
<td>THE per capita (in €)</td>
<td>768.6</td>
</tr>
</tbody>
</table>
Comparison of the Health Expenditure and Public spending per capita, 2013

Dynamics of CHIF Budget and Gross Domestic Product, 1998–2015

Source: World Bank database ‘HealthStats’
Basic conditions for the provision and funding of health care

State Guarantee for all Permanent Residents

• The Law on Health Insurance of the Republic of Lithuania provides that all permanent residents of the Republic of Lithuania are eligible for the Compulsory Health Insurance scheme.

• All people covered by the compulsory health insurance scheme in Lithuania have a right to receive the healthcare services guaranteed by the State.

• The urgent medical care in the territory of Lithuania is available free of charge to all permanent residents irrespective of whether or not they are covered by the compulsory health insurance.
Basic Conditions for the Provision of Health Care Covered by the Compulsory Health Insurance (CHI)

- Health care services should be provided by the healthcare providers which have concluded contracts with the Territorial Health Insurance Funds.
- The patient has to turn to the general practitioner primarily (gate keeping).
- In order to get specialized healthcare services, the patient should have the referral from his general practitioner.
- The patient is entitled to choose a primary health care institution and a practitioner as well as a secondary and tertiary health care institution and a practitioner.

Contracting of Health Care Providers

- 814 health care institutions (69 hospitals)
- 1416 pharmacies
- Conditions for contracting: valid licence (the only condition)

Source: OECD „Health at a Glance: Europe 2015“
Revenues and Expenditure of the Compulsory Health Insurance Fund Budget

The Major Part of the Population is Insured by the State

(Total population at the beginning of the year 2015 accounts to 2,92 million people)

- People paying compulsory health insurance contributions: 45 %
- People insured by the State: 55 %
- Pensioners: 46 %
- Unemployed: 10 %
- People under the age of 18 years: 35 %
- Full-time pupils and students: 6 %
- Other: 4 %

In total – 1,64 million people (prognosis for the year 2015)
Counter-Cyclic Mechanism of CHIF Revenue in Lithuania guarantees the sustainability of the CHI Fund

Contributions of economically active population, million LTL
Contributions and additional allocations of State budget, million LTL

Structure of the CHIF Revenue, 2014

Contributions of EAP* administrated by Social Insurance Fund 61.84%
Contributions of EAP* administrated by State Tax Inspectorate 3.35%
Additional allocations from the State budget 0.87%
Economically active population 8.87%
Cash balance and reserve 6.19%
Other revenue 1.00%

Structure of the CHIF Expenditure, 2014

Inpatient care 32%
Expensive medical tests and procedures 2%
Subsidised medicines and medical aid equipment 15%
Centrally procured medicines and medical devices 3%
Rehabilitation 3%
Orthopaedic devices 1%
Health programmes 5%
Administrative costs 1%
Cash balance and reserve 6%
Other expenditure 0.3%
Primary health care 13%
Ambulance care 3%
Specialised outpatient care 13%
Inpatient nursing 3%

Single Payer System

• The resources of the CHIF are allocated to Territorial Health Insurance Funds according to the risk-adjusted formula which takes into account the number, age and gender of the population

• This transparent mechanism protects patient selection and ensures funding adjusted to need

Funding of Primary Care

74.5% capitation fee + 25.5% fee for service payment (for the extra services based on activity results, for example - early diagnostics of cancer, etc.)
Preventive Programmes Financed from the CHI Fund

- Cervical cancer prevention programme;
- Programme of selective mammography;
- Prostate cancer early diagnostics programme;
- Cardiovascular disease prevention programme;
- Dental programme for children (coverage of molars with sealants);
- Colorectal cancer prevention programme.

Payment for Outpatient Specialist Care

- Payment method: per episode (named Consultation) consisting of up to 3 visits due to the same reason
- Consultations are divided into two types:
  1) ordinary consultations
  2) consultations with interventions (e.g. with biopsy, puncture etc.).
- Incentives to provide more 2nd type consultations
- Outpatient rehabilitation:
  - Payment per bed-day
Payment for Inpatient Care

• Acute care:
  – DRGs (AR-DRGs v. 6.0)

• Long-term care:
  – Per bed-day (till 120 days per year)

• Inpatient rehabilitation
  – Payment per bed-day, according to the terms and rules approved by the MoH

Reimbursement of Pharmaceuticals and Medical Devices for Outpatient Care

• Positive list (approved by the Ministry of Health)
• Reimbursement rates:
  - 100%, 90%, 80%, 50% of reimbursed price according to “A” list (list of diseases and medicines)
  - 100%, 50% of reimbursed price according to “B” list (list of medicines for certain social groups)
  - 100% of reimbursed price for medical devices for outpatient care according to the “C” list
Reimbursement of Cost of Medicines Used for the Treatment of Hepatitis B and C

- Doctor gastroenterologist and infectious-diseases doctor can prescribe reimbursable medicines for hepatitis B and C treatment.

- 6 pharmaceuticals are included into the positive list A (reimbursement level 100% of the reference price):
  - Telaprevir
  - Boceprevirum
  - Peginterferonum alfa-2b + Ribavirinum
  - Peginterferonum alfa-2a + Ribavirinum
  - Ombitasvir + Paritoprevir + Ritanovir
  - Lamivudine

- There is a possibility to get Entecavir, Adefovir for the treatment of hepatitis B. Decision on reimbursement of such a treatment is made on individual basis by the special committee at the National Health Insurance Fund
Payment for the Pharmaceuticals Utilised in Inpatient Care

- The cost of pharmaceuticals used in inpatient care is included into the reference price of service

- Expensive, innovative pharmaceuticals (mostly for the treatment of cancer) are procured by the NHIF and delivered to hospitals

- Hospitals providing chemotherapy receive additional payment from the CHIF for some chemotherapy medicines

Thank You for Attention