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# Dysfunctions and Challenges of the Romanian Medical System

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Health care is an extremely important social aspect that ensures the development of life and activity, which is part of the set of socio-economic conditions for the development of any country and which requires significant financial and human resources. Public expenditures for health are intended for the maintenance and operation of health institutions, as well as the financing of actions for disease prevention, accident prevention and health education. Public expenditures for health present great importance in ensuring the quality of life of individuals and from this point of view, there are great differences from one country to another, as the level of development of a society determines the standard of living of the population, the quality of life and implicitly the state of health, as an essential element.

Keywords: health, health system, medical services, health expenses, quality of life.

JEL code: I 10, I 14, I 15

#### 1. Introduction

The European Health Consumer Index (EHCI), a study by the Swedish research company Health Consumer Powerhouse that assesses how medical systems in Europe serve patients, both in terms of the quality of the medical act, as well as of costs and profitability, appreciates, in 2014, our country as being in the penultimate place in Europe, after us being only Bosnia-Herzegovina. According to the report, our medical system is the weakest in Europe, the situation in our country being described as a "medical collapse" with reference to issues such as: drugs taken by ear, discrimination, infant death, reduced life expectancy at birth, and so on [1].

If in 2014 we were on the penultimate place, according to the same study published on January 30, 2018, the Romanian medical system ranks last, being considered weaker than those in Bulgaria, Albania, but also than systems in former Yugoslavia countries such as Macedonia or Montenegro. It is specified that our country has low values for most of the evaluated indicators, respectively: the rights and correct and prompt information of patients, access to medication and cheap pharmaceuticals, but also long waiting times for obtaining or accessing treatments, finding treatment results, the medical services provided and, perhaps worst of all, the prevention chapter.

One of the most worrying assessments in the report, regarding Romania, refers to treatment-resistant intrahospital infections, an indicator in which our country is on the first place in Europe. It is also in the same position in terms of infant mortality (with eight deaths per thousand newborns) and, in close positions, in mortality due to cancer and cardiovascular disease.

The report considers that our country has problems in managing the entire public health sector, a medical system with an outdated structure that needs support for the restructuring of health services. In addition, the situation is serious in relation to the amounts spent in the health system for medical services per capita, respectively just under \$500 [2].

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## 2. Analysis of the factors and problems of the Romanian medical system

The demand for medical services reflects the characteristics of society as a whole, expressed through cultural elements, demographic variables, and the level of training and education of the population. The supply of medical services is another important factor that determines the level of health expenditure, a factor that encounters a number of barriers and elements that limit competition in the entire health system [3].

The most important **factors** that condition the level of health expenditure are grouped into quantitative and qualitative factors. The most representative quantitative factors are: the number and size of the sanitary units; number and structure of staff; the need for financial resources; the volume of medical and drug services; demographic factors; the financial resources necessary for the modernization and refurbishment of the sanitary units; the degree of use of medical spaces, etc., factors that express the investment efforts necessary to ensure a certain degree of health and increase the standard of living.

Knowing and evaluating the quality factors of medical services is extremely important for ensuring human health and must be supported by laws, disease prevention and control programs, medical institutions and educational services for the population. Among the most important qualitative factors that influence the level of health expenditures we mention: the degree of patient information, the degree of accessibility to medical services, the severity of medical conditions, the level of training and intellectual training correlated with the income of the population.

The reality of the medical system was presented in the Health Report of January 29, 2015, a report that identifies the main existing dysfunctions and which concern the following aspects: patient orientation, cost evolution, reduction of the tax base and identification of new taxpayers, starting from the fact that revenues are insufficient, the degree of collection is low, the allocation of resources is subjective, and the use of financial resources is not calibrated with the government's public health objectives. In addition, the report shows that "the imbalance of access to services between urban and rural is widening, and the underdevelopment of primary medicine leaves many insured persons without alternative, who turn to hospitals for diseases treatable at other levels of care" [4]. The reality of the health system in our country reflects the following problems:

- the expenses allocated for health are three times lower compared to the European average 600€ per capita allocated for health compared to the European average of 1,800€. Under these conditions, Romania spends 700€ per year for the health of a Romanian, while Germany allocates 4,300€. In our country, the total health expenditures are rising at 14.4 billion € per year, while in Germany these expenditures reach 360 billion €.
- the percentage allocated to health in GDP is twice lower than the European average 3.6%;
- the exodus of doctors and average health personnel abroad over 10,000 doctors who went to practice abroad in the last 5 years;
- large debts of the state to the main suppliers of medicines;
- the country's population is aging;
- 19 categories of people exempted from paying health insurance compared to Germany which has only 2 categories over 10 million people who have health insurance are exempt from paying health insurance, provided that those who pay are only the approx. 5,3 million employees;
- the average contribution of an employee per month in Romania is 116€, and in Germany 576€ [5].

The health of the population is one of the most relevant indicators of the economic and social situation of a country, being closely related to living standards, living and working

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conditions, but also to the risks arising from the functioning and management of the medical system. In Romania, social policies in the field of health have not received the expected importance, in public policies, even in the situation where the motto of the National Health Strategy 2014-2020 is "health for prosperity" [6].

## 3. Difficulties in accessing medical services

1000

doctors

At the national level, access to medical services depends mainly on the existence and distribution of health system infrastructure, but also on available human and financial resources. The small numbers of medical units in rural areas, especially hospitals, the distances too far to a specialized clinic, costs or waiting lists, are the most significant factors that determine the disparities in the access of the population to medical services. Such obstacles, although indirect, adversely affect the general health of the population.

Inequalities in population access to health services between areas of residence, but also inequalities between different development regions have remained at the same level over time. The indicators that highlight the disparities related to access to medical services are the number of inhabitants returning to a health care setting and the number of consultations provided on an outpatient basis, by area of residence and in different development regions, as well as allocated health expenditures in total consumption.

In 2018, in urban areas, a dentist had 726 inhabitants in their care, and in rural areas a dentist had 4,428 inhabitants, more than 6 times more. The differences are also maintained in terms of the number of pharmacists and medical professionals, at the level of 2018 the number of inhabitants per pharmacist in rural areas is almost 4 times higher than in urban areas, and the number of inhabitants per medical professional 7 times higher in rural areas than in urban areas. The differences are also maintained in terms of the number of pharmacists and medical professionals; in 2018 the number of inhabitants per pharmacist in rural areas is almost 4 times higher than in urban areas, and the number of inhabitants per medical professional 7 times higher in rural areas than in urban areas [7].

2018

6000
5000
4000
3000
2000
4428

pharmacists

Figure 1. The number of inhabitants per medical professional by area of residence in 2018

Source: <a href="https://insse.ro/">https://insse.ro/</a>

■ Urban ■ Rural

dentists

Disparities between areas of residence can also be seen in the case of outpatient consultations. In 2018, the number of consultations given to patients living in urban areas was approximately twice as high, given that the rural population is almost as large.

The population's access to medical services is different between urban and rural, but also in territorial profile. Thus, in 2018, in all regions of the country, the number of

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consultations given to patients living in urban areas was higher in urban areas. However, the South-Muntenia region stands out, in which the difference between the percentage of the consultations by residence areas in the total consultations in the region was, in 2018, of only 5.8 percentage points in favor of the urban environment. It should also be noted that although the largest disparities by area of residence were recorded in 2018 in the Bucharest-Ilfov Region this situation is an exception, given that the rural area is found only in Ilfov County, which is not a large county in terms of population.

The health system at the level of 2018 had in the structure 33,1640 health personnel: 35% health personnel with superior training (doctors, dentists, pharmacists, physiotherapists, nurses and other health personnel: biologists, chemists, etc.), 43.8% medical staff with average medical training and 21.2% auxiliary medical staff [7]

medical staff with higher education 35%

medical staff with higher education 44%

Figure 2. The structure of the sanitary personnel by personnel categories in 2018

Source: <a href="https://insse.ro/">https://insse.ro/</a>

In 2018, the number of doctors was 60,585 people (3.4% more than in 2017), the number of dentists was 16,457 people (5.1% more than the previous year), and the of pharmacists was 17,620 people (1.2% less than in 2017). In addition, a number of 1,902 physiokinetotherapists, 15,345 nurses with higher education and 4,157 specialists with higher education (biologists, chemists, culture-physics-medical teachers, etc.) provided direct or indirect medical care in public and private health units. and in social protection units for the elderly and people with disabilities.

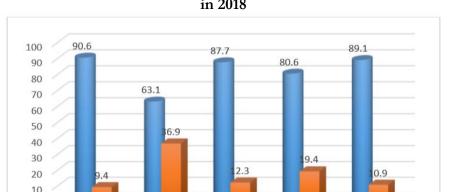


Figure 3. The structure of the main categories of health personnel by area of residence in 2018

Source: <u>https://insse.ro/</u>

■ Urban ■ Rural

dentists

pharmacists

nurses

family

doctors

0

doctors

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The distribution of health personnel by areas of residence is determined by the territorial distribution of health units. The urban health units had, in 2018, a number of 54,875 doctors (90.6% of the total number of doctors), 14,426 dentists (87.7%), 14,201 pharmacists (80.6%), 129,432 people with average health training (89.1%) and 61,886 people with auxiliary health training (88.1%).

The capacity of the health system to respond to and meet the medical needs of the population is limited by various factors, of which underfunding is only one of the most sensitive factors. In the period 2011-2017, current expenditures for the health system increased by over 68%, reaching in 2017 44.2 billion lei. Current health expenditures are financed from various sources, the main source being public administration schemes and financing schemes with mandatory contributions to the social insurance system. In the period 2011-2017, the share of public schemes in financing the health system increased from 75.3% in 2011 to 78.7% in 2017 [6].

Another factor that limits the access to medical services is represented by the infrastructure of the health system, the infrastructure that has undergone important changes: certain medical units have been abolished, the private sector has expanded through alternative offers of services and medical units, the number of specialized offices has increased significantly, the demand for private medical services increased, the population's preferences changed and its reorientation towards the private healthcare environment.

The financing of health expenditure is carried out in almost all Member States of the European Union, mainly through public administration and in addition by the private sector. According to Eurostat data, health expenditures represented in Romania, in 2017, 5.2% of GDP, compared to the states with the highest amounts spent on health, such as France, Germany and Sweden, where the share was 11.0% [7].

As in the other Member States, in our country as well, the balance is tilted in a significant proportion to the public sector, with 78.6% of current expenditures in 2017, the main source of financing public health expenditures being financing schemes with mandatory contributions to the social insurance system. In this context, increasing the financing of health expenditures from private resources appears as a normality and a viable solution for solving (partially) the existing structural problems in the health systems in Romania, but also in other member states of the European Union.

Table 1. Dynamics of health expenditures in total consumption expenditures by total households and by environments

|                                | Total households |       |       | Urban |       |       | Rural |       |       |  |  |  |
|--------------------------------|------------------|-------|-------|-------|-------|-------|-------|-------|-------|--|--|--|
|                                | 2017             | 2018  | 2019  | 2017  | 2018  | 2019  | 2017  | 2018  | 2019  |  |  |  |
| Total expenditures (RON)       | 2.874            | 3.666 | 4.091 | 3.195 | 4.204 | 4.650 | 2.453 | 2.974 | 3.361 |  |  |  |
| Consumption expenditures (RON) | 2.039            | 2.272 | 2.497 | 2.263 | 2.541 | 2.754 | 1.745 | 1.926 | 2.161 |  |  |  |
| Health expenditures (%)        | 4.9              | 5     | 5     | 5.1   | 5.1   | 5.1   | 4.5   | 4.7   | 4.8   |  |  |  |

Source: https://insse.ro/

In dynamics, the share allocated to health expenditures in total consumption expenditures, both for total households and the reporting by environments did not experience

significant changes in the analyzed time period. The increase of the amounts allocated for health also increased in rural areas, by approximately 6.73% in 2019 compared to 2017.

Table 2. Dynamics of health expenditures in total consumption expenditures by development regions

|                          | Total consumption expenditures (RON) |       |       | Health expenditures (%) |      |      |  |
|--------------------------|--------------------------------------|-------|-------|-------------------------|------|------|--|
|                          | 2017                                 | 2018  | 2019  | 2017                    | 2018 | 2019 |  |
| Northeast Region         | 1.816                                | 2.025 | 2.245 | 4                       | 4.2  | 4.8  |  |
| Southeast Region         | 1.953                                | 2.110 | 2.419 | 5.2                     | 5.2  | 5.3  |  |
| South Muntenia Region    | 1.846                                | 2.040 | 2.202 | 5.3                     | 4.7  | 4.9  |  |
| Southwest Oltenia Region | 1.798                                | 1.976 | 2.211 | 5                       | 5    | 5.7  |  |
| West Region              | 1.986                                | 2.271 | 2.525 | 3.8                     | 4.1  | 4.3  |  |
| Northwest Region         | 2.226                                | 2.506 | 2.777 | 4.4                     | 4.1  | 4.5  |  |
| Center                   | 2.113                                | 2.330 | 2.602 | 4.3                     | 5    | 4.7  |  |
| Bucharest-Ilfov          | 2.645                                | 3.004 | 3.094 | 6.4                     | 6.9  | 5.8  |  |

Source: <a href="https://insse.ro/">https://insse.ro/</a>

At the level of development regions, the share of allocated health expenditures in total consumption expenditures registered slight changes, in some regions the percentage being decreasing, while in others this percentage improved, but these changes are closely dependent on the income level of the population.

### 4. Conclusions

Health systems around the world are organized and funded in different ways. General and specific indicators can be used to assess how a health system aims to meet the basic needs of the population, in terms of health care, by capitalizing on financial, human and technical resources in the field of health. In general, countries with advanced economies allocate significant resources to health financing, as a premise for long-term sustainable development. Good health leads, over time, to increased labor force participation and productivity, and is therefore one of the main drivers of economic growth [6]

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