

Estonian Health Insurance – the first 10 years

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Estonian Health Insurance Fund**

Estonia 2002:

Population 1,366,723

Administratively 15 counties

Minister of Social Affairs (health, social care and employment)

Health care statistics

Aver. Life Exp. at birth 70,7 years

5,8 amb.visits per person

67 hospitals

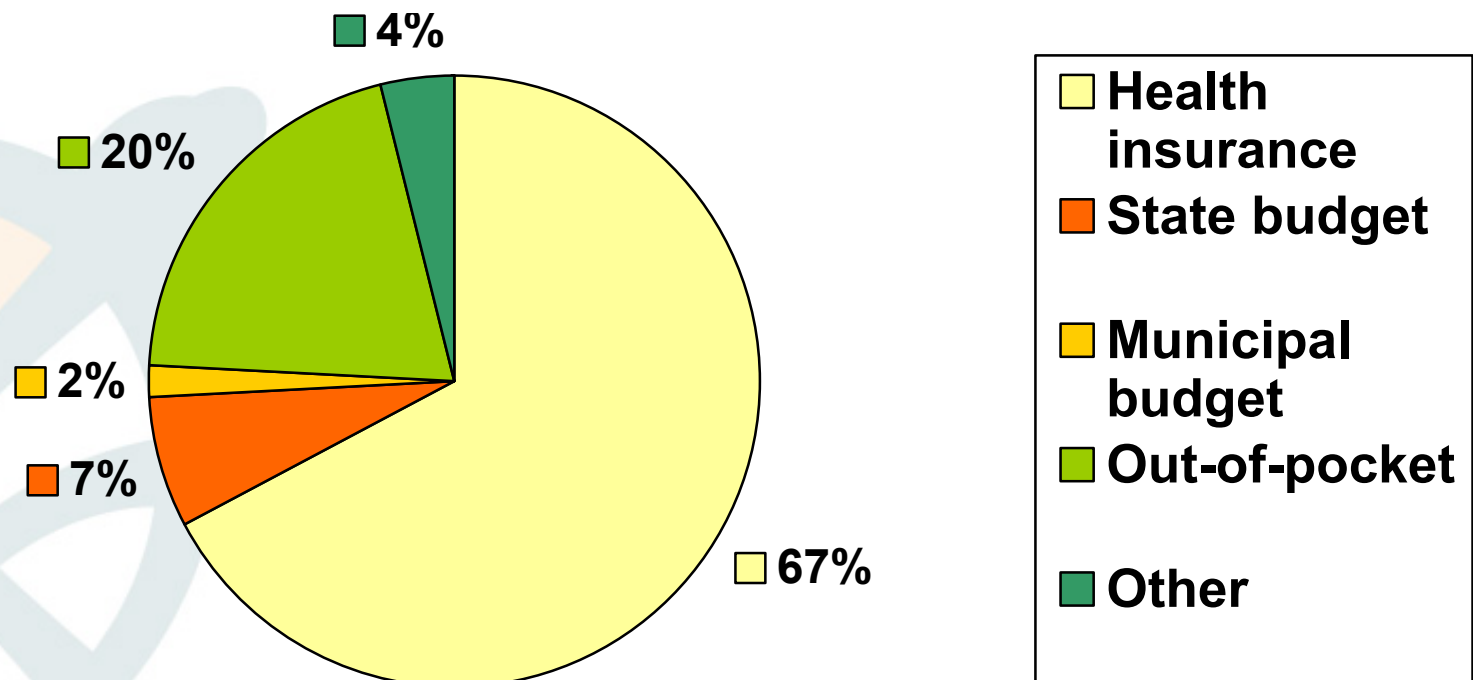
ALSO 8,7 days

557 trained FPs/total need 820



Health Care Expenditure in 2000

6,0 % GDP - 241 EURO per person



Source : Estonian National Health Accounts 2000

Health Care Finance - from budget to earmarked tax in 1992

Health Insurance Law in force since 1992

Process led by medical professionals

Aimed mainly at securing funding for health care
also at reforming health care provision

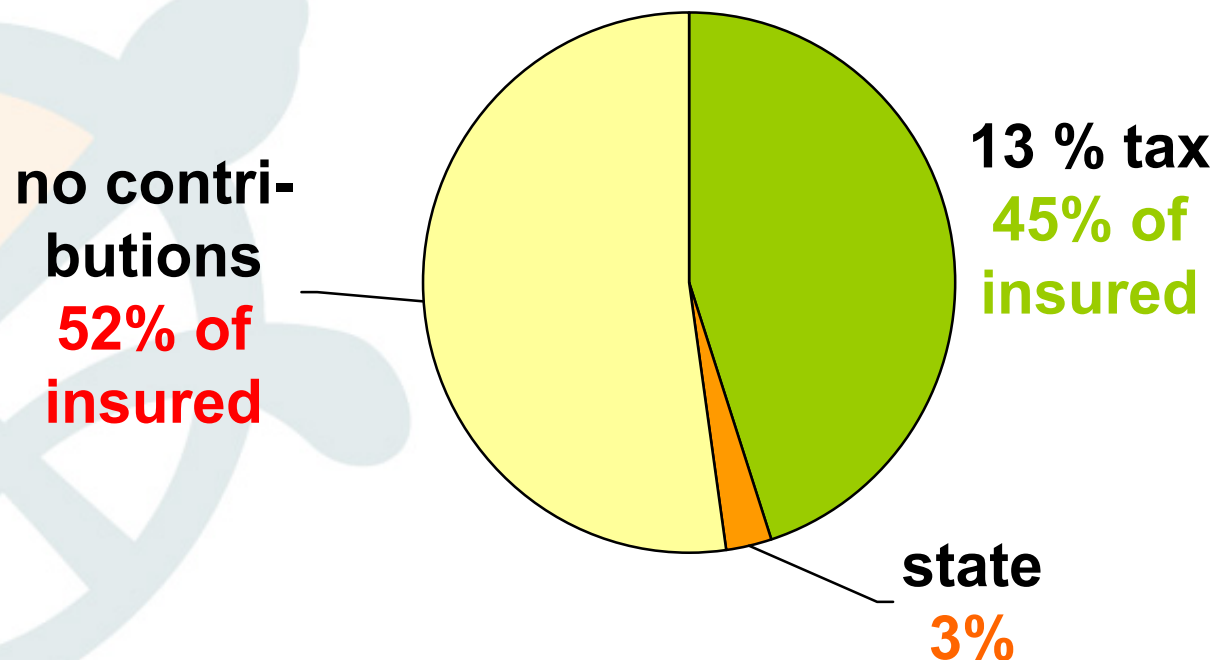
Employer-paid 13 % earmarked tax on salaries

Coverage : 93 % of population

Benefits : health services (62% of budget),
pharmaceuticals (16%), sick-day benefits (16%)

Administered by public legal organization Estonian
Health Insurance Fund

High solidarity in contributions :



Experience - revenue

Earmarked tax paid by employers guaranteed stability in health care revenues

Revenues vulnerable to demographics, employment and economy, which are addressed in new HI law

In 1999 tax collection function transferred from the Fund to Tax Agency, after transparency was assured

Expenditures balanced by income, no deficits to providers due to expenditure control measures

Experience: relations with providers

Contracting : same rules for all providers from the start

Contracts : from 2-page papers specifying only yearly sum into 30-page agreements on services, patient numbers and average cost per case

Enforcement of close-ended detailed contracts has kept the Funds expenditure in balance with income

Contract conditions negotiated every year with professional associations

In 2002 - first public tender in ambulatory care

Administration

1992 - 22 independent Sickness Funds

- co-ordination by Association of SF-s

1994 - Central Sickness Fund and 17 local Sickness Funds as state agencies

- all under Ministry of Social Affairs
- Advisory boards with insuree representatives

2001 - Estonian Health Insurance Fund - public independent legal organization

- Governing Board with state, employer, insuree representatives
- 7 regional departments (70 - 500 000 insured)

Experience : administration

Funds independence/separation from the Government :

- works only with detailed regulation in the level of law
- Estonian Health Insurance Fund Act written by Estonian top private lawyers

Fund's organizational structure :

- Seek for balance between being close to insurees and operational effectiveness
- Contracting and contract monitoring in regional level, support services (IT, personnell, accounting) centralized
- to build up competence in a regional branch, needed number of population seems minimally around 100 000

The Estonian health insurance: 2002

The original aim- to secure health care financing was accomplished

From end of 90's- role of active purchaser

- contract conditions, tenders, role in reform-planning

June 2002 – new health insurance law approved

- all principles remain
- more detailed regulation of rights of insuree's, employers, providers, Fund
- cost containment of pharmaceutical expenditure

Increasing expectations of insuree's

Importance of direct information to doctors so far underestimated