

The state of affairs of Cyprus Health System

Conference of the All Cyprus Trade Unions Forum:

“Access to Health Care in the Envisaged Unified Cyprus”

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The Structure:

Fragmented and uncoordinated system

- Public Health System
 - Six hospitals, four specialist centers, three small rural hospitals, 38 health centres, many primary care centres (***Overloaded and operating at their limits***)
- Private sector
 - For-profit hospitals, polyclinics, clinics, diagnostic centres, pharmacies etc. (***Overpriced in certain services, underutilised overall and oversupply of MRI's, CT scans etc leading to supply-driven demand***)
- Total Health expenditure (est. 2014) €1,130 mil
 - Public Health Expenditure €550 mil
 - Private Health Expenditure €580 mil



Lack of Universality & Equal Access

The only country in EU without a universal & comprehensive National Health System that ensures equal access to healthcare services to all citizens

- Approx. 75% of the population is entitled to the provision of healthcare services from the public sector (Based on eligibility criteria and Public Servants contributing 1.5% on their Gross Income)
- But the public sector has capacity to serve around 50% of the population resulting in long waiting lists.

Eligibility Criteria for “Free” Access to Public Healthcare

(Co-payments for all entitled population with few exceptions)

NIC Contributions for 3 years

Individual with annual income under €15,380

Two member family with annual income under €30,750

Increased by €1,700 for each dependent child



A “system” operating at its limits

The Facts:

- Cyprus spends less publicly and in total on the health system than any other EU member state (as % of GDP)
- The rate of growth in total health expenditure is greater than the rate of growth in salaries
- Out Of Pocket (OOP) expenditure in Cyprus is higher than any other EFTA Country (50%)
- Public health expenditure puts a strain on public finances
- High cost of private sector
 - E.g. Eurobarometer survey: 66% reported specialist care to be unaffordable. EU average 35%)
- Sufficient overall capacity but:
 - Overstretched public hospitals, long waiting lists and waiting queues in the public sector
 - High costs and underutilisation of private sector infrastructure / technology etc.
- The economic crisis has seriously exacerbated the problems in both the public and the private sectors



The results

2nd Most inequitable system in EU

- (Mainly due to the very high OOP)

Reduced efficiency and quality

- (Mostly related to long waiting lists)

Suboptimal and inefficient use of resources

- (Human, technological, infrastructural and other)

Unsustainable funding structure

- (Public sector can not sustain low levels of spending)
- (OOP expenditure is no longer affordable due to the economic crisis)

Healthcare in crisis

- (Economic crisis aggravated the situation in healthcare).
- (The health outcomes of the population are at risk)



The consensus

General consensus among all stakeholders and local and foreign consultants on the nature of the problem and the need and urgency for reform:

Restructuring of the Ministry of Health

- General consensus

Reorganisation / Autonomisation of public sector hospitals

- Consensus for the need for reorganization and relative autonomisation.
- No consensus between stakeholders on the specific form of autonomisation

Introduction of a universal & comprehensive National Health System (NHS)

- Consensus for the need for implementation, for the general design and the main characteristics and for the fundamental principles of the NHS which were included in the 2001 NHS Law.
- Some objections in favor of the option for a multi-payor system were resolved by the relevant WHO report (27/4/2015), which suggests that the implementation of a single-payor system has substantially more advantages and less risks than a multi-payor system.




Autonomisation

- NHS implementation will act as a catalyst for the reorganisation of public hospitals which will be able to make the necessary changes to become more competitive.
- According to the MoU (May 2015):
 - By Q2-2015 the hospital autonomisation bill will be adopted by the Council of Ministers and submitted to the House of Representatives.
 - A detailed road map for the implementation of hospital autonomisation will be submitted by Q2-2015.
- Current plans for at the creation of 6 independent units / areas around the six hospitals.
- MoH aims at the necessary legislative changes being approved by the House of Representatives by end-July 2015 aiming at full implementation by middle of 2016.



National Health Care System

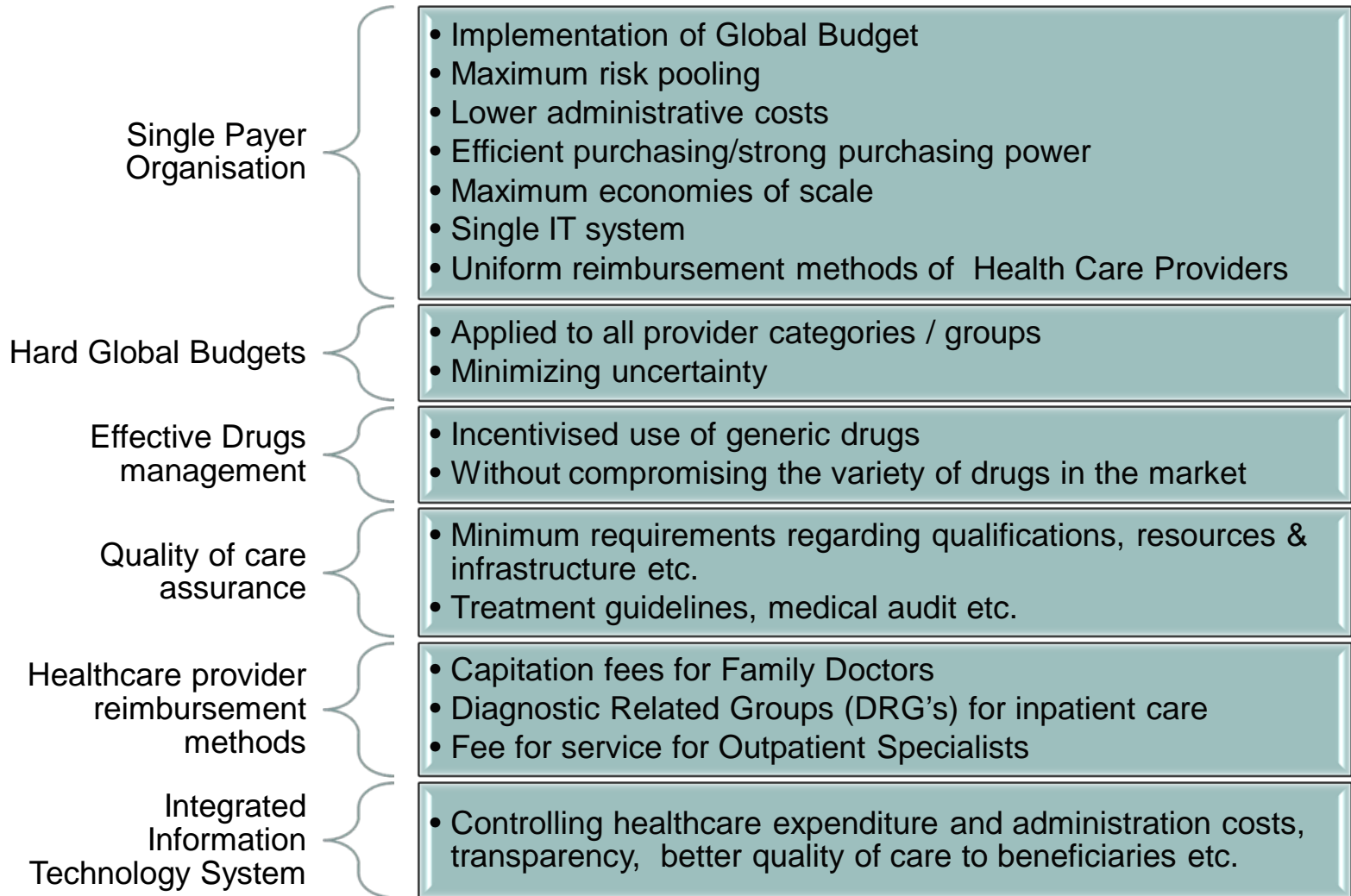
Fundamental principles and main characteristics



Solidarity	<ul style="list-style-type: none">• (Healthcare services will be provided based on need and not ability to pay. Contributions to the NHS Fund are based on income)
Universal coverage	<ul style="list-style-type: none">• (All Citizens and permanent residents of the Republic will become beneficiaries)
Equal treatment of beneficiaries	<ul style="list-style-type: none">• (All beneficiaries will have the same rights of access to healthcare services)
Comprehensive benefits coverage	<ul style="list-style-type: none">• (Benefits package will cover a broad spectrum of healthcare services)
Free choice of healthcare provider	<ul style="list-style-type: none">• (Beneficiaries will have the right to choose freely from both public and private providers)

National Health Care System

Organising principles and cost control tools



National Health Care System

Financing & Mercer Actuarial Study 2013

- Estimated expenditure and financing needs are manageable
- NHS expenditure does not constitute additional expenditure
- Implementation of NHS achieves savings (€ 292m 2016-2025) and is financially viable

2016 figures:

- Total NHE Expenditure €886 mil
- State Contribution (in line with current budgets) €442 mil
- Contributions non state €354 mil
- Co-payments €90 mil

Source Of Income	Individual	Employer	State
Salaried employees	2.30%	2.93%	In-line with budgets
Self employed	4.09%	n/a	
Pensioners	2.30%		
Other Income (e.g. rent, interest, dividends etc)	2.30%		



National Health Care System

Timetable and Healthcare services covered

Next Steps	1st Stage – 01/01/17	2nd Stage 01/05/17
<ul style="list-style-type: none">• Call for submission of Tenders for NHS IT System• Detailed NHS implementation Road map• Approval of NHS Amending Bill• Approval of Bill for autonomisation of Public Hospitals• Detailed road map for the implementation of hospital autonomisation	<ul style="list-style-type: none">• Family Doctors• Outpatient specialist s• Pharmaceuticals• Clinical laboratories	<ul style="list-style-type: none">• Inpatient care• Accident and Emergency Departments• Ambulance Service• Allied Health Professionals• Preventive dental care

