

## CHALLENGES FOR ROMANIAN HEALTH SECTOR IN BECOMING A SUSTAINABLE SYSTEM

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### ABSTRACT

*The aim of this paper is the evaluation of the current status on health services and the objectives are to analyse the legal framework of health services, the country profile, the unequal access at the health services and the influence of the doctors and nurses mobility to the sustainable development of Romania. The paper is an observational study based on descriptive and comparative analysis on secondary data. Analysis of the current legal framework revealed that there are major differences regarding the access to health services in urban and rural areas, because in the urban areas are more hospitals than in the rural ones, the medical services offered in the urban area are incomparable better than the ones offered in the rural zones and the mobility of the medical staff in the other European countries affect the economic situation and the sustainable development of Romania. Health system in Romania faces several challenges: population ageing, relatively low public investment in health and weaknesses in resource allocation. All these results demonstrate that the Romanian government should create a legislative framework for ensuring more efficient and high quality cross-border medical services. Also, health should be promoted in all the policies. Investing in health system in Romania should assure a real sustainable development. Investment in e-health may contribute to clinical quality. The evaluation of this data reinforces the necessity of reforming and modernizing the health system.*

**KEYWORDS:** *health system, medical services, sustainable development, doctors mobility*

**JEL CLASSIFICATION:** *H11, I12, M14*

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### 1. INTRODUCTION

Over the past decade, the Romanian health care system has been the object of many initiatives, attempts, and successive reform schemes. Health is increasingly included as an important aim of national development because it can create development more sustainable.

The main objectives of this article are: to describe the legal framework, the healthcare system, the unequal access and the doctor's mobility which have a great importance on the sustainable development of Romania.

The main aspects of the legal framework are universal accessibility to healthcare and decentralization. The health sector reform began in 1996 and until that it has been a series of changes in this domain.

Romania benefits of a universal healthcare system. It is a decentralized system, regulated by national and district health insurance funds. The main source of financing is the statutory social health insurance.

A key challenge for health services through Europe is assuring an equitable access to healthcare. Citizens of the European Union have the right to free emergency medical assistance. (European Center, 2008).

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In Romania and not only, the access to the medical services is unequal; there are great differences between rural and urban areas and the Roma people, which represent 3.3% of the Romanian population have great problems in accessing the medical services.

Last but not the least, the mobility of the medical staff in the other European countries affects the economic situation and the sustainable development of Romania. Investing in health helps limit future costs related to the treatment of preventable diseases.

Also, investing in health also means investing in an efficient health workforce. It is important to find the proper ways to reduce disparities between rural and urban areas and to motivate the medical workforce to remain in the country.

## **2. IMPORTANT**

The importance of access to healthcare has been recognized at European Union level. The health policy cannot operate in isolation. The main preoccupation is to situate health as a very important pillar for a society. The problem is that social and economic conditions such as poverty, social exclusion, unemployment and poor housing are correlated with health status. The importance of investment in people's health as an indicator for sustainable development was recognized at the highest decision-making levels (Rio Declaration and Agenda 21). My article develops some initiatives for improving access to healthcare. The aim is to contribute to reduce inequalities in healthcare system.

### **2.1 Previous research initiatives**

This study is based on detailed analysis provided by studies from the healthcare services domain. This was complemented with findings from the literature, in particular from recent European comparative studies. Very little is currently known about the state of health literacy and what can be done to improve it.

Several studies have attempted to measure inequalities in health and healthcare in European countries. Doorslaer and Koolman (2004) found that significant inequalities in health are related to factors such as income positions of retired and disabled people. Mackenbach (2006) evaluates the evidence on the existence of socio-economic inequalities in health in the EU. Mackenbach et al (2007) analyse some of the economic costs resulting from the existence of health inequalities in Europe. The literature review on the doctor's mobility is not very consistent. There is little information on this subject, but there are several studies.

To summarize my primary understanding of the literature on inequalities in health and healthcare, there is a strong relationship between individual income and health (Mullahy, Robert, and Wolf).

For the economic development of a country, the mobility of the doctors represents a great problem. The mobility of the medical staff in the other European countries affects the economic situation and the sustainable development of Romania. Very little is currently known about this subject.

The analysis undertaken in this article draws on evidence collected from existing research and data, and compares the situation of Romania with other European countries. The study takes into account international research and experience in this area.

I investigated the national policy approaches, I described the actual profile of Romania from the health point of view, I examined the barriers to access, and analyze the impact of the doctors mobility to the economic situation.

The research in this domain is relatively new. The most useful tool I used was the country report, the legislation domain and the analyses with other countries. The paper is an observational study based on descriptive and comparative analysis on secondary data.

My principle results are that there are major differences regarding the access to health services in urban and rural areas, because in the urban areas are more hospitals than in the rural ones, the medical services offered in the urban area are incomparable better than the ones offered in the rural zones and the mobility of the medical staff in the other European countries affect the economic situation and the sustainable development of Romania.

I identified some negative aspects: the information gaps, methodological problems and lack of information on the minorities. Among the most deprived ethnic groups are the Roma people, and they represent 3.3% of the Romanian population. Officially, 11.08% of Romania's population is represented by minorities: hungarians – 6.5% (Transylvania), Roma people – 3.3% (mostly in Mures, Calarasi) and other minorities – 1.3%

### **3. INFORMATION**

#### **3.1 The legal framework**

The legal framework includes universal accessibility to health care, solidarity in funding health services. Decentralization of the health care system started with the Public Administration Law in 1991. The principal law in this domain is Law no. 95/ 2006 on healthcare reform. It defines the legal framework in which health providers (both public and private) function. There are also specific technical norms for organisation and functioning of the medical units, including staffing and budgeting norms. The Ministry of Public Health establishes the number of hospital beds required at national level and recommends to the Government the opening or the shutting down of public hospitals. Providers have to be recognised and authorised by the Ministry of Public Health to function. Only physicians are currently accredited by the College of Physicians. The professional associations (College of Physicians, College of Pharmacists, College of Dentists, Nurses and Midwives Order, etc.) have a role in setting regulations of their professions. Hospitals are accredited by National Hospital Accreditation Commission, according to the Health Reform Law (95/2006). Health sector reform began in 1996. This consisted in the following objectives: universal and equitable access to a reasonable medical service quality, cost control and efficient delivery of health services and allocation of resources. After the reforms, Romanian health system was transformed from an integrated model in which health care providers were employed directly by the Ministry of Public Health, in a model where healthcare providers from the health system are independent and are in a contractual relationship with health insurance fund. Ministry of Public Health maintains responsibility for developing the National Health Policy and dealing with public health issues. At the local level prevention activities are organized and supervised by the District Public Health Authority. The National Health Insurance is the main financial source

Health Insurance Coverage: preventive services health care, ambulatory health care, hospital care, dentistry, emergency medical services, complementary medical rehabilitation services, nursing pre-, intra- and post-birth, home-care medical, medicine, health care equipment and orthopedic devices. The District Health Insurance Houses can negotiate contracts with both private and public.

The compulsory health insurance covers the whole population. (Romania- Swiss Neatology Project, n.d.).

#### **3.2 The healthcare system**

A healthcare system provides health care and financial protection to all the citizens of a country. (Wikipedia, n.d). Universal health care in most countries has been achieved by a mixed model of funding. In Romania, the state finances primary, secondary and tertiary healthcare. Also, the state from Romania is obliged to fund public hospitals and clinics.

Romania is based on the system of social health insurance. It is the same situation in Germany and Poland. The Ministry of Health of Romania is responsible for managing and supervising the public healthcare sector. The access to healthcare is guaranteed by Article 34 in the Constitution of Romania, which specifies that the state is obliged "to guarantee the sheltering of healthcare" (Constitution of Romania, 2003). Every citizen of Romania is entitled to cost-free, unrestricted medical procedures, as established by a physician.

According to the World Health Organization (WHO, 2013), Romania spends, per capita, less than any other EU state on medical care.

**Table 1. List of countries by total health expenditure**

Rank	Country	Total health expenditure per capita PPP \$	Total health expenditure % of GDP
1	United States	8,233	17.6
2	Luxembourg	6,712	7.9
3	Monaco	5,915	4.4
4	Norway	5,391	9.3
5	Switzerland	5,297	10.9
6	Netherlands	5,112	12.1
7	Denmark	4,467	11.1
8	Canada	4,443	11.4
9	Austria	4,398	11
10	Germany	4,342	11.5
68	Bosnia and Herzegovina	893	10.2
69	Romania	881	5.9
70	Lebanon	872	6.2
192	Korea, North	...	...
192	Somalia	...	...
192	South Sudan	...	2.1
192	Zimbabwe	...	...

Source: adapted from WHO (2010),

[http://en.wikipedia.org/wiki/List\\_of\\_countries\\_by\\_total\\_health\\_expenditure\\_%28PPP%29\\_per\\_capita](http://en.wikipedia.org/wiki/List_of_countries_by_total_health_expenditure_%28PPP%29_per_capita)

The rank showed the countries of the world sorted by their total expenditure on health at purchasing power parity (PPP) per capita, and their total expenditure on health as a percentage of gross domestic product (GDP)

([http://en.wikipedia.org/wiki/List\\_of\\_countries\\_by\\_total\\_health\\_expenditure\\_%28PPP%29\\_per\\_capita](http://en.wikipedia.org/wiki/List_of_countries_by_total_health_expenditure_%28PPP%29_per_capita)). Pursuant to this list, Romania ranks 69 after Bosnia and Herzegovina and before Lebanon.

According to the National Institute of Statistics in Romania are 459 hospitals. Theoretically, each of the 459 hospitals should be equipped with a basic trauma room and an operating theater. For each 1000 people, there are 6.2 hospital beds available. Romania makes use of 2,600 ambulances, and by

2015, the government is planning on purchasing an additional 1,250 ambulances. Romania also has a professional emergency response unit, SMURD, which operates at major emergencies. SMURD operates independently from the regular emergency response services, but it can be dialed and asked for by calling 112.

Altogether (including the fleet of the Internal Affairs and SMURD), Romania has a fleet of 32 aircraft equipped for medical emergencies. Per capita, Romania has the lowest medical expenses inside the European Union. Another issue is the high level of out-of-pocket spending. ([http://en.wikipedia.org/wiki/Healthcare\\_in\\_Romania](http://en.wikipedia.org/wiki/Healthcare_in_Romania))

### **3.3 Unequal access to the medical services**

Inequalities are a particular concern for rural areas, which have poorer access to transport infrastructure and healthcare services, lower economic development and higher concentration of elderly people. Medical care in Romania is generally not up to Western standards, and basic medical supplies are limited, especially outside major cities. Some medical providers that meet Western quality standards are available in Bucharest and other cities but can be difficult to identify and locate. Many patients have to travel many miles for care and may wait until they're seriously ill before doing so. And, areas with few drugstores make it difficult to supply patients immediately with the prescriptions they need. In some areas, small hospitals have no emergency rooms, forcing general practitioners to be on call more often to respond to medical emergencies.

It was observed significant variations in availability of services, especially in rural areas. One of the most important aspects to focus on in Romania's health system is reducing the inequities. We are talking about geographic inequity, prevalent when people from rural areas do not have access to quality services or health services at all, but mainly about social inequity. Romania's problem with Roma or homeless people is known for a long time, but except some journalists trying to raise awareness or a few NGOs trying to solve the issue or at least to put it on politicians' agenda, nothing has been done.

### **3.4 Mobility of the doctors**

The medical system has been affected by a lack of medical staff. This is due to the low wages and the attractive working conditions in Southern and Western Europe. The health workforce is a crucial element of the health system in providing quality health services to the population. Additionally, exogenous factors impact labor market dynamics and health workforce mobility. The mobility of physicians and nurses is making it difficult to provide top-quality health care. For instance, ageing populations, changing lifestyles and morbidity patterns, and the availability of new technologies lead to increasing demand for services, while the relative size of the health workforce to meet this growing demand is not keeping pace in many countries. These dynamics can lead to a stronger pull for foreign qualified health personnel from more affluent destination countries. (WHO, 2013). Confronted by the deficit of personnel in the health sector, the social partners, both the unions and the employers, have succeeded in obtaining salary raises in recent years, and the provision, by law, of the fidelity bonus. As the salary in Romania is around 250-300 EUR and in Western Europe it is ten times higher, most of the Romanian specialists are leaving for other countries. The most usual destinations are: Italy, France, Spain, UK, Germany and Scandinavia. This has alarming effects on the Romanian health system. Romania faces a very serious deficit of medical staff. According to available data, approximately 15.000 doctors left Romania over the last 7 years (2007-2014). In present, Romania has the lowest number of doctors compared to Central European countries. Romania ranks 31 of 33 countries with 17 doctors to a thousand inhabitants (32 average in EU). It is the same situation for nurses.

#### 4. CONCLUSIONS

This sector of public health services cannot be ignored. Otherwise, serious consequences will be faced, starting with an increase in the funds spent with taking care of the sick people, and also with protecting and helping those whose health could have been sheltered. The main challenges Romanian health system is facing are: the differences between urban and rural areas in accessing the medical services, very poor people or Roma patients and the mobility of the physicians and nurses. According to Aspen Institute Romania, the solution would be a "sustained and sustainable reform of the healthcare system in Romania" (<http://www.aspeninstitute.ro/healthcare-policy>).

The main steps of this reform should be: improving the dialogue and problem solving, creating a relation of trust and mutual benefit among stakeholders, both public and private, creating a system of best practices that can influence reform processes and developments in the health care sectors in the region, as well as use the market synergies" (<http://www.aspeninstitute.ro/healthcare-policy>), medical technological research and clinical trials as well as communication and education issues, ensuring a developed and adapted management strategy, properly designed regarding the national context and specific challenges of Romania, encouraging medical research and clinical trials, focusing on communication (between doctor and patients, between government and doctors and health services providers) and education.

The focus, efforts and investments should go largely towards social vulnerable groups, who lack information and are usually being denied the access to health services.

Financial consolidation and structural reform of health systems must go hand in hand to continue delivering on public policy goals and ensure that efficiency gains will guarantee universal access and increase the quality of healthcare. They should be addressed as part of the wider agenda of structural reforms within the context of Europe 2020 and the European Semester. (Bryant, 2010)

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