

---

# THE SOCIAL BURDEN OF OUT-OF-POCKET PAYMENTS IN CENTRAL AND EASTERN EUROPE

**Milena PAVLOVA, PhD**

Department HSR - Maastricht University

INAUGURAL LECTURE

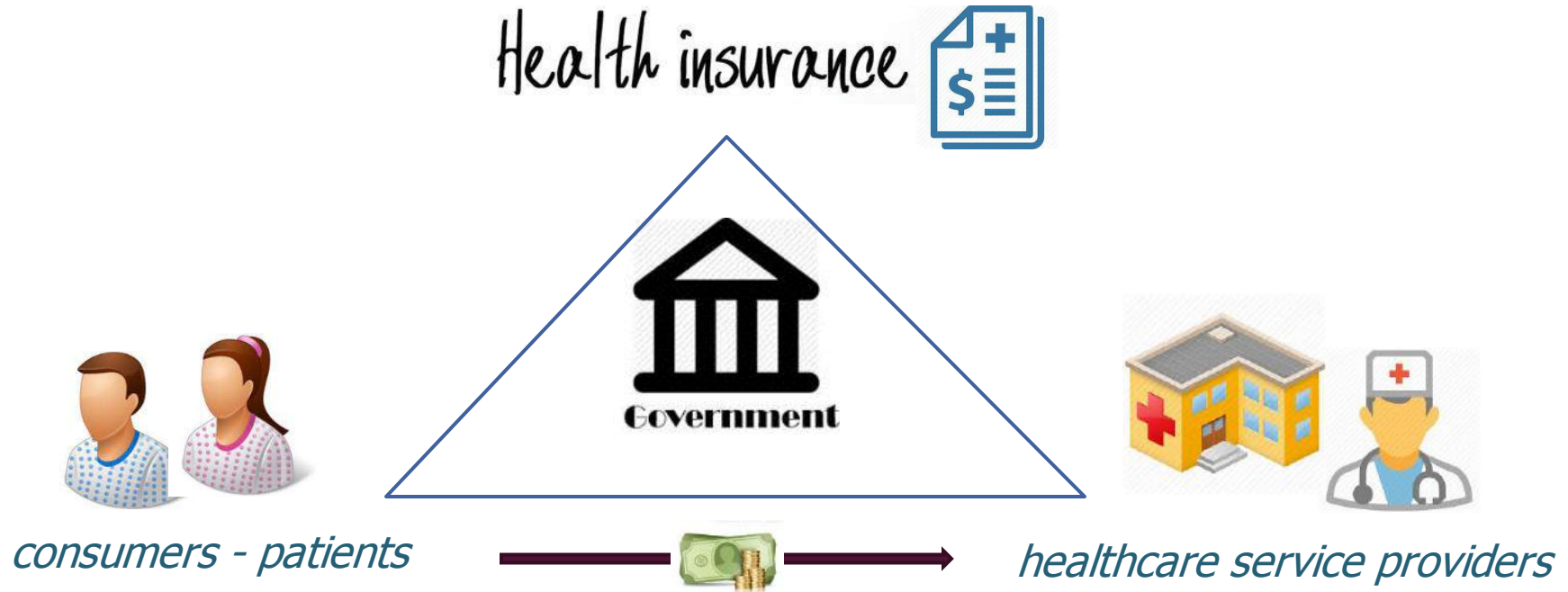
HONORARY PROFESSOR CEREMONY  
2-MAY-2017 CORVINUS UNIVERSITY OF BUDAPEST

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

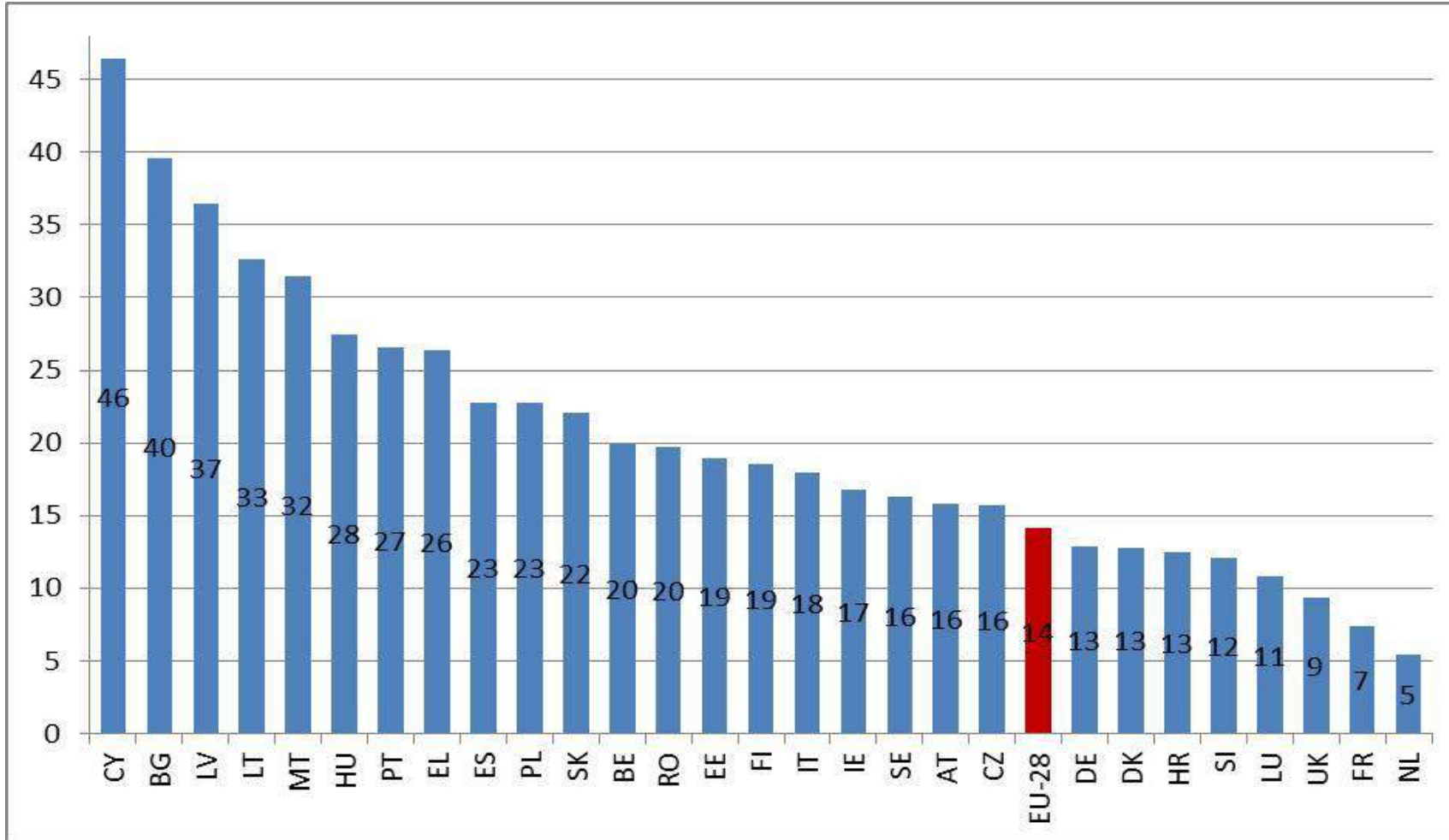
Coordinated by MAASTRICHT UNIVERSITY

- Hungary and Poland  
(economically advanced Central European countries)
- Lithuania  
(economically advanced former Soviet republic)
- Bulgaria and Romania  
(less advanced countries from Eastern Europe)
- Ukraine  
(less advanced former Soviet republic)
- Other Central and Eastern European countries  
e.g. Albania, Serbia and the Russian Federation.

# OUT-OF-POCKET PAYMENTS ?

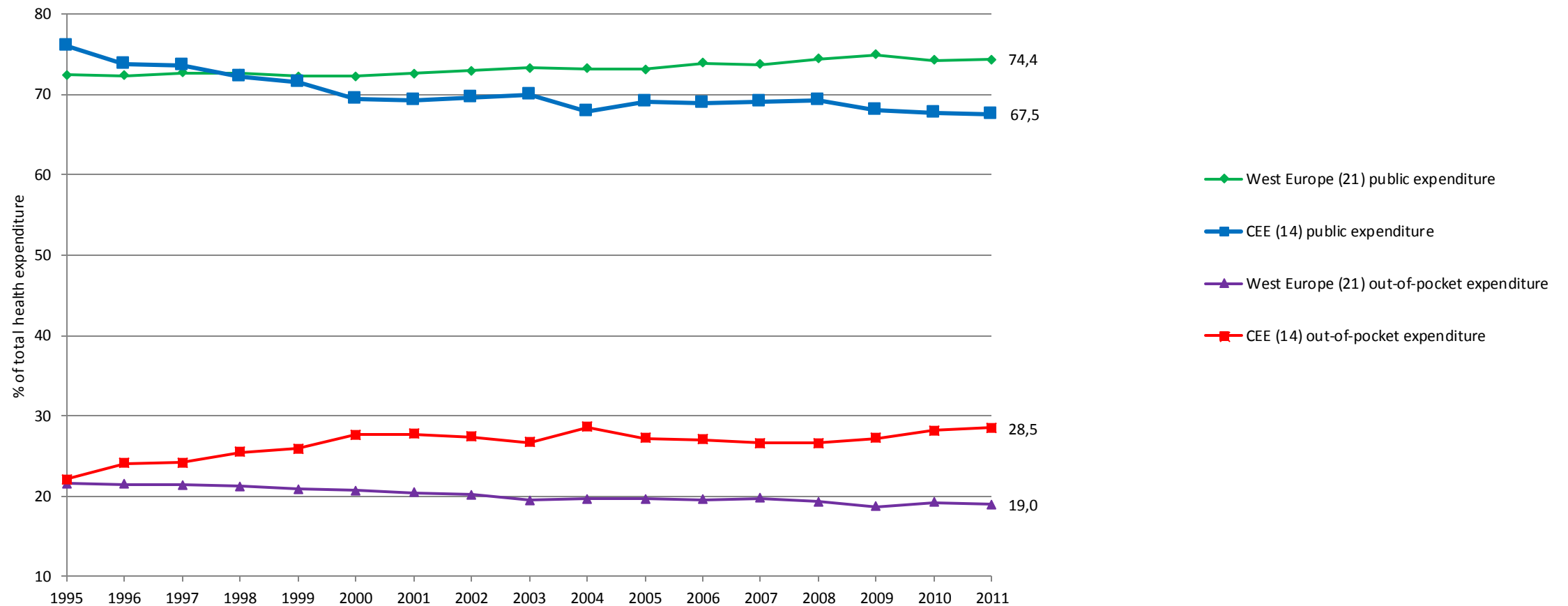


# OUT-OF-POCKET SPENDING - % OF TOTAL HEALTH EXPENDITURE, 2013



Source: Eurostat, OECD and WHO health data and Commission services calculations. See European Commission (2016), Joint Report on Health Care and Long-Term Care Systems & Fiscal Sustainability, October 2016.

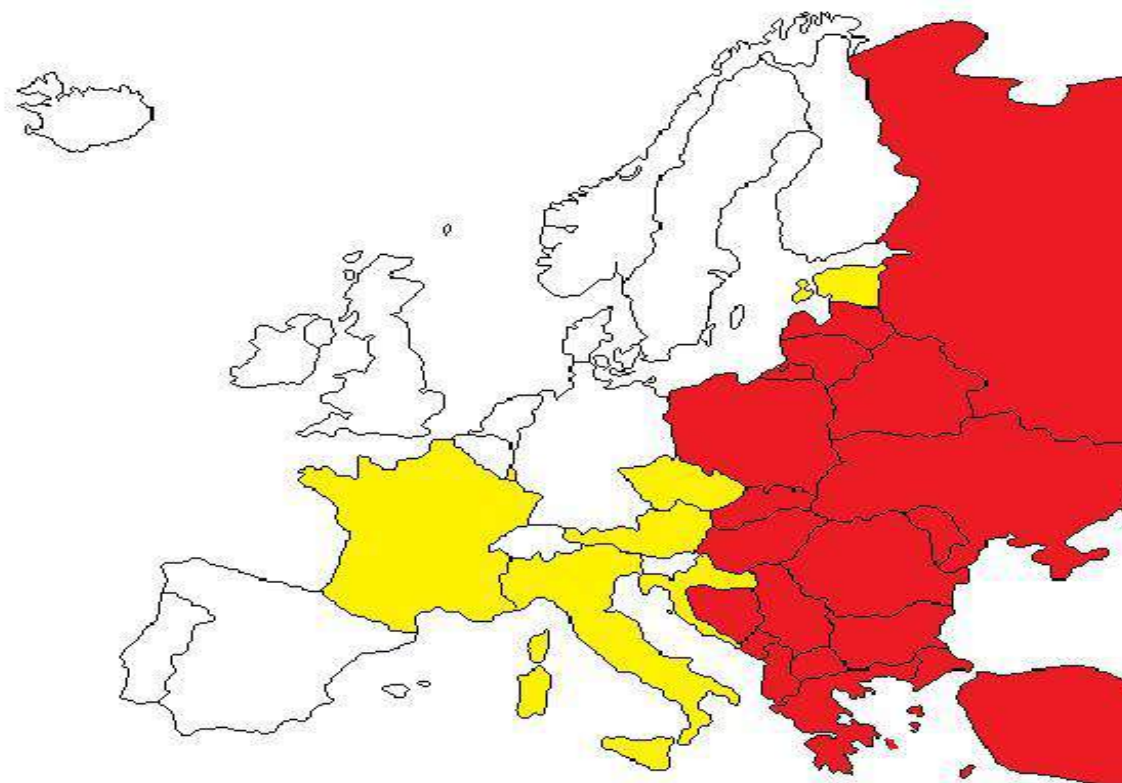
# CHANGES IN OUT-OF-POCKET SPENDING, 1995-2011



## INFORMAL PAYMENTS → NOT REGISTERED PAYMENTS

- Peer-reviewed literature
  - CEE countries but not only
  - All socio-economic groups
  - Physicians may earn an extra salary
  - % total health expenditure: up to 5.0%
- Health Consumer Index
  - survey commissioned by Health Consumer Powerhouse
  - included patient organizations across European countries (n=602)

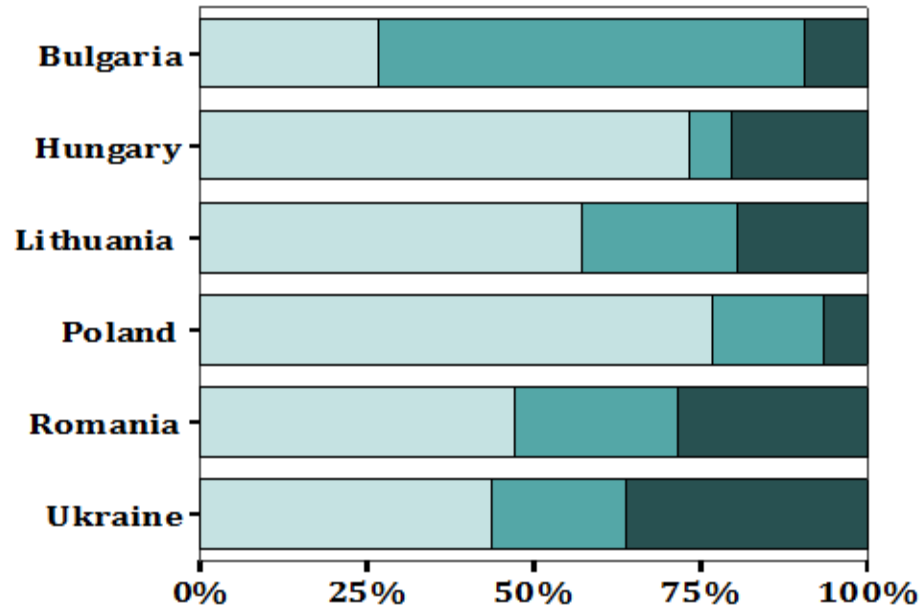
- Widespread
- Some cases
- Not reported



# OUT-OF-POCKET PAYMENTS IN CEE COUNTRIES, 2010

## Payments for physician visits

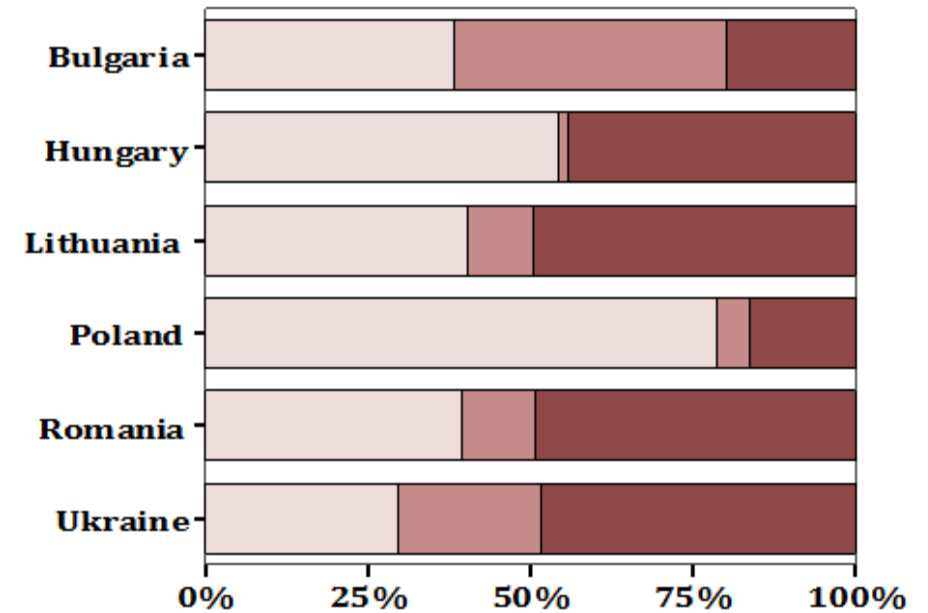
Bars show % of users during one year



- Did not pay
- Paid only formally
- Paid also informally

## Payments for hospitalizations

Bars show % of users during one year



- Did not pay
- Paid only formally
- Paid also informally

# LAST SERVICE INFORMAL AND QUASI-INFORMAL PAYMENTS (EURO), 2011

			Bulgaria	Hungary	Ukraine
Informal payment for the last visit to a physician	Yes	N (%)	27 (4.0)	70 (9.7)	138 (25.5)
	Payment size	Median	10.4	11.3	8.8
		Mean (SD)	17.1 (29.5)	25.7 (30.0)	19.1 (39.8)
Informal payment for the last hospitalization	Yes	N(%)	28 (14.4)	120 (44.1)	83 (40.5)
	Payment size	Median	25.6	52.2	43.8
		Mean (SD)	74.7 (174.2)	68.6 (57.5)	103.8 (148.5)
Pharmaceuticals brought by the patient to the hospital	Yes	N(%)	31 (15.7)	54 (19.6)	168 (77.8)
	Total monetary value	Median	15.6	8.5	62.1
		Mean (SD)	37.8 (99.3)	14.2 (16.1)	104.51(117.1)
Medical supplies brought by the patient to the hospital	Yes	N(%)	18 (9.1)	30 (10.9)	124 (57.7)
	Total monetary value	Median	15.3	21.6	10.4
		Mean (SD)	276.7 (694.2)	33.6 (31.8)	21.0 (27.4)
Bed linen and food brought by the patient to the hospital	No	N(%)	168 (84.8)	241 (87.6)	108 (49.5)
	Yes	N(%)	30 (15.2)	34 (12.4)	110 (50.5)



# DO INFORMAL PAYMENTS PRESENT A PROBLEM ?

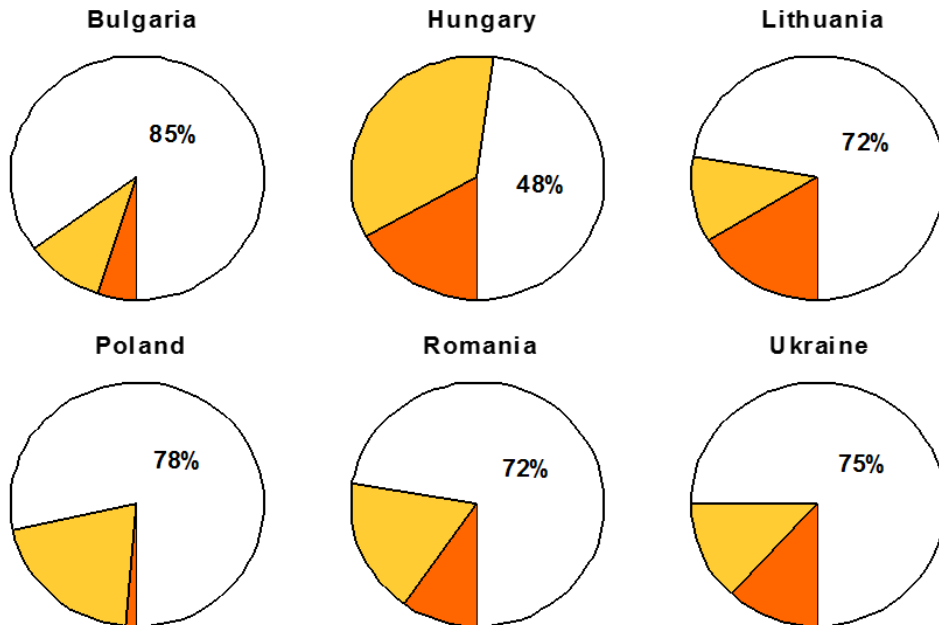
- Undermine the role of health policy
- Hinder the estimation of health care expenditure
- Obstruct the attempts to improve cost-effectiveness
- Seldom quality improvements
- Barriers to access



# ATTITUDES TOWARDS INFORMAL PAYMENTS IN CEE

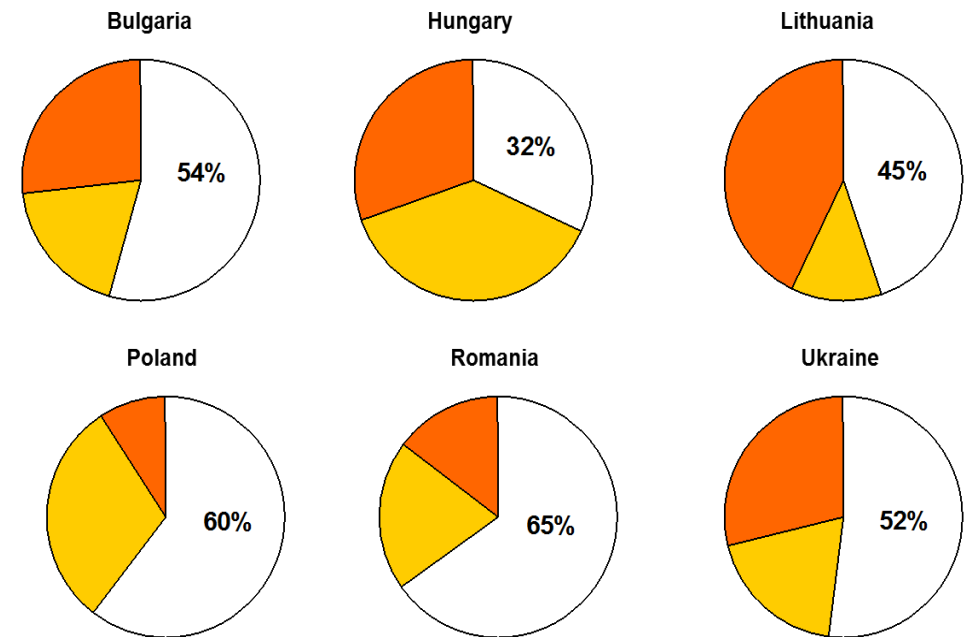
## Attitude - cash informal payments

*Pies show % of actual and potential health care users*



## Attitude - in-kind informal payments

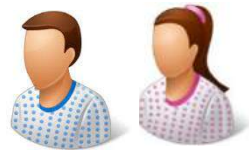
*Pies show % of actual and potential health care users*



*Negative attitude*
 *Indifferent*
 *Positive attitude*

# WHY INFORMAL PAYMENTS ?

*consumers*



- Cultural & social perceptions
  - *gifts and/or bribes*

*service providers*



- Insufficient health care funding
  - *lack of pharmaceuticals and consumables*
  - *low salaries*

*government*



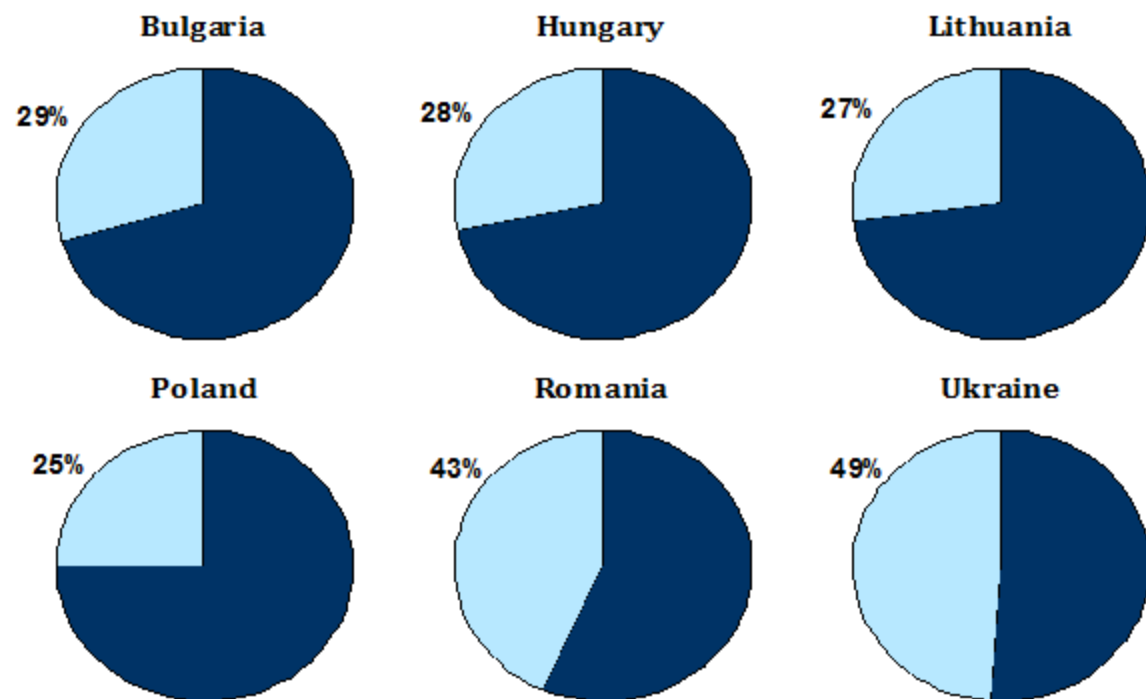
- Lack of control and accountability
  - *no check-and-balance mechanisms*

# OUT-OF-POCKET SPENDING - % EQUIVALIZED ANNUAL INCOME, 2010

Indicators		Bulgaria	Hungary	Lithuania	Poland	Romania	Ukraine	Total
Total amount paid as % of equivalized annual income <sup>b</sup> : median in payers' sample	P	0.3%	0.9%	0.9%	1.1%	1.8%	1.7%	0.9%
	H	1.4%	2.3%	2.2%	1.0%	4.7%	7.8%	3.1%
Percentage of payers with a total amount paid ≥10% of equivalized annual income	P	3.0%	2.3%	6.2%	3.2%	13.2%	11.4%	6.7%
	H	13.4%	8.2%	16.2%	3.1%	23.9%	43.5%	21.1%

P: outpatient physician services; H: inpatient hospital services.

# INABILITY TO PAY – VISITS TO PHYSICIANS & HOSPITALIZATIONS



*Pies show % of those in need of health care during the last 12 months (i.e. those who visited a physician, were hospitalized and/or forewent such services due to payments)*

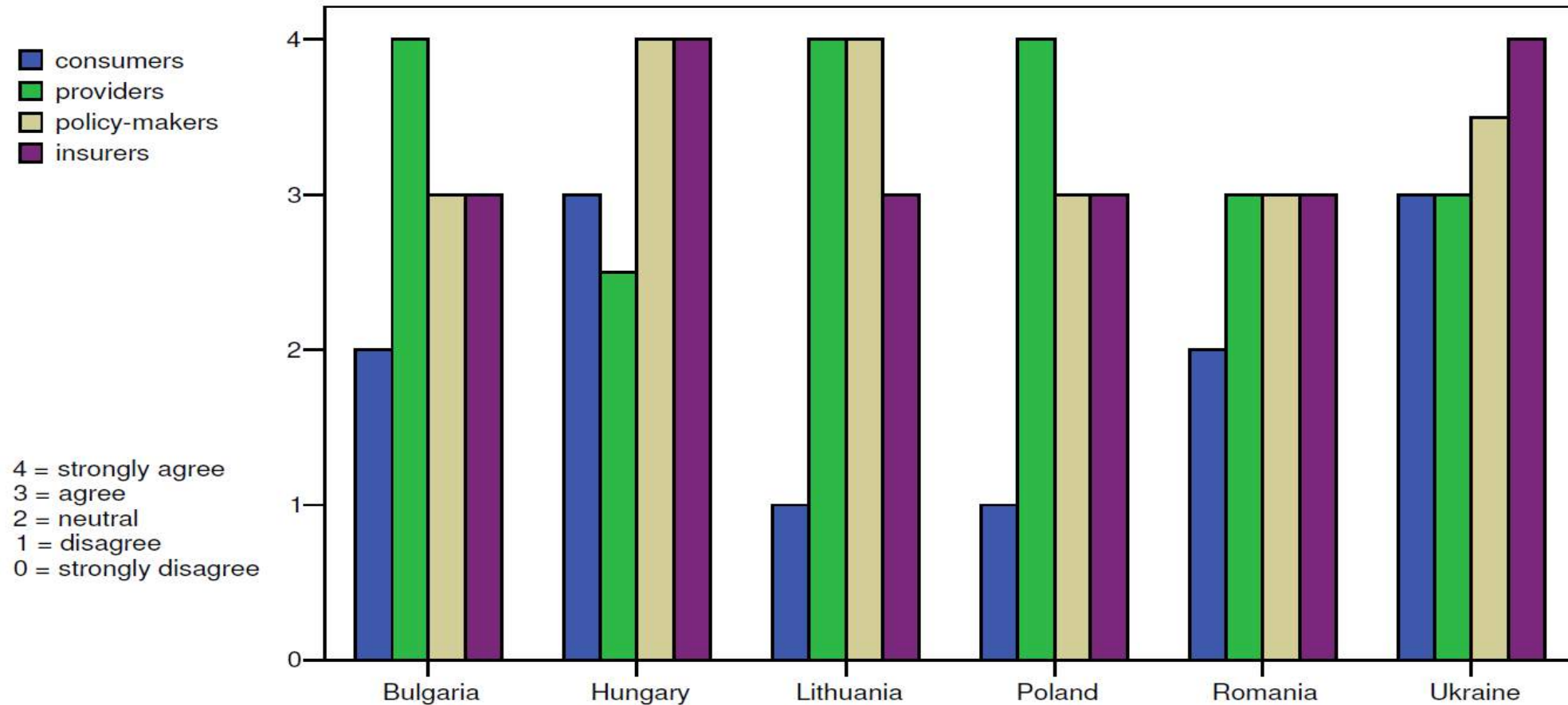
- *Did not have difficulties to pay for health care services*
- *Had difficulties to pay – either borrowed money, sold assets, or forewent services*

## MAIN FINDINGS

- Those who have greater needs but low income often forego health care or have to borrow money and sell assets to pay
- Borrowing money or selling assets is more common for hospital services, whereas foregoing utilization is more often applied in the case of outpatient services.

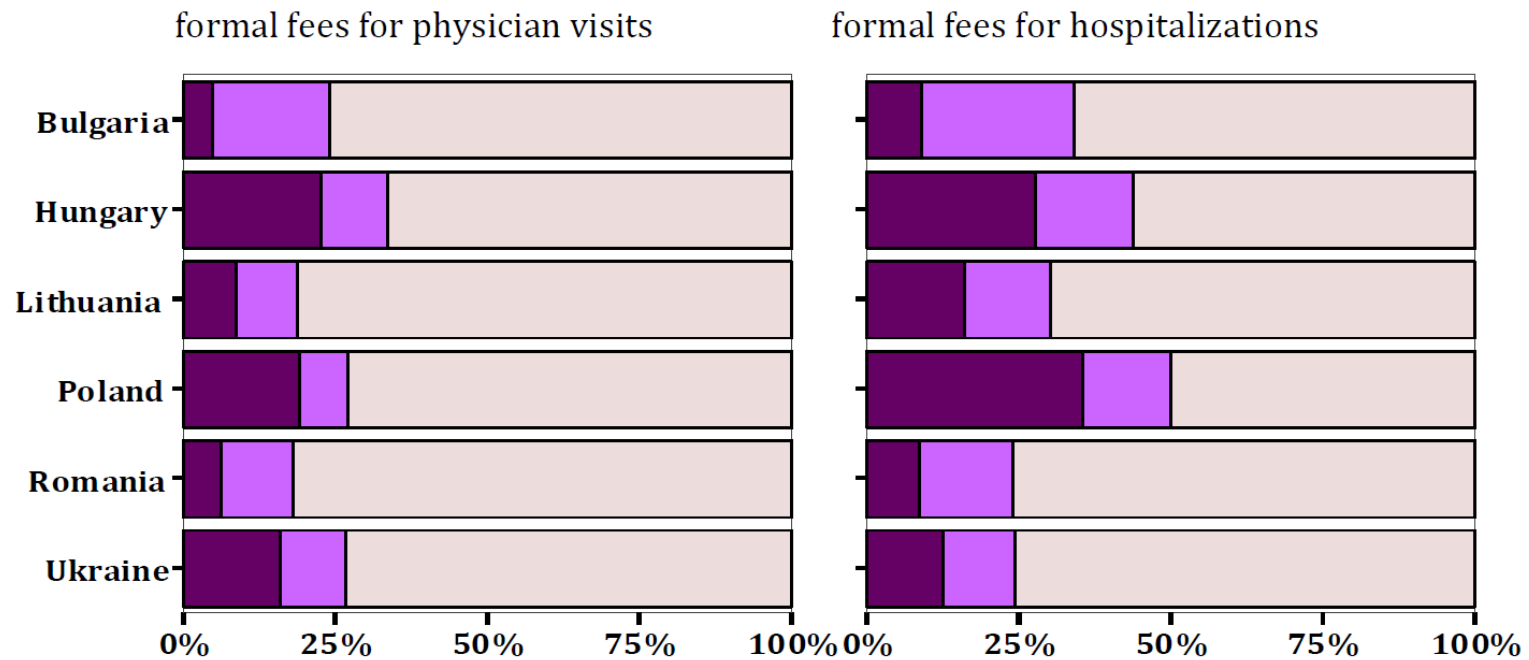


# AGREEMENT WITH FORMAL PATIENT FEES (MEDIAN VALUES), 2009



# WILLINGNESS TO PAY FORMAL FEES FOR IMPROVED SERVICES, 2010

Bars show % of actual and potential health care users



- Willing and able to pay*
- Do not object to pay but unable to pay*
- Object to pay*



## KEY CONCLUSIONS & RECOMMENDATIONS

- Clear legal framework for out-of-pocket payments
- Transparency in policy decision-making:
  - defining basic healthcare services with no charges
  - setting fees for other services in the public sector
  - reinvesting revenues collected via patient fees
- Exemption mechanism to accompany formal patient charges given their catastrophic effects
- Effective strategy for dealing with informal patient payments





Milena Pavlova, PhD

Department of Health Services Research

Faculty of Health Medicine and Life Sciences

Maastricht University

P.O. Box 616, 6200 MD Maastricht, The  
Netherlands

T +31 43 38 81705

[m.pavlova@maastrichtuniversity.nl](mailto:m.pavlova@maastrichtuniversity.nl)