Economic Efficiency of Social Insurance in the Field of Health in the Context of European Standards

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ABSTRACT
Socio-economic efficiency analysis in health services has the general objective of the Romanian health care system evaluation in the context of current European standards. Comparative studies show a low level of efficiency as a result of complying with the policies of Western countries, and a modest health management. Polls reflect the population's dissatisfaction with the current health care system, medical staff and disagreement regarding the government policies in this area. Research results lead to the need and opportunity to reform the medical system and social health insurance system.

KEYWORDS: *efficiency, reform, the standard models, transition*

JEL CLASSIFICATION: *I10, I18*

INTRODUCTION

Health Care Issues held in the last two decades reveals the Romanian health care system inefficiencies, which led to the opportunity to pursue studies in this field to identify specific problems and to formulate proposals for improvement (Alexandru & Constantin, 2002). Research carried out shows the need to reform the medical system, new methods of financing and reorganization and cost control management (Alexandru, 2004). Evaluation of health activities and determine the level of efficiency assumed to compare and to choose some alternative medical care from a multitude of variations that are found in the Member States of the European Union. Adopt a strategy must be realistic and profound consequence analysis, according to limited financial resources (Alexandru, 2008).

1. MATERIAL AND METHOD

The issues presented are subject to surveys conducted in 2000-2009 by the health insurance offices, medical statistics and indicators in the period 1991-2009 from the Ministry of Health database. Situation of the funds allocated to areas of care according to the House belonging to the National Health Insurance were interpreted by reference to the request for medical services.

2. RESULTS AND DISCUSSIONS

Research in health services in the context of European standards, demonstrates the current economic and social inefficiency of contemporary Romania. Many bugs found in the Romanian health care reform leading to the necessity and opportunity of life and health activities (Cicea et al., 2010). Opinion polls are clear regarding the general state of

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dissatisfaction about the current health care system in Romania. These complaints are found among the majority of people contributing to the health insurance system, the beneficiaries of health services, as well as among health professionals, medical providers and acts of public authorities responsible. Gripes related to underfunding health priority, reducing the number of medical personnel while increasing workload to cope with the real needs of health care, legal and institutional framework which stimulates the medical field, the low quality of specialized services provided, and lack of professional health managers. These findings are generic and signals the importance and urgency of restructuring the health activities in order to ensure a satisfactory level of efficiency of medical services.Contemporary health care reform in Romania orientation involves one of two big European models of health care: health insurance (Bismark model) or national health services (Beveridge model).

Apply to health insurance in Romania since 1999, after the German Bismark model used in post-war period with some adaptations to the contemporary era. This award applies to medical services in Austria, France, Belgium, the Netherlands with significant results. Striking example is the French system of social health insurance which is considered as one of the best models of medical care. Social Security is based on mandatory contributions from employees and employers, based on revenues plus general fees. For this reason, most people have the status of taxpayers, but there are uninsured persons who are entitled only to emergency services and treatment of surgical diseases endemic-epidemic potential. Management of funds raised from general taxes and mandatory contributions are administered by institutions (homes) health insurance. These companies sign contracts with health care providers (family physicians, specialists, hospitals, pharmacies, medical device suppliers, ambulances, outpatient specialist para investigations, dentistry, rehabilitation therapy, physiotherapy), to provide medical services (Pierson, 2006). Also, health insurance offices sign contracts with hospital providers, allocating budgets to treat patients in general hospital units (medical and surgical). The social health insurance system provides a satisfactory degree of medical performance, with a lot of expense and significant administrative costs. In my opinion, the great disadvantage of social health insurance system is induced higher consumption of medical services, with perverse reactions. For example, adverse selection (in the sense that people with higher consumption of medical services require large expenditures for medical care) or moral uncertainty (in the sense that free services, demand is always greater than supply). Alternative health insurance is a national health service, modeled on English Beveridge. This award scheme is applied to medical services in the Nordic countries (Norway, Sweden, Denmark, Finland), but also in Iceland, Greece, Italy, Spain, Portugal. The main source of funding is represented by general taxation and national budget, government organization with the authority and control. Public sector co-exist with the private sector, ensuring access to health care for all citizens. State bodies provide leadership and medical care system is the medical staff of employees with lists of capitation (coupler has been accepted for some medical services). This system ensures high standards for the medical and finance support, but induces significant waiting lists and high bureaucracy.

Maxwell model to optimize health systems requires the fulfillment of following conditions (Porter, 1999):

- Prompt access to medical services;
- Covering the entire population with health services;
- Equity, effectiveness and efficiency in providing medical services;
- The right choice provider of medical services;

- High degree of social acceptability;
- State obligations in ensuring public health.

This model has all the advantages of a hypothetical system idealistic medical care. Romanian health system problem is to reform medical care in accordance with the multiple needs of the changing medical practice and in accordance with available resources. Reform requires structural changes related to funding sources, ways to offset medical services, distribution of funds collected and the criteria for payment of service providers, pharmaceuticals, medical devices.

Structural Changes in the health care system should be based on demographics and the particularities of coordinated market economy. These transformations are time consuming and expensive, but mandatory for current status.

Realities of contemporary Romanian health system can be described as follows:

a. during the transition period was found sharp degradation of population health;

b. health care has not registered an important role in society;

c. health expenditures have increased significantly and uncontrolled, with negative implications on economic growth;

d. inadequate preparation and distribution of health personnel;

e. financial disruption in the collection and allocation of funds for health, resulting in underfunding and budget practices subjective

f. improper and insufficient preventive care;

g. the major difficulties in providing them with medicines and pay (in March 2011, the settlement has been secured after 300 days);

h. lack of sanitary materials to hospital units;

i. inappropriate material-technical equipment of medical units;

j. spending wrong orientation and medical procurement;

k. uncontrolled development of private sector care.

These explanations from the perspective of Romanian realities have significant budgetary deficit by allocating the past two years, only 3.6-3.8% of GDP, while the European average is 8.8%. To this is added to an aging population, declining birth rates, significantly increasing health costs, modest involvement of state authorities in providing medical services competitiveness. This is demonstrated by the lack of impact in the implementation of restructuring measures, lack of concerns for improving the quality of health services, maintaining a number of hospitals without unduly der to have a real case law. From observations made over a long experience, we concluded that a 40% reduction in the number of hospitals and reducing hospital stay would not result in actual supply of care given population. In this category of hospitals, found the smaller towns (towns, villages), where hospitalization is, in fact, the recovery of employment and social welfare (accommodation and food) provided free of charge for people with limited financial possibilities. Usually, hospitalization is done through verbal conventions between medical staff and the local population, the only point of certainty and is preparing a sheet of clinical observation, that the documentation upon which to apply for and receive the amounts reimbursed by health insurance offices.

Relevant is the fact that approximately 60% of the health fund is destined for hospital services, which include issues previously reported ineffective. 40% reduction in hospitalized cases of unjustified both in terms of medical and real motivation in terms of shortages, can provide approximately 80% increase in funding for other areas of healthcare. Shortage of doctors from urban and municipal hospitals is striking and is materialized in the work of 4-5 specialist doctors (usually internal diseases), the 4-5 doctors retired (aged over 70 years), absence of medical or surgical specialties, radiology, imaging, intensive care,

laboratory chemicals, etc. pathology laboratory. This situation leads to inability to secure a sufficient number of guards in hospitals and hospital services implied discontinuity in the posting. Government attempts to reform hospital care have been modest, shy and ended by giving policy makers in favor of the territory and local government authorities (mayors, members of local councils and county councils). Financial consequences are serious because this attitude of ministerial resignation, as affect other areas of health care budgets.

The solution lies in reforming hospitals termination of inefficient operation, the timely preparation of the measure due to the negative social impact (political and administrative). In parallel to these locations should be established and local communities of permanent centers comprised of family physicians to solve medical case law or by providing diagnostic and medical treatment or diagnosis, and call the ambulance services for sending patients to medical wards competent professional.

In the context of inadequate management of hospital activities on account of political and bureaucratic, inefficient and under-funding is fully manifested, so the share of personnel expenditure exceeds 80% of the contracted health insurance offices. The explanation lies in the large number of officers and employees without a medical service personnel (unskilled workers, fireman, welders, electricians, cooks, laundresses, etc..) For which there is interest and political will to dismiss is governed by the managers while the legal framework outsourcing. The effect of this situation is a significant increase in wages over the procurement of medical equipment, medicines, medical supplies, providing conditions suitable hotel and even material to stimulate the physician performing the medical act.

Ensuring social and economic efficiency in health services is tied to ownership reform in all areas, the application of specific measures and efforts to maximize the effects. These efforts should be focused on these priorities:

a. establish social package of medical services which are settled by insurance offices that provide health and gratuities;

b. establish finance other medical services that exceed the social insurance by private insurers, non-profit companies (minimizing costs);

c. ensuring sustainable financing for health insurance budget (more than 6% of GDP);

d. collecting revenue only by insurance and fund management houses only by the National Health Insurance House, eliminating in this equation the Ministry of Finance (see the recipient of contributions paid by employers) as well as allegations of diversion of the health fund pensions, welfare and other budgetary availabilities;

e. real and effective decentralization of authority, leadership and organization of health care system;

f. accountability of public institutions specialized in providing patient access to health services while mandating the monitoring use of medicines and medical devices;

g. ensure total transparency in the collection and use of health fund;

h. extension of the privatization procedures of hospitals to provide care and boost competitiveness, but also to retrieve excess demand for hospital services in the public sector.

Voluntary health insurance (additional or complementary) is a condition sine qua non for reforming health system. This goal must be achieved under a special control to avoid chaos in the Romanian medical life of 90 years. Certainly the private sector should co-exist with the public social insurance (compulsory) to benefit all social groups and to foster professional competitiveness.

Policies vary from country to country, enlightening example is Germany where high-income population of 4,500 euros, may waive the payment of state insurance for private insurance, financial obligations and rights with special medical care.

Maintaining social security package is needed to give social services, financed from the state budget and FNUASS.

Health expenditure increases exponentially, they are above the GDP growth of the European countries, emphasizing the deficits found in this area.

In fact, experts estimate that between 2010-2050 the OECD health expenditure will increase by 350%, while average incomes of the population will grow by 180%.

This imbalance is added thereby increasing aging population and health care costs, and demand for high quality and costly financial endeavor.

Correspondingly, the specialists of the European Centre for International Economic Policy said that in the period 1995-2008, the cost of medical and surgical treatments have increased tenfold, leading to the need for establishing additional financial resources, additional.

The main steps to ensure efficiency of health services aimed at reforming the current system of accountability of medical care by local authorities and central government, decentralization of decision-making and appropriate funding to guarantee broad access to health care.

CONCLUSIONS

Ensuring efficiency of health services according to European standards means overcoming the current disturbances and objectives of the reforms focus on European countries, in compliance with the World Health Organization policy "Health for All". The goal is to devolution in health care system, the introduction of modern management methods, ensuring the balance of the funds allocation and cost control, increased quality of medical care and consumer satisfaction and health service providers.

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