MINISTRY OF HEALTH
OF THE REPUBLIC OF LATVIA

THE ORGANISATION AND FINANCING OF HEALTH CARE SYSTEM IN LATVIA

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Ministry of Health of the Republic of Latvia

Department of Health Care

Director

General facts, financial resources

Ministry of Health

Reforms from 2009

Organization of health care system

Main challenges in the future

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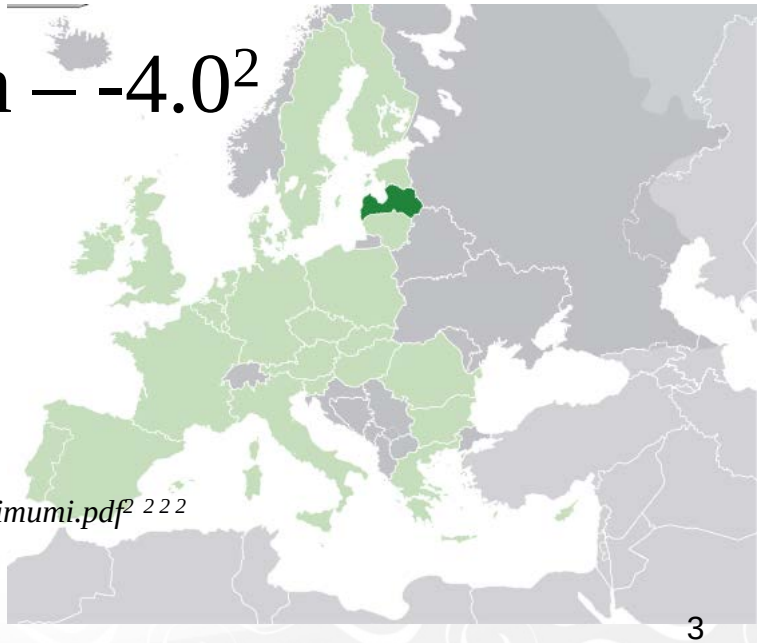
General Facts

- Area - 64, 589 km2
- Number of inhabitants – 2 160 125(January, 2015)[1]
  - male – 1 004 973/ 46,52%[1]
  - female – 1 155 152/ 53,48%[1]
- Natural growth of population – -4.0[2]



[1]*Data source : The Office of Citizenship and Migration Affairs (OCMA) http://www.pmlp.gov.lv/lv/assets/documents/statistika/01.01.2015/ISPD_Pasvaldibas_dzimumi.pdf* [2] [2] [2]

[2] *Data source : Central Statistical Bureau of Latvia http://www.csb.gov.lv/sites/default/files/nr_11_demografija_2014_14_00_lv_en.pdf*

Health Care Resource Allocation

State budget law – determines scale of subsidy for health care (public financing though general taxation)

Payment for health care services is determined by the Regulations issued by the Cabinet

Incomings of the medical institutions are made by payments of provided health care services, paid – up by states budget, patients fee and from paid services

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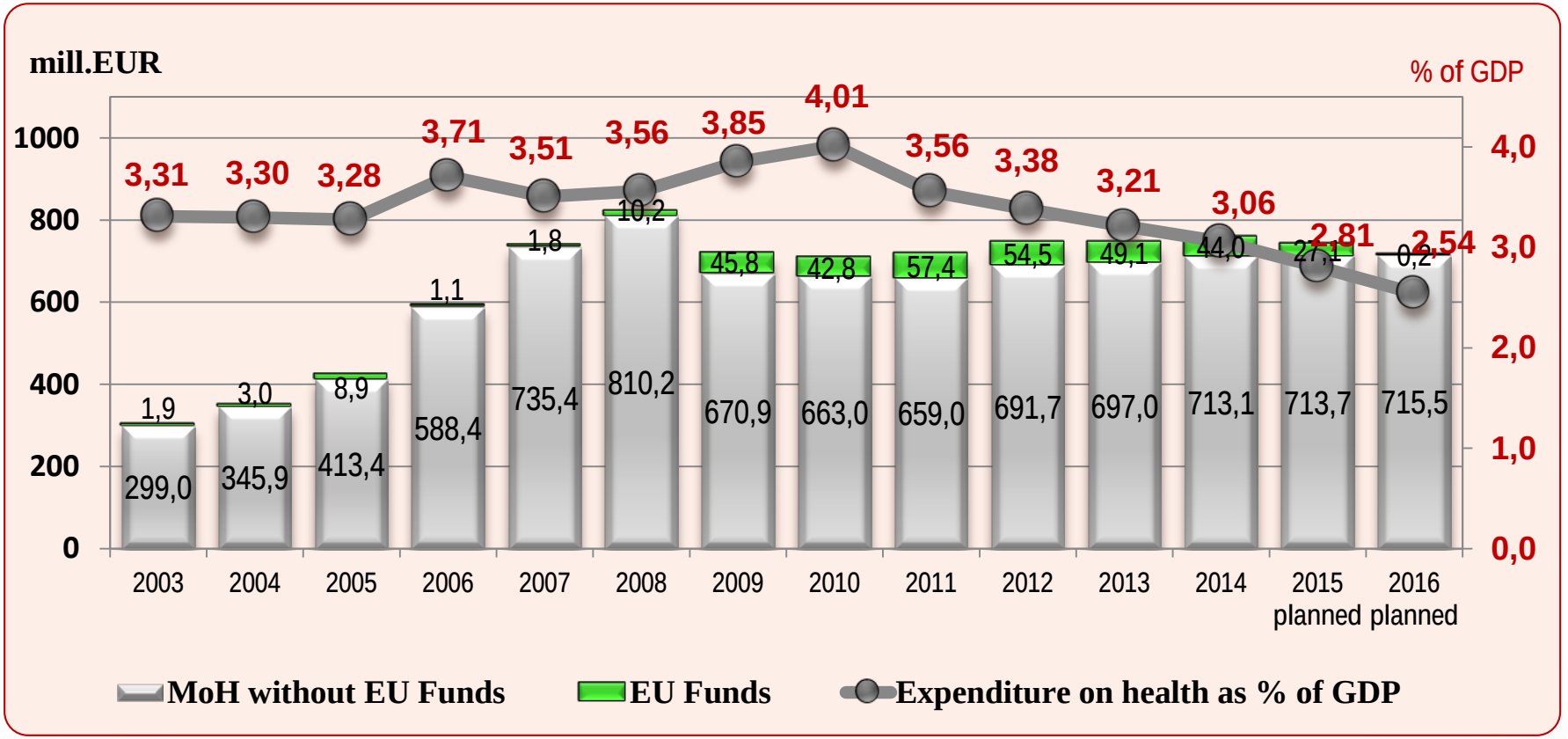
Government Expenditure on Health in Latvia



Data source: Ministry of Health (2003-2013 - budget expenditure at the end of year; 2014 -2016 - planned expenditure)

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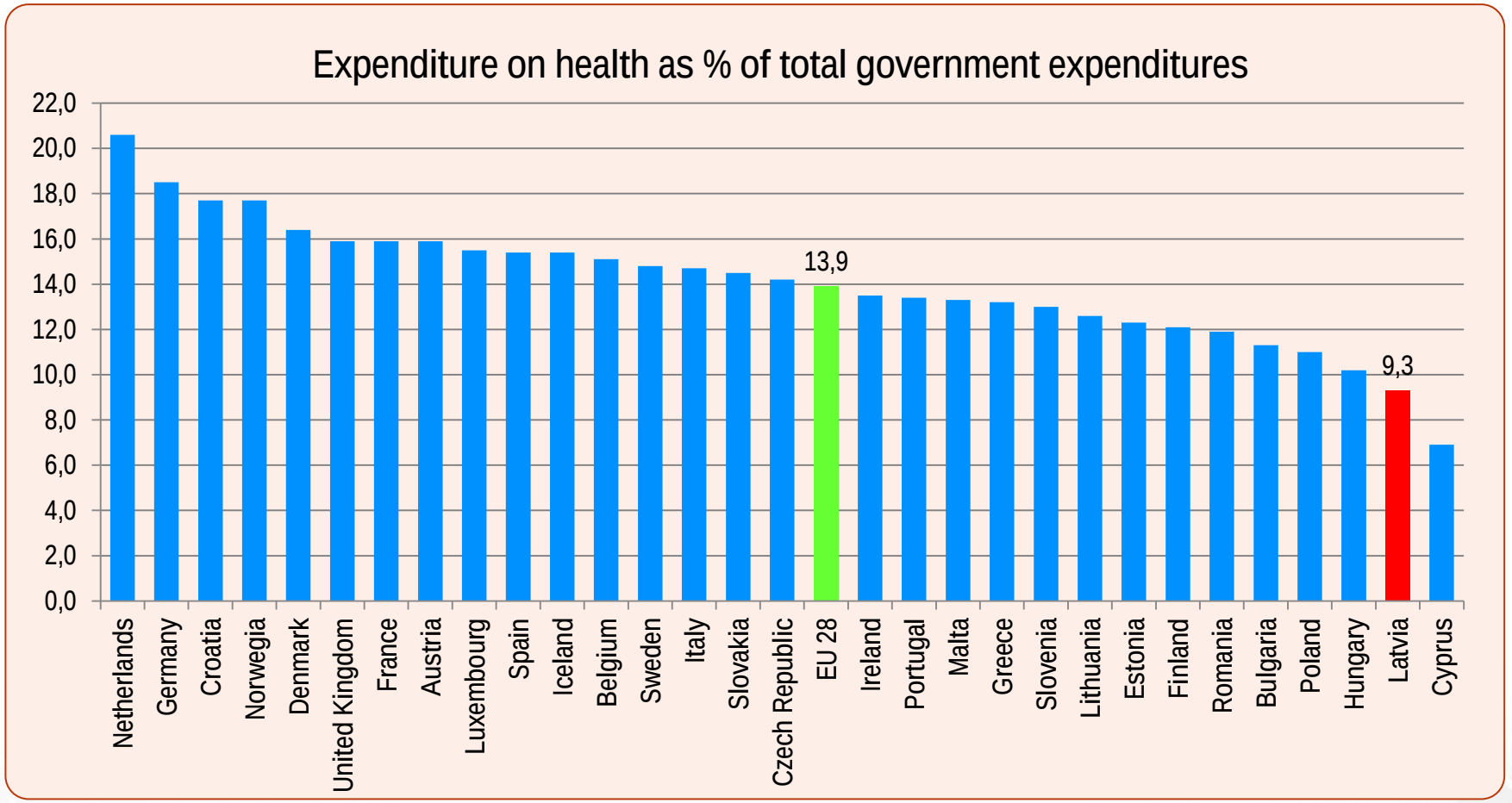
Expenditure on Health as % of Total Government Expenditures in Europe (2011)



Data source: WHO

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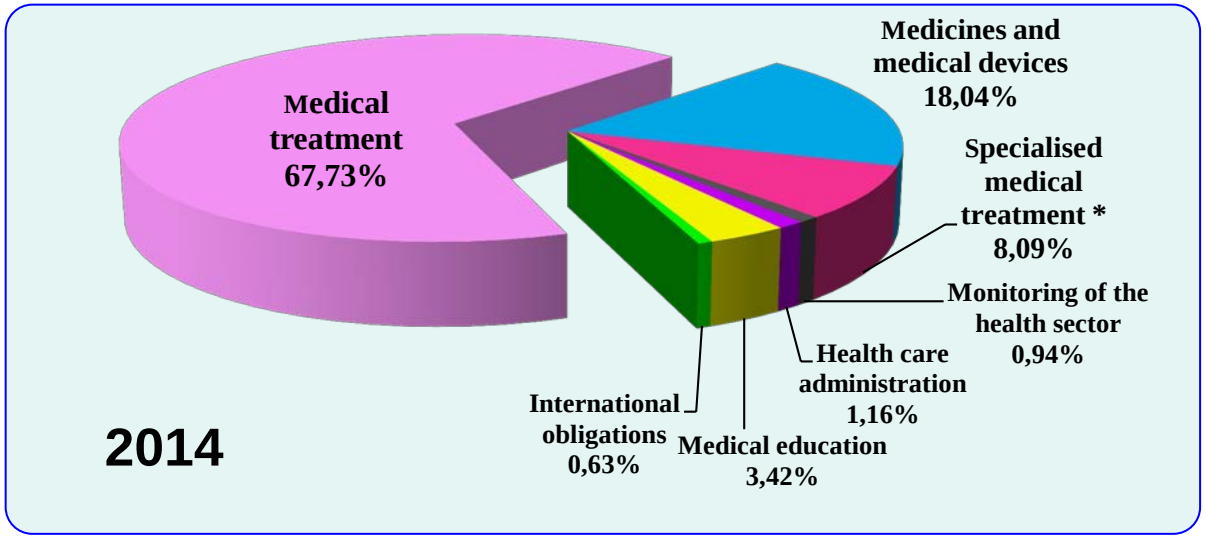
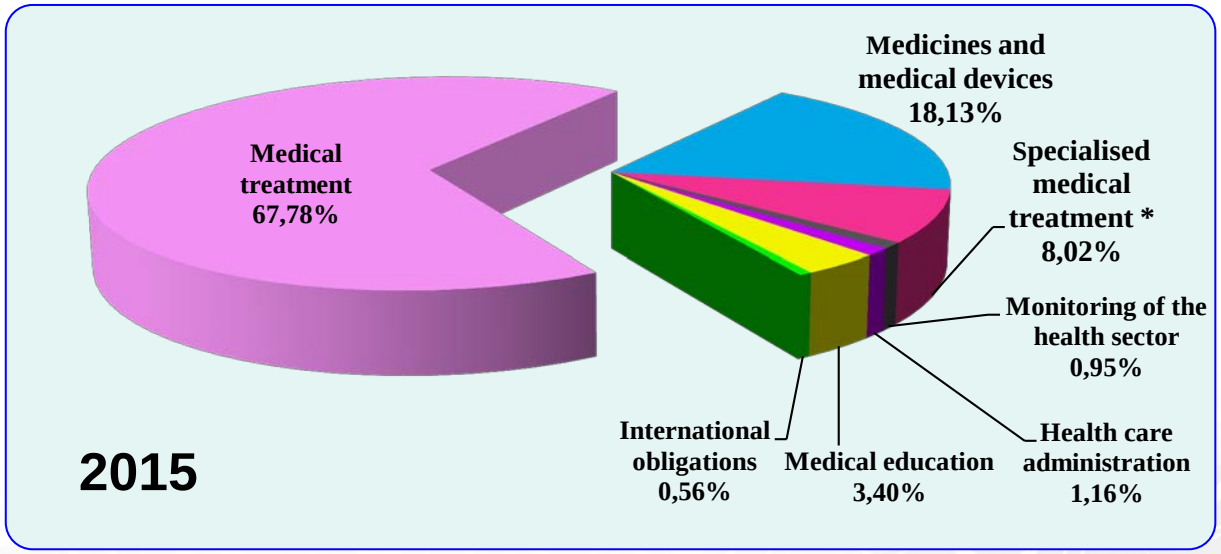
Government Health Spending (without EU Funds)



* Specialised medical treatment includes:
- emergency medical assistance,
- sports medicine,
- blood supply,
- forensic medicine



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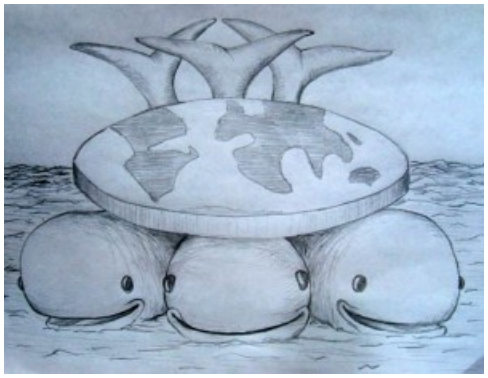
Ministry of Health - Main Points of Action

Health Care

Public Health

Pharmacy



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The Parliament

Legislation

The Government

Policy planning

Ministry of Health

Health Inspectorate	Centre for Diseases Prevention and Control	National Health Service
Supervision and control (medical care, environmental hygiene, drinking water, noise, cosmetics, chemicals, drugs etc.)	Public health analysis, surveys, statistics, epidemiological safety, preventing diseases including infectious and rare diseases	Administration of financial resources, signing of contracts with medical institutions on provision of health care services paid by the State.

Reforms from 2009

39 Emergency Medical Care (EMC) Institutions of Local Municipalities

39→1

Unified Emergency Care Service

Improvement of GP work

Improvement of GP service indicators by adding a Public Health Nurse

Strengthening of out-patient care

Increasing amount of patients in hospital out-patient centres

Development of home care services

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State Budget Proportion (%)

	2009	2012	2013	2014
Outpatient care	**24**	**30**	**33**	**67**
Inpatient care	**41**	**30**	**33**	
Reimbursement of pharmaceuticals	**12**	**12**	**16**	**16**
Emergency Health Care	**4**	**5**	**6**	**6**
Health promotion	**1**	**3**	**0,01**	**0,04**
Other (education, capital investments, international obligations, administrative costs)	**18**	**20**	**12**	**11**

Health Care Organisation

- At present health care system is based on the residence principle
- Negative list of benefits – the state pays for all services except those that are excluded from the scope
- Health care benefits are available at the state, municipal level and at private inpatient and outpatient health care institutions

Health Care Organisation II

- A patient should pay a contribution in order to receive health care
- Exempted groups from patient contribution:
  - Children up to 18 years
  - Pregnant women
  - Politically repressed persons
  - Poor persons etc.
- Patient contribution ceilings:
  - Each hospitalization: 355 EUR
  - Outpatient and inpatient health care services: 569 EUR

Health Care Organisation III

Patient from the state budget and his own co-payments is provided with:

- General practitioner and his team provided health care
- Specialist's provided health care
- Laboratory tests and medical procedures with the family doctor's or specialist's referral;
- Health care in the day stationary;
- Medical care at home
- Ambulance services
- Emergency medical assistance in the hospitals and trauma centres
- Health care in the emergency medical hospitals by providing more specialists support and necessary examinations
- Care in the hospitals after treatment phase in the emergency medical hospitals, as well as in cases of exacerbation of chronic diseases
- Rehabilitation after the treatment phase in the emergency medical hospitals or dynamic surveillance of the medical rehabilitation
- Reimbursed medicines and medical devices

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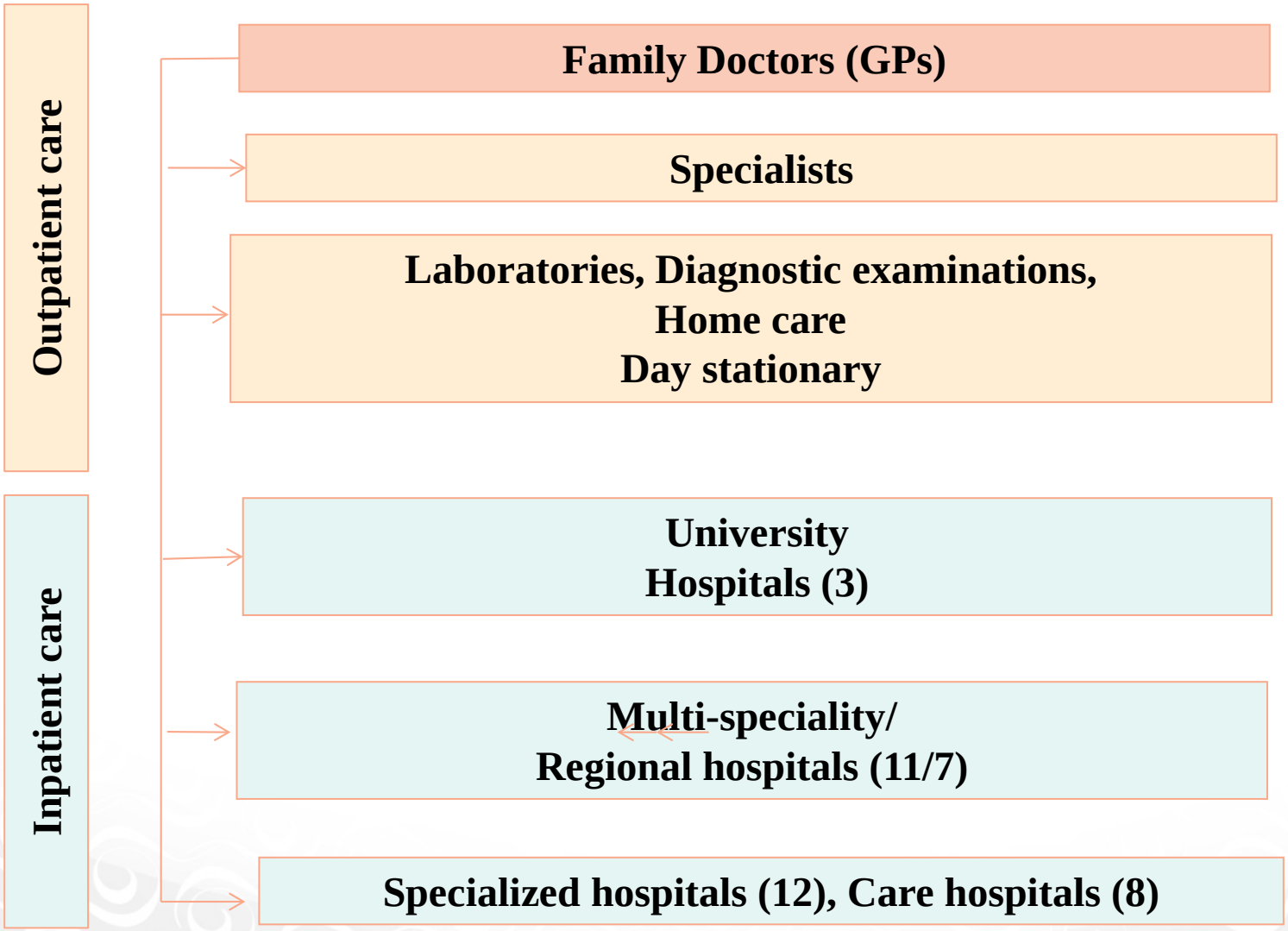
Levels of Health Care System



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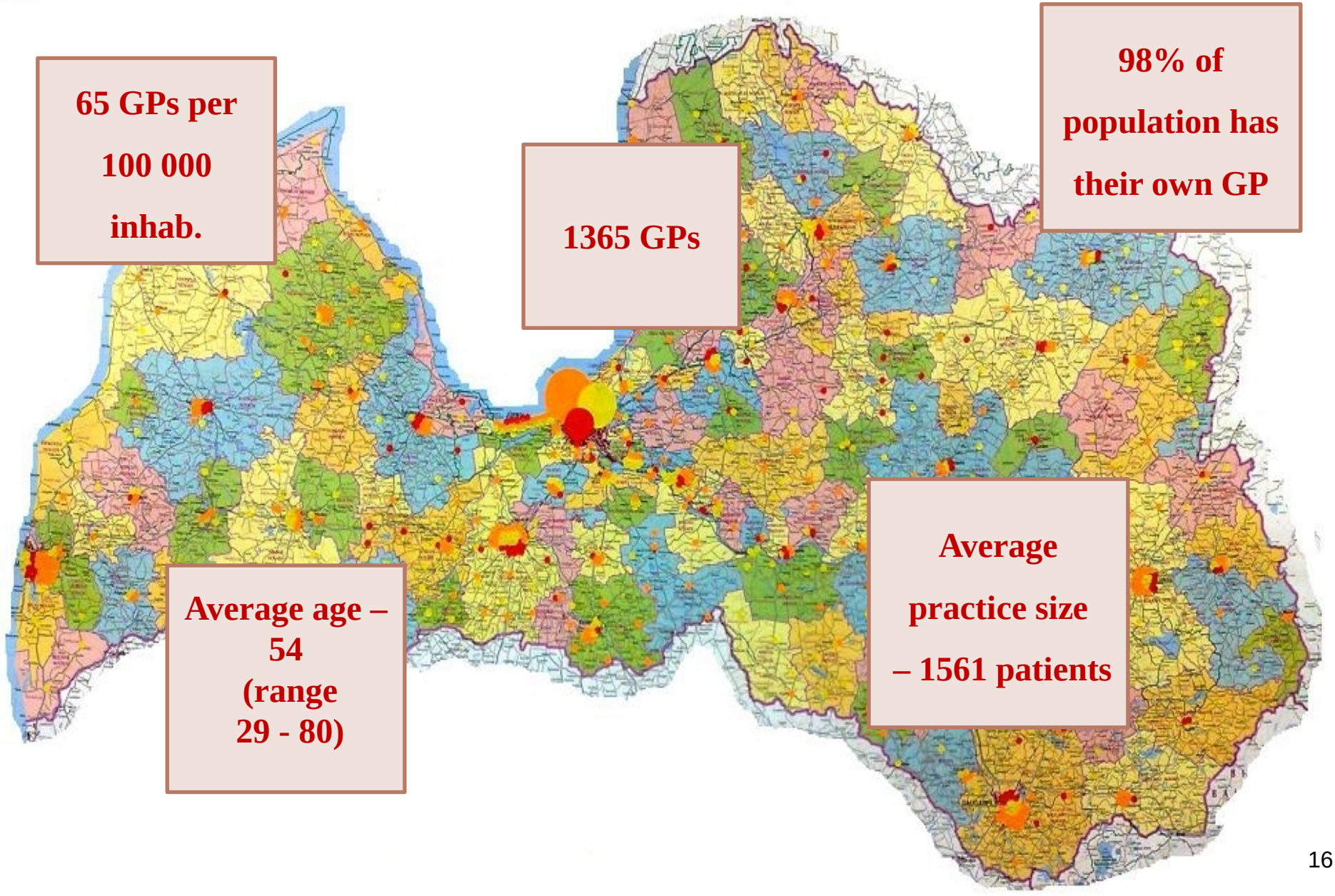
General Practitioners



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Income of GPs Practice

Capitation

Fixed payments

- for practice maintenance
- for additional practice sites
- for patients' age structure
- for practice and staff working in rural area
- salary for practice nurse and GP assistant

Additional payments

- for manipulations
- for care of temporary and unregistered patients
- for quality
- for care of chronic patients
- for colorectal screening
- for early detection of cancer

Patient co-payment
Paid services

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Financing of Secondary Out-patient Health Care

Fee for specialist's performed preventive examinations (with or without referral from family doctor)	• ***episodes of care*** • ***procedures***
Fee for specialists providing secondary health care services (with referral from other specialist of secondary health care services or from GPs)	- ***episodes of care*** - ***procedures***
Fee for other services of secondary outpatient health care	• ***estimated financing***

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Statistical indicators

Health Care Service/ Providers	Amount in 2008	Amount in 2009	Amount in 2012
Visits at general practitioner	6 780 029	6 681 501	6 828 511
Visits at specialists	3 694 273	2 938 031	3 489 225
Number of hospitalisations	473 409	373 313	330 978
Number of bed days	4 474 893	3 263 804	2 811 059
Average treatment duration	9,45 days	8,74 days	8,5 days (6,3)
Number of prescriptions written	4 889 630	4 824 877	5 394 040
Average price of one prescription	EUR 22,54	EUR 21,24	EUR 21,64

Main Challenges in the Future

- to improve accessibility to the primary health care
- to develop out-patient health care services
- public health as the priority, especially healthy aging
- to sustain availability of reimbursed medicines
- to facilitate medical tourism
- to introduce well timed treatment in order to decrease the time of illness or prevent from forecasted (predictable) disability

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Priorities of the Ministry of Health in 2015

- Improvement of health in all policies
- Reduction of administrative burden
- Strengthening primary health care
- Organize the presidency in 2015

Contribution into the health sector is a breakthrough in the economic development!

THANK YOU!
QUESTIONS?