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Republic of Bulgaria
ECONOMIC
AND SOCIAL COUNCIL

OPINION

CHALLENGES TO ACCESS AND QUALITY OF HEALTHCARE IN THE REPUBLIC OF BULGARIA

(own-initiative opinion)

Sofia

February 2025

The Action Plan 2025 of the Economic and Social Council (ESC) includes an own-initiative opinion on ‘Challenges to Access and Quality of Healthcare in the Republic of Bulgaria’.

The opinion was allocated to the Committee on Social Policy.

Dr. Ivan Kokalov from Group II and Elitsa Barakova from Group III were appointed rapporteurs for the opinion. The work of the rapporteurs was supported by the external experts Nadezhda Tsekulova and Dr. Strashimir Genev.

The draft opinion was adopted at two Committee meetings, on 10 February 2025 and 17 February 2025.

At its plenary session held on 24 February 2025, the Economic and Social Council adopted this opinion.

1. Conclusions and recommendations

1.1. The aim of this opinion is to provoke a serious public debate in Bulgaria by assessing, from the position of civil society, the current state, problems and directions for reform of the existing health system. It aims to ensure the rights and protect the interests of insured persons, patients and the population as a whole, as well as to guarantee and provide transparency and public awareness regarding the state, functions, opportunities and potential ways for improvement of the system.

1.2. The Economic and Social Council (ESC) has always placed the state and functions of the healthcare system in the Republic of Bulgaria at the center of its attention and activities, focusing on its capacity to ensure good health for the Bulgarian nation.

1.3. In its consistent and systematic vision, the ESC has always unequivocally embraced the European principle of health, which, according to the European Health Strategy, states that ‘Health is the greatest wealth’. In this context, the country’s health policy should be fully in line with European principles and practices in the field of healthcare¹. It is no coincidence that, in recent years, the Council has issued several opinions related to health policy and practice in the Republic of Bulgaria.

1.4. The ESC fully acknowledges the link between health and the country’s economic growth. The health of the population is of vital importance for the economic development and growth of the Republic of Bulgaria. Improving the population’s health status, along with increasing life expectancy and the number of years lived in good health, leads to a longer and more productive working life.

1.5. The ESC believes that improving access to and the quality of healthcare and medical services in the country should be a top priority for optimizing the functions and efficiency of the healthcare system, and consequently, for improving the health of the nation.

1.6. The ESC follows with concern and notes the already persistent negative trends in public health:²

¹EU Global Health Strategy, www.ec.europa.eu/commission/presscorner/detail/en/ip_22_7153;

²NSI, www.nsi.bg; Impact of demographic change in Europe; Demographic Policy, MLSP, www.mlsp.government.bg/demografaska-politika; Bardarov G., N. Ilieva, Horizon 2030, Demographic Trends in Bulgaria, www.library.fes.de/pdf-files/bueros/sofia/14730.pdf; Bulgaria Country Health Profile 2023, OECD, European Observatory on Health System and Policies, https://www.oecd.org/bg/publications/2023/12/bulgaria-country-health-profile-2023_e40050b2.html; Health at a Glance: Europe 2024, OECD, www.oecd.org/en/publications/health-at-a-glance-europe-2024_b3704e14-en.html, 29.01.2025;

- A health-demographic crisis and poor health status of the population; access issues also include regional economic, social and geographical characteristics such as GDP, wages and pensions in a given geographical area of the country, poverty rate, share of working-age population, unemployment rate, business and investment activity, geographical topography, public transportation, road network density, share of highways and primary roads, share of health-insured persons, etc.³

- Lack of political will and adequate regulatory framework for reforms in the healthcare system that will ensure equal and timely access, efficiency in the use of public health funds and quality of medical care for all citizens, regardless of their social, financial or employment status.

- The strategic documents for healthcare reforms adopted so far are characterized by a lack of coherence, continuity and consistency, insufficient transparency and lack of consensual approach in their development. They are also underfunded and are not guided by a unified concept that would align the efforts of the state, employers, healthcare professionals and the population toward a new attitude toward public health, including real improvements in access to and quality of healthcare services.

- Investments in disease prevention and health risk reduction activities are being neglected, as outpatient care lacks sufficient mechanisms, enough medical specialists and motivation to carry out these activities.

- An open and highly liberalized healthcare system, in which every newly emerging market entity utilizes public resources without proven necessity based on the actual health needs of the population, and without mechanisms for effective control over the health outcomes of various healthcare facilities funded with public money. This leads to immense pressure - most often of a lobbying nature - on the publicly funded healthcare system.

- The country's population is declining, the number of doctors - especially in primary outpatient medical care⁴ - is one of the lowest in European countries, and the number of nurses is the lowest in the EU. At the same time, the number of hospitals and hospitalizations continues to increase.⁵

³Regional Profiles, Development Indicators, <https://www.regionalprofiles.bg/bg/>, 10.02.2025;

⁴State of Health in the EU, Bulgaria Country Health Profile, 2023, OECD;

⁵<https://tradingeconomics.com/country-list/hospitals?continent=europe>, 29.01.2025;

- No quality and access measurement system has yet been adopted⁶ – evaluation is often based on quantitative indicators that do not reflect the real quality of care. There is no systematic method for measuring health outcomes and patient satisfaction. The country has good access for the population living in or near the large urban conglomerates, where many medical institutions are concentrated, but this access is unequal for citizens living in remote and hard-to-reach areas, as well as disadvantaged citizens.

- There is a lack of effective access and quality control – there are written control mechanisms, but they are not effectively implemented in practice.

- The National Health Insurance Fund does not adequately reflect the health needs of the population and does not currently fulfil its function as a strategic plan for the allocation of health resources – human, material and financial – according to real health needs.

1.7. The ESC agrees that the system of funding in the country is ineffective, considering that increasing the public funds provided for health, without being tied to improving the access and quality of the care provided, leads to negative results in the still unreformed health system.

1.8. The ESC stresses that outpatient care is of low efficiency and lacks the necessary capacity – professional and technical – as well as motivation to solve patients’ health problems, which can be solved at this level. In some regions there are no doctors and no pharmacies.

1.9. The ESC firmly believes that the escalation of hospitalizations in Bulgaria demonstrates a dual negative trend. On the one hand, it is a result of the insufficient effectiveness of outpatient care, where the fundamental regulatory principle is not being followed — that hospitalization should be applied only to patients whose treatment goals have not been achieved in outpatient care⁷. On the other hand, many of these patients are diagnosed and treated under conditions of hospital care, where healthcare costs are significantly higher than those for outpatient care, and their health problems could be resolved outside of hospital settings.

1.10. The ESC notes that uninsured individuals use emergency medical services for examinations, consultations, and tests that could be carried out by general practitioners and

⁶Sharkova, M., Deficient medical care as grounds for civil liability – dissertation;

⁷ Article 20 of the Regulation on the implementation of the right of access to medical care, adopted by Council of Ministers Decree No 119 of 22 May 2006;

specialists in outpatient care. This burdens emergency services with activities that are not part of their mission and functions.

Various sources⁸ point to the lack of a mechanism for access to outpatient care for uninsured people living in poverty and at risk of poverty as the main reason; additional barriers include the high share of out-of-pocket payments; the complex bureaucratic procedures for accessing the healthcare system through social support mechanisms, which are inaccessible to people with lower levels of literacy; geographic factors; the lack or shortage of specialists in certain regions.

1.11. The ESC believes that the positive effect of the reduction of VAT on medicines - especially those paid with public funds, including those reimbursed by the National Health Insurance Fund - remains unrecognized and unacknowledged. Bulgaria ranks third among the EU Member States in terms of VAT rate on medicines.⁹ High VAT, on the one hand, hinders access to medicinal products due to the resulting high prices; on the other hand, substantial financial resources from health insurance contributions, instead of being used directly for patients, are returned to the state budget through VAT.

Due to the lower prices resulting from reduced VAT rates, Bulgarian citizens frequently purchase prescription medicines from neighbouring countries. The majority of European countries apply a differentiated VAT rate for medicinal products and medical devices.

1.12. The Economic and Social Council notes with concern that patients often continue to make out-of-pocket payments for medical services - payments that are unjustified in both amount and reason - despite being health insured. The state, for its part, does not control or manage this process.

1.13. The ESC is concerned about the state of healthcare for pregnant women and mothers. Bulgaria consistently ranks among the EU countries with the highest infant mortality

⁸WHO, Can people afford to pay for health services, <https://iris.who.int/bitstream/handle/10665/359549/WHO-EURO-2022-5507-45272-64775-bul.pdf> ; UNICEF, Inequal Childhood – A Comprehensive Analysis of Child Poverty and Social Exclusion in Bulgaria, <https://www.unicef.org/eca/media/22141/file/Deep Dive Bulgaria – Main Report BG.pdf.pdf>; EC, Living conditions in Europe – health conditions – https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Living_conditions_in_Europe_-_health_conditions

⁹VAT: Denmark 25%, Ireland-23%, Bulgaria 20%, Slovakia 10%, Austria 10%, Estonia 9%, Romania 9%, Greece 6%, Hungary 5%, Spain 4%, France 2.1%, Sweden 0%, Malta 0%. In Greece prescription medicines have a VAT rate of 6% and the standard VAT rate is 23%, in Macedonia the first group of prescription medicines have a VAT rate of 5% and the standard rate for the others is 18%, in Serbia the first group has a rate of 10% and the standard VAT rate is 20% and in Turkey the first group of medicines the VAT rate is 8%. www.statista.com/statistics/458957/vat-rate-on-prescription-only-drugs-in-europe/; Panov, V., Value added tax on medicines in EU countries, Department of Conservative Dentistry and Oral Pathology, Faculty of Dental Medicine, Medical University Varna; DOI: 10.18044/MEDINFORM.202072.1227;

rates and has low coverage of obstetric and gynecological care for uninsured women. The number of check-ups under the publicly funded Maternal Health Care program is declining.

1.14. The ESC notes that in the field of child healthcare there are problems with both quality and access: a critical shortage of specialists in narrow paediatric fields, as well as nurses with a paediatric profile throughout the system. In recent years this has already led to the effective closure of key units or discontinuation of activities.

In paediatric units within public healthcare facilities, investments are systematically replaced by donation initiatives (such as 'The Bulgarian Christmas,' the 'Firefly Project,' and others). A significant portion of continued treatment for children, as well as high-cost treatments abroad, is also regularly funded through donations.¹⁰

1.15. The ESC notes with concern the absence of a targeted healthcare policy for the elderly population and disadvantaged individuals. There is a lack of sufficient healthcare facilities such as hospices and long-term care beds where elderly people can receive proper care, as well as a lack of public funding for such stays. This results in extremely high expenses for these individuals and their families, which in many cases are unaffordable.

The Economic and Social Council notes that the long-term healthcare sector in Bulgaria for disadvantaged individuals is underdeveloped, with insufficient public funding, unclear distribution of responsibilities, an inadequate number of personnel and a lack of regulations concerning labour relations in the context of specialized healthcare services, among other issues.

The Council also highlights that the provision of healthcare services and long-term care for people with mental health problems is poorly organized, underfunded and ineffective.

1.16. The ESC points out that the successful policy of improving the access and quality of healthcare for vulnerable groups through the appointment of health mediators in the communities should be actively supported by the state.

1.17. The ESC notes with satisfaction that Bulgaria has made progress in developing its health information system aimed at improving access to healthcare services, as well as their coordination and continuity. In 2021, the National Health Information System was expanded to include electronic medical referrals for outpatient care and electronic prescriptions, and in 2022 - electronic referrals for hospitalisation and the digitalisation of medical records. Remote

¹⁰BDF, Donation in Bulgaria 2023, <https://dfbulgaria.org/wp-content/uploads/2024/11/bdf-giving-analysis-2023-f.pdf>

consultations with general practitioners are also possible to support the provision of routine services, although these are not covered by public health insurance.

At the same time, the Council finds the pace of implementation and synchronisation of electronic processes in the system to be unsatisfactory, and the public reporting of data to be insufficiently reliable.

1.18. The ESC firmly maintains the position that it is essential to prepare a comprehensive analysis of the state and effectiveness of the healthcare system, with clearly formulated, transparent, and understandable conclusions - including the causes of negative phenomena in the health reform process and the deficiencies within the healthcare system. Based on the results of this analysis, conceptual guidelines should be developed to implement systematic and socially acceptable changes in access and quality that encompass the entire healthcare system.

1.19. The ESC has consistently maintained the position that the financing of the healthcare system - including public funding for healthcare facilities - should be linked to performance outcomes, both for the system as a whole and for individual healthcare institutions.

1.20. The ESC calls on the state to take measures to increase the collection of health insurance contributions from individuals working in the informal sector and identify insolvent persons subject to state social insurance. At the same time, an information system must be established to provide complete and clear data.

1.21. The ESC believes that legislative changes should be implemented to ensure public and adequate accountability for the actual expenditures and outcomes in the healthcare sector. This, in turn, will strengthen public oversight of the activities of healthcare institutions and their spending.

1.22. The Economic and Social Council calls for the creation of legislative provisions with concrete steps and mechanisms to address the shortage of general practitioners and specialists in most regions - including easing the conditions for establishing general and specialised outpatient practices and providing municipal support, particularly in areas with shortages of such services. It also recommends establishing legal opportunities for municipalities to finance certain elements of the maintenance and/or activities of general practitioners, as well as creating legal provisions allowing hospital facilities in hard-to-reach areas to provide outpatient care packages through their own teams or part of them (e.g., screening). Additionally, it calls for regulating and financing the activities of mobile teams,

among others. Similarly, conditions should be created to support the work of dental practitioners in these regions.

1.23. The ESC considers it absolutely necessary to introduce a differentiated VAT rate for medicinal products and medical devices. Those funded by public resources should be subject to a very low VAT rate. This will certainly improve access to medicinal products and medical devices.

1.24. The ESC believes that it is necessary to improve physical access by expanding the number of healthcare facilities in remote areas and enhancing the mechanisms for providing and publicly funding mobile and remote medical services.

1.25. The ESC calls for legislative changes to enable local authorities in municipalities to allocate financial resources to attract medical professionals to the region – salaries, additional financial incentives, etc.

1.26. The ESC believes that legislative changes should be made to provide broader opportunities for assistant pharmacists to establish pharmacies in remote and hard-to-reach areas, while at the same time regulating and creating motivating conditions for the opening and operation of these pharmacies.

1.27. The ESC believes that legislative changes aimed at improving access and quality should be considered simultaneously with reforms in the healthcare financing system, with the latter being the subject of proposals in another, separate opinion of the Council.

1.28. The ESC calls for the establishment of a unified system of integrated medical and social care, funded by public resources, for the elderly and socially disadvantaged groups.

1.29. The ESC believes that healthcare institutions in the country have high capacity and qualified personnel to initiate and implement organizational measures, namely:

- Strengthening internal controls in healthcare institutions on the basis of developed protocols, medical standards and rules on good medical practice – regular inspections and independent medical audits;¹¹
- Building a safety culture – establishing mechanisms for internal analysis of adverse events and public disclosure of quality data;
- Improving communication with patients by creating patient information centers and conducting satisfaction surveys in medical institutions, with a mechanism for analysis and reporting feedback;

¹¹Sharkova, M., Deficient medical care as grounds for civil liability – dissertation;

- Optimising integrated socio-health mechanisms for more effective access to health care for uninsured individuals from vulnerable groups.

1.30. The ESC firmly believes that the National Health Map should become a genuine strategic plan for the financing and distribution of material and human resources. It must be developed without making lobbying compromises or entering into unjustified contracts exceeding the specified number and type of beds by region and nationwide, in order to address regional disparities in healthcare resources. It is necessary to update and dynamically monitor the National Health Map when the Ministry of Health issues permits for the establishment of healthcare facilities.

1.31. According to the ESC, there is a need to develop diagnostic and therapeutic algorithms (protocols) as well as rules on good medical practice, which would help to assess the package of medical and non-medical activities paid to healthcare facilities and would also contribute to improving the quality of health care¹².

1.32. The ESC firmly states that it opposes lowering the requirements of the established medical standards and the requirements in the National Framework Agreement. Such actions undermine the access to and quality of provided medical services, with unpredictable consequences for patients.

1.33. The ESC calls on the institutions responsible for access to and quality of healthcare in the country to promote the improvement of the organisation of available resources — including enhancing cooperation between different healthcare facilities, creating more mechanisms for financing the exchange of specialists and joint multidisciplinary teams, introducing telemedicine technologies, and ensuring their funding through public resources.

1.34. The ESC has always considered that prevention and prophylaxis in outpatient care should be among the main focus areas of the healthcare system. It is necessary to continuously seek opportunities to expand the package of preventive services, while also reconsidering and broadening the age limits. Additionally, preventive activities and screening for diseases with the highest morbidity and mortality - such as oncological, cardiovascular and neurological conditions - should be adequately funded.

1.35. The ESC believes that it is necessary to expand the opportunities for nurses, midwives, associated medical professionals and health assistants to carry out their professional activities - whether under appointment or independently. Legislative measures should be

¹²Petrova, Zlatitsa., T. Cherkezov, R. Zlatanova-Velikanova, E. Petrova-Djeretto, A. Gigova, Risk-Based Health Checks, 2019, Sofia;

introduced to create and define motivating conditions for the establishment of nursing practices or outpatient clinics for other specialists in remote and hard-to-reach areas, including regulating the public funding of these independent activities.

1.36. The need to develop the sector in connection with an increase in demand requires more trained professionals, social dialogue, motivating pay and improving working conditions. Public funding in this sector should be significantly increased.

1.37. The ESC believes that emergency care should be restructured with new and high-tech resources, and sufficient incentives must be created for the personnel working in the sector.

1.38. The ESC believes that concrete practical solutions and adequate public funding are urgently needed to ensure real and effective integrated (medical-social) healthcare for people who require this type of care.

1.39. The ESC considers that hospitals should be established and registered not under the Commercial Act, but under a special law.

1.40. The ESC calls on the State to invest in existing and, if necessary, new small hospitals in remote and hard-to-reach regions in order to ensure that the population of these regions has access to specialised and hospital care of the lowest level of competence.¹³

1.41. The ESC believes that it is more than necessary to introduce reasonable legal regulation for the establishment of hospitals that declare intentions to use public funds for their activities. The creation of new hospitals, which falls under the state's regulatory responsibilities, should be based on the actual health needs of the population, not as a result of private or self-serving investment interests.

1.42. The ESC shares the view that the National Framework Agreement (NFA) could be treated as an 'Invitation to Tender.' It is necessary to encourage discussion to achieve consensus, in order to eliminate opportunities for lobbying and obstructive tactics and to reduce the potential for political or professional pressure on the National Health Insurance Fund (NHIF). This could be achieved by having the negotiations organised by the Bulgarian Medical Association (BMA), while allowing hospitals the opportunity to negotiate directly.

1.43. The ESC has always stated that clinical pathways, which were initially introduced as a temporary payment mechanism, should be used solely as diagnostic and treatment algorithms for ensuring quality and setting contractual requirements - but not as a

¹³Such a system (Critical Access Hospitals, CAH) operates in the US, for each region the hospital is funded by the federal government;

financing system. It is high time to prepare and implement a more effective and transparent system for financing hospital care.

1.44. The ESC recalls that in its previous opinion, "European Care Strategy - Guidelines on its Application in Bulgaria" (2023), it has already clearly stated its firm position, namely that the healthcare system of the Republic of Bulgaria will require increasing capacity for long-term care and the development of health and integrated health-social services and solidarity care networks. Recommendations and guidelines for building a sustainable and advanced long-term care system are outlined in the referenced opinion of the Council.

The ESC believes that it is urgently necessary to increase the number of hospital beds for long-term care and to develop motivating requirements and conditions for the operation of hospices and their workers.

1.45. The ESC believes that it is necessary to actively and purposefully transfer activities currently included in clinical pathways (CP) from hospital care to outpatient care, provided that medical standards and the requirements for access and quality are met.

1.46. The ESC firmly states that the focus of all efforts must be on the development and realisation of human resources in healthcare. A clear and targeted state policy is needed to increase the attractiveness of medical professions, motivate medical professionals to work in Bulgaria, and reduce migration processes - including the adoption of a National Strategy for Human Resources in the Bulgarian healthcare system.

1.47. The ESC considers that the system for motivating healthcare professionals to work in hard-to-reach and remote regions should be improved.

1.48. The ESC believes that improving the qualifications of personnel — through supporting training, workshops, and participation in international forums for representatives of all medical professions, based on specific criteria — enhances both access to and the quality of provided medical care.

1.49. The ESC believes that the list of medicinal products and medical devices that are fully covered should be gradually expanded, particularly focusing on those related to the most prevalent and socially significant diseases in the country.

1.50. The ESC insists on the introduction of a differentiated VAT rate for medicinal products and medical devices, with a significantly lower VAT rate applied to those funded by public resources.

1.51. The ESC welcomes the establishment of the National Health Information System (NHIS) and the digitalisation of most processes in the healthcare system, considering that the introduction of modern digital technologies has the potential to improve both access to and the quality of the provided healthcare services.

1.52. The ESC calls on state institutions to actively work towards accelerating digitalisation across all sectors of the healthcare system, including the unification, verification, and analysis of data for epidemiological and public policy purposes, as well as expanding the opportunities available to medical professionals and patients for using electronic documents, electronic health records, telemedicine and more.

1.53. The ESC believes that digitalisation in the healthcare system should encompass all processes and related documents, while simultaneously creating a framework for the implementation, application and funding of activities that use artificial intelligence (AI) technologies.

AI has enormous potential to optimise the ways in which healthcare is delivered, improve medical decision-making, diagnostics and patient treatment. With the help of AI, it is possible to create medical care plans in the context of personalised medicine, tailored to the patient's genetic profile and health condition.

1.54. The ESC firmly believes that urgent reforms are needed in the field of mental healthcare and the provision of mental health services. These reforms should be initiated and implemented through international, national and cross-sectoral cooperation, with the participation of all stakeholders and inclusive engagement in the implementation of measures and initiatives.

1.55. The ESC calls for the immediate commencement of the work of the National Mental Health Council, with the aim of developing a “patient pathway”, coordinating the activities of various structures within the healthcare and social systems and planning the need for new services in order to improve access to and the quality of healthcare for people with mental health issues.

1.56. The ESC believes that the creation and funding of integrated community-based health and social services for mental health ensure real access to and quality of psychiatric medical care and supportive therapeutic services.

1.57. The ESC strongly calls for an immediate increase in healthcare and social spending on mental health. It believes that it is necessary to develop new financing systems for state psychiatric hospitals and community mental health centers, as well as to ensure

motivating remuneration and improved working conditions for the personnel working in these healthcare facilities.

1.58. The ESC believes that it is imperative to develop a new medical standard for Psychiatry and rules for good medical practice, based on up-to-date medical evidence and international professional consensus.

/signed/

Zornitsa Roussinova

PRESIDENT OF THE ECONOMIC AND SOCIAL COUNCIL