

Executive Summary of Health Care Reform in Central and Eastern Europe: Setting the Stage for Discussion

This paper is the first part of a publication series under the banner of our initiative *CEE Ahead: A vision for sustainable healthcare*. CEE Ahead aims to put forward a new vision for healthcare in Central and Eastern Europe (CEE).

The paper examines the transformation and reforms of Central and Eastern European (CEE) health care systems following the collapse of the Soviet Union in the early 1990s. Taking the examples of Poland, Hungary, the Czech Republic, Slovenia and Romania it sketches the major success stories but also examines the missed opportunities and major backlashes against these reforms.

Following the collapse of the Soviet Union, CEE countries had to cope with health care systems that were organised along the lines of the "command economy". They provided universal access but suffered from gross inefficiencies and outdated technologies. Patient choice and empowerment was non-existent. Since then, with differing priorities and reform paces, the region has broadly moved towards more open and flexible (Bismarck-style) social insurance systems.

Health care financing has been diversified, away from pure tax funding towards the inclusion of social insurance premiums, user fees and, in some cases, private health insurance. Yet much more needs to be done on this front. CEE societies are experiencing demographic changes at a very high speed, which will put increased strains on their health services.

Access to new health care technologies has been greatly improved, which has finally enabled progress in medical outcomes after decades of stagnation. Nevertheless, CEE countries are still lagging considerably behind Western Europe with regards to the level of innovative treatments and technologies available to patients. With the rising expectations of CEE populations to receive the most advanced and innovative treatments, governments in the region have to find a way to catch up with the rest of Europe. Sustainable pricing and reimbursement systems, that not only focus on cost-containment but that also provide the necessary incentives for the inclusion and supply of innovative treatments, are one way of achieving this.

Coming from a tradition of "guided" health care, in which patients were assigned to providers with little or no choice, principles of "consumerism" have come as an entirely new experience. This has already changed the position of patients within the healthcare system to some benefit. Yet, the free choice of specialists and health insurers, and easy access to information is largely the exception rather than the rule. Much more needs to be done in order to truly empower patients in CEE countries.

One of the areas where perhaps the least progress has been made is in the area of "medical subsidiarity" – in other words, the concept of treating routine cases at a routine level and reserving the highly specialised sectors for the most challenging cases. CEE health systems still waste resources by hospitalising patients that could be treated in ambulatory care, or by referring simple cases to specialists instead of treating them at the GP level. The main reason why these structural imbalances have not been corrected is that CEE health systems have failed to introduce principles of competition to the health sector. Shielding providers from competition and the need for structural change may be politically

convenient, since doing the opposite would provoke fierce resistance from well-organised groups. But patients pay a high price for the prevention of modernisation.

CEE health systems are at a crossroads. They can travel further down the road towards patient-centred health systems, in which well-informed health consumers exercise a far greater degree of choice at all levels. But this would have to include an end to the comfortable illusion of 'free health care' and a shift towards a healthcare system based on more diverse sources of funding and provision, including the use of the private sector. Alternatively, these countries could slip into reverse - "shielding" patients from the exercise of choice and protecting providers from having to change their business models. This would most likely result in high invisible costs, structural inefficiencies, a greater tendency towards rationing and delayed access to innovative treatments, all of which are more likely to cause more harm than good.