



Republic of Bulgaria
ECONOMIC
AND SOCIAL COUNCIL

OPINION

on

"Draft National Health Strategy 2021-2030"

(own-initiative opinion)

Sofia, June 2021

The Economic and Social Council (ESC) of the Republic of Bulgaria has included in its Action Plan for 2021 the elaboration of an opinion on the topic: "Draft National Health Strategy 2021-2030" on the basis of a proposal received from the Ministry of Health - letter N 92-37 / 4 March 2021.

The elaboration of the opinion was assigned to the Commission on Social Policy and the following rapporteurs were appointed: Dr. Ivan Kokalov - member of ESC, from group II and Maria Mincheva - member of ESC, from group I.

Leading independent experts in the field of healthcare management and health insurance were involved in the preparation of the opinion - Prof. Dr. Grigor Dimitrov, lecturer at Insurance and Finance Higher Education School and Dr. Strashimir Genev, MD, public health expert.

At its meeting of 22 June 2021 The Social Policy Commission discussed and adopted the draft opinion.

At its plenary session of 30 June 2021 The Economic and Social Council adopted this opinion.

ABBREVIATIONS USED

HMC	Hospital Medical Care
GDP	Gross Domestic Product
BDA	Bulgarian Dental Association
BMA	Bulgarian Medical Association
BCC	Bulgarian Chamber of Commerce
DCC	Diagnostic Consultative Centre
EU	European Union
NHIFBA	NHIF Budget Act
HA	Health Act
HIA	Health Insurance Act
MPHMA	Medicinal Products in Human Medicine Act
MEA	Medical Establishments Act
MPA	Medical Products Act
HIP	Health Insured Person
MCP	Medical Care Providers
OMDC	Outpatient Medical and Dental Care
OECD	Organization for Economic Cooperation and Development
ESC	Economic and Social Council
FSC	Financial Supervision Commission
MI	Medical Institution
MHAT	Multi-Profile Hospital for Active Treatment
MDA	Medical Diagnostic Activities
MH	Ministry of Health
MF	Ministry of Finance
NHIS	National Health Information System
NHIF	National Health Insurance Fund
NSI	National Statistical Institute
RHI	Regional Health Inspectorate
WB	World Bank
WHO	World Health Organization
SOMC	Specialized Outpatient Medical Care

1. Conclusions and recommendations

1.1. The state of the health care system and health insurance and their development have been the focus of ESC so far, as health and insurance topics have been the subject of many specialized opinions. The problems of the reform in health care were discussed and analysed as part of a number of opinions, which were presented to the ESC and adopted by it¹.

1.2. ESC assesses as extremely relevant the statement that the health care reform should be a priority task of all bodies and organizations that are related to health problems. The reason for this is the significant change in the age structure of the population - declining population in the country, ageing population, declining birth rate, increasing life expectancy.

1.3. ESC believes that maintaining the highest possible level of protection of public health, especially in a global demographic crisis, is a key challenge for EU countries in a globally changing socio-economic environment.

1.4. ESC emphasizes the understanding that the main tasks of the national health policy must be in accordance with the principles adopted by the European Commission. The aim is, on the basis of common principles and requirements, to reform national health systems and ensure their sustainable functioning and development, taking into account the social, cultural and economic characteristics of individual countries. The aim is to ensure better health for Europe's citizens through a more comprehensive partnership between the countries.

1.5. ESC is convinced that health reform is not a one-time campaign, but a continuous process of qualitative and quantitative changes with different scope and impact on the health system, whose main goal is to improve the health status of the nation. The changes, in the context of health reform, should be implemented consistently in order to address the nation's health problems in a lasting and sustainable manner.

1.6. ESC considers it necessary to implement new innovative policies to public health issues, which must take into account the wide variety of complex issues, ranging from individual health habits to optimizing the factors of environmental impact.

1.7. ESC notes with concern the fact that the care for protection and restoration of health and improving the quality of life of every Bulgarian citizen is perceived only as an obligation of the state guaranteed in the Constitution, but not as an inalienable obligation and responsibility of every citizen for his health and maintaining a healthy lifestyle. In this regard, ESC recommends the care for the protection and strengthening of personal health to be established as a philosophy and behaviour of every citizen.

1.8. ESC considers that it is especially important in solving the accumulated health problems, especially after the consequences of the pandemic, to reach an acceptable consensus between

¹ ESC Health care in Bulgaria - problems and possible solutions. S., 2014.

political forces, trade unions, employers, public administration and the non-governmental sector, to ensure continuity and consistency in development and the implementation of health policy.

1.9. ESC is extremely concerned about the fact that in recent years conditions have been created for the health system to be unreasonably open and liberalized, in which any emerging market entity can use public resources without a proven effect of meeting the real health needs of the population. We note with concern that this practice has led to unjustified pressure, mostly by lobbyists, on the effectiveness of the healthcare system.

1.9.1. ESC supports the opinion of analysts and experts that the main, more significant factors and reasons that led to ineffective results of the recent reform of Bulgarian health care are²:

- lack of continuity in governance and health policy, as well as a consistent political will to improve the health of the nation among the leading national priorities in order to ensure national health security;
- implementation of incidental and fragmentary decisions and insignificant mechanisms that do not fit or are not in a common strategic plan; lack of objective expert analysis of the current state and trends of public health;
- lack of formulated, realistically substantiated health priorities, of a common health policy concept and model;
- imitation of structural reform, without the presence of an objective preliminary analysis of the state of the health system and risk assessment;
- adoption of decisions for changes in the healthcare system without taking into account the balance between the health needs, the set goals and the limited financial resources with which these decisions can be implemented;
- unjustified delay in the introduction of e-health as a platform for improving the efficiency of the health system and for increasing the quality and control over the provided medical services, although significant funds have been allocated for this.

1.10. ESC is concerned that the maintenance of a relatively low share of public health care funds as a percentage of GDP is one of the factors deteriorating the quality of care, which limits the ability to provide adequate and quality medical care. The result of this policy is the established low quality of service, outdated equipment and technologies, lack of opportunities for staff motivation and especially for improving their skills.

² For details: HEALTH 2014: condition, problems, solutions, challenges. BIA. 2014; White Paper on Health Based on Values; edited by Ivanov L., Sofia BATMI, 2012, World Bank Report. Mitigating the economic impact of population aging: Possible options for Bulgaria. S., 2013; Health policies - economic analysis and evaluations. in: Economic Development and Policy in Bulgaria: Assessments and Expectations. III at BAS 2013; Study of the Association of Industrial Capital in Bulgaria (BICA) under the project "Restriction and Prevention of the Informal Economy" 2012 ; Dimitrov Gr., Organization and financing of the health system - challenges and solutions, VUZF, Sofia, 2016 ..; Dimitrov, Gr .. Risks and challenges in reforming the health system. ed. VUZF., S., 2018 and others. State of health in EU - Bulgaria health profile of the country 2019

1.11. ESC is concerned that the public discussion on health issues prevails and the opinion is confirmed that the system will automatically work better if sufficient financial resources are provided. We believe that it is fundamentally wrong to invest additional resources in healthcare before creating the conditions and ensuring that consumers receive a better service.

We join the common position of many experts that the self-serving increase in the provided funds will not only not improve, but will deepen the negative effect of the operation of an unreformed system.

1.12. ESC reports that there is a steady trend for a sharp and unjustified increase in the amount of funds allocated from the NHIF budget for hospital care. A system is maintained with a large number of hospitals, many of which have an unreasonably large number of beds. The reason for this practice can be considered the lack of effective legal, economic, organizational, financial, medical and other mechanisms developed by the state to optimize the hospital system in terms of number, size and location of institutions.

1.13. ESC reports that in the conditions of the pandemic there is a chronic shortcoming of the health system - outpatient care has low efficiency, it does not have the necessary capacity, in terms of professionals and equipment, as well as motivation to solve the health problems of patients, which can be solved at this level. As a result, patients are turning to more expensive hospital care, which leads to an unjustified reduction in the effect of funds allocated for medical care.

1.14. ESC notes with concern that despite the crucial importance of human resources for quality and effective health care, this factor is underestimated. For these reasons, there is a lack of a consistent and long-term policy with medical staff.

1.15. ESC notes that the activities for health promotion and health prevention as an organized effort of society to improve personal and public health and development of the system to become a real main priority of the national health policy are not yet a special priority.

1.16. ESC restates that clear rules have not yet been developed for the order and procedures of medical care for uninsured persons and for the financing of their medical care activities.

1.17. Of particular concern to ESC is the fact that the introduction of e-health as a decisive factor for improving the efficiency of the health system, for ensuring greater transparency in the system and for increasing the quality and control of medical services.

1.18. ESC believes that the insurance system is severely deformed and burdened with uncharacteristic functions, its management is nationalized. The National Health Insurance Fund (NHIF) has become a state-administrative health institution that finances the medical care of the entire population, regardless of its insurance contribution.

1.19. ESC again observes that in Bulgarian society is growing concern that the health system is highly bureaucratized. Corruption in the healthcare system is high. There are corrupt practices in

the supply of medical facilities with medicines, consumables and materials, and in recent years in the attraction of patients in some hospitals.

1.20. ESC recommends preparing a package of measures, incl. legislative measures, to overcome the established practice of so-called "unregulated payments". The amount of these surcharges is particularly large, which distorts the fairness of the insurance system and limits the opportunities for access of a large group of the population and especially disadvantaged people to quality medical care or medical care in general³.

1.21. ESC consistently supports the policy of increasing the total cost of drug treatment. He believes that this is a logical process based on a number of objective reasons. At the same time, it takes into account the disappointment of a large part of the Bulgarians with the possibilities of the health system to provide them with the necessary pharmaceutical treatment.

1.22. ESC maintains the principle that the lack of consistency, lack of continuity and the necessary consensus between political forces, has allowed the problems of health reform so far not to be addressed systematically, which led to chaotic and often contradictory political and managerial decisions.

1.23. ESC is concerned that there is a lack of effective control and transparency over the problems and results of the health system. There is no practice to present periodic analyses and information about the incurred expenses for the health care of the different groups of insured persons, about the priorities and about the problems that have arisen in the medical care and its results. There is a lack of public and adequate accountability for real spending in the health sector.

1.24. ESC reaffirms its position that it is necessary for all political forces represented in the National Assembly and outside it to make their main mission the adoption and implementation of a long-term strategy for the development of Bulgarian healthcare, providing a political guarantee of continuity between governments and consistency in achieving real positive and stable results for the nation's health. The decisions of health problems must be supra-partisan and not subject to anything other than the public interest.

1.25. ESC considers as extremely important the statement that the health care reform should cover not only the health care and health insurance system, but also the entire social system. The organization and conduct of this activity should be a priority task of the National Assembly, the government, the social partners, professional and patient organizations and all other governmental and non-governmental organizations that are stakeholders in the health problems of the nation.

2. General comments.

³ State of health in EU - Bulgaria health profile of the country 2019.

2.1. The implementation of the health reform is one of the main processes of the overall renewal of Bulgaria, it is a progressive process, an integral part of the policy for the development of the society on its way to acquiring democratic, political, market and European values.

2.2. ESC recalls that it is necessary to create and approve a system of social health care that meets the expectations and needs of society for the organization, management and financing of high quality medical and dental care, to ensure equal access to quality health care for all insured persons.

2.3. ESC welcomes the presentation of the Draft National Health Strategy 2021-2030 (Strategy) as a strategic plan with the necessary actions and changes to be taken in order to ensure after their implementation to achieve the main goal set in each health strategy - better health for the nation.

2.4. ESC believes that the strategic actions presented in the Strategy should be subject to a general and unified concept that combines the efforts of the state, employers, trade unions and society as a whole to achieve a new attitude to human health, to ensure the health status of the population to motivate and ensure high productivity and a new, higher quality of life.

2.5. ESC notes with concern that the problems related to the protection of public health are still only a declared, but not practically realized leading priority of the state and society. The severe and deepening demographic processes, and especially the situation that arose in the course of the still ongoing pandemic caused by COVID-19, exacerbated these problems.

2.6. ESC found that the health demographic indicators, health determinants and strategic framework of the current state of the health system, with a brief SWOT analysis, are not sufficiently analysed and the reasons for the disadvantages and long-standing shortcomings of the health system⁴.

2.7. ESC does not deny the priority of these areas, but strongly believes that their content should be analytically justified, with clear and practical steps to achieve the goals. The Draft does not specify with what resources the objectives of the strategy should be achieved - material, financial and human, especially in the situation of demographic crisis, with an extremely declining and ageing population and the consequences of the pandemic. There is also no roadmap for the sequence of resolving these negative trends.

2.8. ESC noted with concern that one of the main topics discussed in our society - the health insurance model and how to change and improve the current model, what should be the framework and objectives that will be set as the objective of a new model. The Draft is marked as a history of the presentation of two options for a new model in 2018 and 2019⁵.

2.9. ESC notes with concern that the Strategy does not specify quantitative and qualitative indicators that will measure the implementation of the priorities and objectives set in the Draft.

⁴ Draft National Health Strategy 2021-2030.

⁵ MH.

2.10. ESC is adamant that such a sensitive topic for society as health care, set in the National Strategy, must be discussed before its adoption in order to ensure a preliminary national consensus between politicians, medical professionals, experts and society as a whole, giving a clear answer to the society what is to be done and what to be expect after its adoption.

2.11. According to ESC, National Health Strategy 2021-2030 should ensure the achievement of several main objectives:

- To ensure greater fairness, equality and accessibility of insured persons to quality medical care;
- To protect the interests and guarantee the rights of insured persons and the population as a whole at all territorial levels and all levels of the health system;
- To create conditions and prerequisites for achieving quality of health services in accordance with European standards;
- To improve the economic efficiency and health performance of the health care system;
- To create an effective public (incl. and patient) control, as well as to ensure and guarantee transparency and public awareness of the state, behaviour and results of the functioning of the health care system.

2.12. ESC notes with concern that the practice continues the amount of health insurance contributions for persons insured by the state - retirees, students, children, etc. not to correspond to the costs incurred for their health care. Observance of the principle of equality of all insured persons requires the average contribution of the insured persons to be consistent with the costs of their services, and the basis for calculating health contributions to be the same for all insured persons - the average insurance income.

2.13. ESC notes with concern that the trend of a significant increase in the amount of health care as a share of household income is more typical for lower-income households, which indicates poor protection against financial risk and increasingly limited opportunities for care for their own health. According to the World Bank over 14% of respondents among the part of the population with the lowest income report that they have not sought health care because it is too expensive and they cannot afford it⁶.

2.14. ESC found that in Bulgarian society there is growing concern that the health care system is highly bureaucratized and that there are corrupt practices in it. There is a lasting trend of increasing the amount and scope of statutorily regulated supplementary payments, as well as unregulated payments for medical care and unfortunately this practice is accepted by society as a "normal" phenomenon.

⁶ World Bank Report: The Presentation of the Bulgarian Health System - International Comparisons. S., 2015, p.14. Rohova, M., (2017) Private expenditures for health care and inequalities in access to health care., Varna Economic Forum, vol.6, p.177-183.Dimitrov Gr., Risks and challenges in reforming the health system, VUZF. 2018.

2.15. ESC notes with concern that in recent years, despite the great seriousness and social significance of the problem, adequate state policy and concrete actions to reduce the number of uninsured persons have not been carried out. As a result of this practice, the financial condition of a number of healthcare facilities is critical, with hospitals accumulating a lot of debt to suppliers of medicines, consumables and materials.

2.16. ESC supports the findings that there is a lasting and stable trend of low efficiency in the activities of our health care system at all levels. It is inadmissible that with a continuous increase in the amount of health care funds, on the one hand, and continuous decrease in the number of the population, on the other, the indicators which determine the health status of the population do not improve, nor do they even remain the same.

2.17. ESC notes with concern the lack of a consistent policy on the training, use and development of medical staff. There is a lasting tendency to deepen the deformations in the structure in terms of the number of specialists in individual specialties and the territorial distribution of qualified medical staff.

3. Challenges and opportunities/solutions.

3.1. ESC categorically takes the position that it is mandatory to prepare in advance a comprehensive analysis of the state and efficiency of the entire health system with transparent and clear conclusions (incl. the causes of health reform failures and deficiencies in the health care system).

3.2. Based on the results of this analysis, which should be an integral part of the Strategy, it is necessary to proceed to the development of conceptual guidelines for implementation of changes that cover the entire system.

3.3. ESC unconditionally believes that the Strategy will be successful when its development and adoption is carried out with the participation of broad public circles, free from narrow lobbying interests, legitimate patients' representatives, health professionals, employers, trade unions, political forces, patient NGOs and public health experts. This should be the first and irrevocable step in the process of building a modern and efficient health care system.

3.4. ESC believes that the Strategy should clearly define the nature, scope, content and sequence of changes in the system of health care and health insurance.

- ESC recommends that the Strategy should be completed with an action plan that would include practical steps and stages for the implementation of strategic tasks, indicating the sources of funding, the amount of funds and control over the spending of these funds.

3.5. Financing of the system

3.5.1. ESC proposes to take long-term measures to increase the amount of public funds allocated for health care.

- The generally accepted criterion for assessing the level of health care expenditure in EU countries is their share of gross domestic product (GDP). According to the medium-term budget forecast for the next programming period, the share of public health funds in GDP is limited to 4.5%.
- The average share of GDP allocated to EU Member States ranges from 7 to 12%. Germany and the Netherlands invest 10.9%, while France and Sweden reach even 11.1%. Romania and Bulgaria have the lowest levels of 5.1% and 4.6%, respectively⁷.
- It is logical in this situation to increase health care costs at the expense of the population, which compensate for the lack of public funds⁸.
- The increase in the amount of public funds must be related to reforms of the system that will ensure efficient use of public resources and increase the quality of medical care.

3.5.2. ESC believes that a set of long-term measures must be adopted to overcome the persistent negative trend in the ratio between public and private health care spending - in 2002 (the beginning of the reform of the system) was 61% to 39% and reached 51% to 49% in 2019. The share of supplementary payments at the expense of citizens in our country is extremely high - about 45-50%. In EU countries, the share of payments at the expense of the population ranges between 15 and 18%⁹.

- The large amount of co-payments and the prospects for their preservation raise serious questions about equality, financial protection of insured persons and their opportunities to receive quality health care and adequate health services.

3.6. Hospital care

3.6.1. ESC considers that it is necessary to perform an analysis of the condition and results of the hospital system. On this basis, a new state policy should be developed for the opening and evaluation of the activity of the medical hospitals, which should be connected with the real medical needs, with the availability of working medical establishments, as well as with the available potential of medical specialists.

3.6.2. ESC recommends optimizing the cost of hospital care in the overall cost structure of the system¹⁰.

- In this regard, ESC recommends that the costs of hospital care should be linked to a lasting trend of improving the health status of the population. To this end, it is necessary to build

⁷ http://ec.europa.eu/eurostat/statistics-explained/index.php/Healthcare_expenditure_statistics.

⁸ State of health in EU - Bulgaria health profile of the country 2019.

⁹ EC Report for Bulgaria for 2018, including an in-depth review on the prevention and correction of macroeconomic imbalances.

¹⁰ The expenses for hospital care in the EU countries are in the range of 29-35%. In our country these costs in the last ten years are in the range of 49-52%, and in recent years are about 49%. For the period 2008-2019 hospital care costs have increased more than 2.1 times. According to experts, the average annual rate of increase in hospital care for EU countries is about 5-7%, while in our country it is significantly higher – 13-20% in recent years.

a transparent monitoring system that monitors and analyses the correlation between the final health outcomes of patient care and the costs incurred. The availability of such information should be accessible and decisive in determining the goals and priorities for financing specific activities for the country as a whole and by individual regions.

3.6.3. ESC assesses as a very important and necessary step the solution of the problem with the status of hospitals and once again insists on the transformation of medical institutions into economic entities under a special law, and not as it is now under the Commercial Act.

3.6.4. ESC supports the idea of creating a rating system for the assistance offered by medical institutions, which is independent of the state system, in order to provide insured persons with real information for choosing a medical institution, incl. through modern technologies such as risk assessment for the quality of medical activities¹¹.

3.6.5. ESC considers it necessary to open small protected medical institutions in hard-to-reach areas, to be financed not only with public funds, but also with state funds, in order to ensure equal access to medical and dental care.

3.6.6. ESC strongly considers it necessary for all medical institutions that use public resources to present public information in a clear, transparent and accessible way on the way the funds are spent, which must include a report on the received public funds and the costs incurred for medical and administrative activities.

3.6.7. ESC considers it a right step in the management of medical institutions to include proven professionals and not persons appointed on a political or other basis, emphasizing the participation of experts designated by law as independent members of the boards of directors. These members will represent and express public opinion and will support the activity of the boards of directors, while also being representatives of public control over the activity.

3.6.8. ESC proposes to establish a normative methodology for evaluating the activities of medical institutions, which will allow to take into account the effect of the costs incurred in relation to the results of related medical activities.

3.6.9. ESC accepts the finding that the size of the so-called "non-regulated payments", which distorts the fairness of the insurance system and limits the opportunities for access of a large group

¹¹ Risk based inspections in healthcare, prof. Dr. Zlatitsa Petrova, MD, prof. Dr. Todor Cherkezov, MD, prof. Dr. Ralitsa Zlatanova-Velikova, MD Elisaveta Petrova - Dzheretto, MD, Alexandrina Gigova; Mane, H., S. Hristova, T.Ch. Olakova, Health Indicators, Sofia, 2000; Dimova, A., M. Popov, M. Rohova. Health reform in Bulgaria: an analysis. Open Society Foundation Institute, Varna, 2007; Иванова, Т., А. Dimova, G. Gareva,. Quality of health services, in: Hospital management. Ed. L. Ivanov, Zh. Golemanova, NCPH, 2005; Genev Str., Komitov G, Resource Management - a priority of health reform. Bulgarian health care reform through the eyes of the patient and the specialist. Gorex Press Publishing House, 2009, Sofia; Petrova, Zl., P. Genev, E. Petrova Jerreto, Health System Management, Health Media Group, 2018.

of the population and especially of the groups of the poor and minorities to quality, or medical care in general.

3.7. Prevention and outpatient care.

3.7.1. ESC once again recommends the development of a package of measures, incl. legislative, for the creation of highly effective outpatient care, which with the necessary capacity, technological capabilities and financially motivated professionals, to allow health problems to be solved completely or partially, but in adequate volume, scope and quality at the level of outpatient care. Only patients should be referred to hospital care for whom objective treatment cannot be achieved with the possibilities of outpatient care.

3.7.2. In this regard, ESC recommends overcoming the established trend that public expenditure on outpatient care is underestimated and the activity is unjustifiably underfunded. An average of 12% of the NHIF budget is allocated for outpatient care, while in the EU countries this share is 25-30%¹².

- The increase in outpatient care over the last ten years is about 31%, while the cost of hospital care and medicines has increased more than 2.1 times.
- As a result, for a two-year period¹³ the number of doctors in outpatient care decreases, as well as the volume of activities paid by the NHIF in outpatient medical and dental care¹⁴.

3.8. Prevention and prophylactic - an activity of strategic importance

3.8.1. ESC strongly believes that urgent changes are needed in the organization and management of the system for promotion and prevention. A serious analysis is needed, on the basis of which to determine the necessary financial resources through which a new type of system for health promotion and health prevention will be financed¹⁵.

3.8.2. ESC recommends to develop the principles and practical steps of public communication of health promotion activities, the main purpose of which is society. Health institutions should accept the understanding and be convinced that the activities aimed at the field of determinants of health require full cooperation between the different sectors of government, from central to local government.

¹² In countries such as the Czech Republic and Denmark, this type of expenditure is almost a third of total health expenditure, and for Belgium and Estonia it is about a quarter. The funds for outpatient care in our country for the analysed period are distributed for primary care - 5.2%, and for specialized - 5.8%.

¹³ Annual reports of the National Health Insurance Fund for the respective years.

¹⁴ The activities paid by the National Health Insurance Fund under the Child Health Care Program in 2020 decreased by 15% compared to 2019, the activities under the Maternal Health Care Program decreased by 16%, the number of preventive examinations over 18 years. decreased by 13%, the number of immunizations decreased by 23%, the number of dispensary examinations decreased by 5.6%. The same trends are observed in the dental activities paid for by the NHIF.

¹⁵ <http://www.economy.bg/innovations/view/28301/Zdrave-v-bydeshte-vreme>.

- It is necessary to update the existing national programmes in the field of health promotion, prevention and prophylactic, indicating measures to improve their administration, coordination and increase the effectiveness of the expected results.

3.8.3. ESC recommends that the Strategy must indicate the approaches and opportunities, how a new type of health culture can be built in the population while strengthening personal responsibility and developing personal skills, knowledge and opportunities to strengthen individual and public health; focus on health rather than disease; informing people that they make their own decisions and choices about their own health, and that they are responsible for their own health and the health of others. In this regard, the system of pre-school and school health education must be improved.

3.9. National health map

3.9.1. ESC recommends that the National Health Map should become a real mechanism for assessing health resources - material, human and financial.

- Application of a methodology for selection and conclusion of contracts with medical institutions, which provide as a total the required number of hospital beds by type and provide medical services of the best quality;
- Territorial provision of high-tech medical equipment to ensure timeliness, equal access and quality of medical services provided in the relevant medical field;
- Providing financial resources for the maintenance and operation of medical equipment with earmarked funds calculated in the state budget.

3.10. Medicines policy

3.10.1. ESC unequivocally supports the policy of the EC, which recommends the medical authorities in the country to consider additional measures to improve the rational prescription and use of medicines, as well as information and educational campaigns, monitoring of prescription medicines and a clearer policy to stimulate the use of generic and biosimilar medicines.

3.10.2. ESC proposes to restructure and optimize the cost of medicines. At average levels for the cost of medicines in the EU are about 13-16%, in Bulgaria a lasting trend is their share in total costs to be about 28%¹⁶.

3.10.3. ESC proposes to take policies to limit and reduce the share of medicines at the expense of the population. Bulgaria is among the countries where the personal expenses of patients for medicines are among the highest in Europe¹⁷.

¹⁶ State of health in EU - Bulgaria health profile of the country 2019.

¹⁷ In our country more than 60% of the total consumption of medicines is at the expense of patients. By comparison, the average percentage of patients' personal expenditure on medicines in EU countries is around 18%, with 82% covered by public funds. According to the EC Report for Bulgaria from 2016 on the prevention and correction of

3.10.4. ESC believes that policies are needed to reduce high levels of patient co-payments and improve access to cost-effective new medicines by saving public funds¹⁸.

- In view of this, the Strategy should indicate clear and concrete initiatives and measures in order to optimise the medicines policy in the country. ESC considers that emphasis should be placed on the priority directions set by the EU;
- Development of the current mechanisms for registration and pricing, which would ensure the quality-price ratio for the new medicines included in the Positive Medicines List;
- Maintaining the separation of pricing and reimbursement processes from the negotiation and payment of medicines through public funds as a guarantee against corruption, which is a recommendation of the World Bank;
- Health technology assessments and monitoring the effect of therapies should be established as a key tool for improving access to medicines, contributing to the sustainability of the national health system, creating incentives for innovation and providing patients with high therapeutic added value and access to new therapies¹⁹;
- The creation of an electronic platform for the exchange of information at the interstate level conducting joint negotiations on the pricing of certain medicinal products;
- ESC shares the opinion of the EC, by maintaining conditions for a strong competitive environment it is necessary to develop a policy of widespread use of generic and biosimilar medicines due to the fact that their effectiveness is equal to that of reference products, and lower prices make them more accessible to people who might not otherwise be able to afford treatment²⁰.

3.11. Human resources in health care

3.11.1. ESC recommends to prioritize higher medical and dental education to specialists and specialties needed for the practical provision of personnel in the health care system. This requires the development of new regulations for the specialization of personnel in health care; organization and conduct of continuing medical education, liberalizing the process of starting specialization and increasing the requirements for state exams for acquiring a specialty.

macroeconomic imbalances, public spending on medicines in Bulgaria as a share of all spending on medicines for outpatient treatment is the lowest in the EU about 30%, against about 60% on average for EU countries.

¹⁸ Final report with recommendations for reforming the pharmaceutical sector in Bulgaria, prepared by R. Lopert and team, World Bank and European Regional Development Fund, Sofia, 2015; Rascati, K., Z. Dimitrova, E. Hristov, I. Hristova, Fundamentals of Pharmacoeconomics, Walters Kluwer, Sofia, 2016.

¹⁹ Rascati, K., Z. Dimitrova, E. Hristov, I. Hristova, Fundamentals of Pharmacoeconomics, Walters Kluwer, Sofia, 2016; Salchev P., E. Grigorov, Health Technology Assessment in Bulgaria, Health Debate - Innovation and Health Technology Assessment - Benefits and Challenges, Sofia, 2016.

²⁰ Final report with recommendations for reforming the pharmaceutical sector in Bulgaria, prepared by R. Lopert and team, World Bank and European Regional Development Fund, Sofia, 2015

3.11.2. ESC proposes to create modern and adequate to modern working conditions, mechanisms to increase the motivation of medical staff, for specialization and continuing education, adequate pay, scholarships, opportunities for specialization and gaining experience abroad.

- ESC considers it necessary to take rapid and targeted actions aimed at introducing significant changes in the organization and remuneration of medical staff and financing of medical institutions.
- ESC proposes that the remuneration of medical staff should be linked to the results of their activities, acquired qualifications and experience, their application of new and modern health technologies.
- ESC proposes to take long-term measures to overcome the established negative trends related to the number and age structure of doctors and nurses, with the disproportion in the staff structure of medical institutions. According to the Bulgarian Medical Association, 49% of practitioners are in the age group 46-60 years and only 25% between 31-45 years. The average age of Bulgarian doctors is currently 53 years, and only 5% of doctors are under 30 years old²¹.

3.12. Organization and management of the health insurance system

3.12.1. ESC recommends that the health insurance system should be freed from all activities that are not related to the medical care of health insured persons. Also, in order to preserve the principle of solidarity and the confidence of the insured persons in the health insurance system, the fund should not be allowed to finance those activities that are a constitutional obligation of the state with regard to health care for the population.

- This approach should also be taken to activities that are not funded within the health insurance - the statutory obligation to the NHIF to pay benefits for the disabled and disadvantaged.

3.12.2. ESC believes that one of the main factors for ensuring the stability, security and predictability of the health insurance system is to make a real valuation of the basic package of health activities, which is guaranteed by the NHIF budget. The problem of the efficiency of the provided public resource should be related to the use of actuarial methods and calculations for risk assessment.

- ESC proposes to prepare an actuarial model to forecast the expected trends in costs and risks associated with fiscal pressure. On this basis the minimum amount of funds that the NHIF must have at its disposal to ensure the fulfilment of the undertaken commitments to the insured persons must be determined²².

²¹ According to BMA data.

²² MH Status analysis project, actuarial cost model and set of options for reforming the current system. S., 2015.

- ESC insists on ensuring maximum transparency of information on activities that are fully or partially funded by the NHIF. This information should be easily accessible to all insured persons²³.
- ESC considers it necessary to determine the actual health insurance contribution that the state must make for its insured persons. This should be done by estimating the actual costs incurred for them and on this basis to determine the actual amount of the contribution for the different groups.

3.12.3. ESC recommends serious changes in the status, management and organization of the health insurance system. The reason for this is that the management of the NHIF must correspond to the public character of the institution, while preserving and developing the principle of tripartism and solidarity.

- ESC insists on ensuring real tripartite management of the health insurance system, which corresponds to the real contribution of the parties in the financing of the system. The number, composition, participants in the management bodies of the NHIF and the rules for management of the fund to be determined on this basis.
- ESC proposes to discuss the idea of the manager and deputy manager of the NHIF to be elected through a public competition organized by the Supervisory Board of the NHIF, and the chairman of the Supervisory Board to be elected by the members of the Supervisory Board on a rotating basis.
- ESC believes that the main priority and criterion for assessing the activities of bodies and staff of the NHIF system at all levels should be the protection of the interests and guarantee of the rights of insured persons. The NHIF must ensure equal access to medical care for all insured persons at all territorial levels of the health care system.

3.12.4. ESC recommends changing the rights, obligations and responsibilities of regional structures on the basis of decentralization, reducing their number and providing functions from the NHIF headquarters.

- In this regard, it is necessary for the regional structures to be differentiated as units that actually manage the activity of the insurance system and are responsible for the service of the insured persons on the respective territory.
- ESC recommends on this basis that the staff in the NHIF system should be optimized, and the savings from remuneration funds can be used for activities related to the digitisation of the system.

3.12.5. ESC recommends discussing the possibility of separating the NHIF budget from the consolidated budget of the country, and the management of the NHIF financial resources to be the right and responsibility of the management bodies of the fund. This will allow to stop the practice

²³ European Commission White Paper. Together for health: A strategic approach for the EU.

of diverting NHIF funds to the fiscal reserve and/or transferring them to the budget of the Ministry of Health.

3.13. Digitisation of the system

3.13.1. ESC has repeatedly recommended in its opinions that the efficiency of the health system is largely determined by the level of electronic health system. In this sense, the crucial condition for the effective operation of the health system is a broad and comprehensive digitisation of the entire system.

- ESC is guided by the understanding that the digitisation of the health care system will succeed and achieve its goals only if it is considered and introduced as an integral part of the activity of building the e-government.
- ESC supports the opinion of the EC that e-health is a key tool for ensuring efficient use of financial resources provided to the health system, especially with restrictions on its size²⁴.

3.14. Persons without health insurance

3.14.1. ESC proposes to take urgent measures and to offer effective solutions for uninsured persons throughout the chain - identification, registration, medical care.

- ESC considers it correct for the costs of servicing uninsured persons to be borne by the state. The care for these persons harms the insured persons and leads to the accumulation of deficits in the medical establishments.
- ESC proposes to develop a set of measures - legislative, economic, socio-psychological, IT, to change the approach to persons who do not pay health insurance contributions.
- ESC insists on changing the regime of reimbursement of participation in the health insurance system in order to ensure consistency between the time and amount of social security contributions and the use of social security rights. The adoption of such a measure shows respect and positive attitude to the conscientious persons regularly paying health insurance contributions.

3.15. Health insurance model

3.15.1. ESC proposes to discuss the possibility of applying a model in the further development of health insurance, which is based on the availability of a fundamental, basic, universal health insurance package with a gradual upgrade from additional health insurance packages²⁵.

- In this way, conditions will be created for the NHIF to guarantee to insured persons a basic and universal health package, which creates opportunities for upgrading with additional

²⁴ Vodenicharov, Ts., Borisov, V. Chamov K., Gladilov St., Model for effective healthcare in Bulgaria., Magazine. Health Management, Volume I, 5, 2005, Dimitrov, Gr. Health Insurance, ed. of VUZF, Sofia. 2009; Dimitrov, Gr., Health insurance - organization, practice, problems, VUZF, Sofia, 2014.

²⁵ Draft National Health Strategy 2021-2030.

and different in scope and content health insurance packages offered by health insurance companies.

- Under this model, the NHIF remains the main guarantor of the health insurance of the population and has a leading role in the health insurance system.
- ESC is convinced that this is the general way to optimize the model and create sustainability and efficiency of the health care system.

3.16. Investment policy

3.16.1. ESC recommends that the Strategy should find a proper place for the mechanisms of investment policy, outlined in the long term, to ensure the implementation of the objectives of health care reform and to ensure equal access to health care with the necessary quality.

- It is appropriate to introduce a unified state policy and transparent criteria for the purchase of high-tech machinery, equipment and health technologies with public funds, in order to overcome the practice of concentrating new high-efficiency technologies and equipment in several large cities.
- A practice should be introduced of preparing preliminary and follow-up analyses of the effectiveness of the financial resources invested in the purchase of high-tech equipment and improving the quality of medical care.

/signed/

Zornitsa Roussinova

PRESIDENT OF THE ECONOMIC AND SOCIAL COUNCIL