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### The Bulgarian Healthcare System

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Bulgaria's main challenge is to catch up with the more developed Member States in terms of healthcare services. The reform process that began in the 1990s and continues today has yet to achieve its objectives. The major goal, and indeed challenge, is to improve population health. Success depends on improving competitiveness and structural reforms, particularly in the health system, to stimulate growth. This requires strong political support.

The South Eastern European country of Bulgaria spans over 111, 000 km<sup>2</sup> and has a population of 7.6 million. Bulgaria is well behind EU averages in terms of mortality and morbidity indicators. In 2009, the main three causes of death in Bulgaria were diseases of the circulatory system, malignant neoplasms and diseases of the respiratory system.

#### The Healthcare System

The Ministry of Health is responsible for national health policy and the overall organisation and functioning of the health system. The Bulgarian health system was reformed under the Health Insurance Act of 1998 into a health insurance system with compulsory and voluntary health insurance. The key players in the insurance system are the insured individuals, the healthcare providers and the third-party payers: the National Health Insurance Fund, the single payer in the social health insurance (SHI) system, and voluntary health insurance companies (VHICs).

The health insurance system covers diagnostic, treatment and rehabilitation services as well as medications for insured individuals and the Ministry of Health is responsible for public health services, emergency care, transplantations, transfusion haematology, tuberculosis treatment and inpatient mental healthcare.

Healthcare providers are autonomous self-governing organisations. The private sector includes all primary medical, dental and pharmaceutical care, most of the specialised outpatient care and some hospitals whereas the university hospitals and national centres, national specialised hospitals are run by the state. The state is also in charge of centres for emergency medical care, psychiatric hospitals, centres for transfusion haematology and dialysis, as well as 51% of the capital of regional hospitals.

#### Financing

Bulgaria has a mixed public–private healthcare financing system. Healthcare is financed from compulsory health insurance contributions, taxes, out-of-pocket (OOP) payments, voluntary health insurance premiums, corporate payments, donations, and external funding. Total health expenditure as a share of gross domestic product (GDP) increased from 5.3% in 1995 to 7.3% in 2008. The structure of total health expenditure has been changing over time, with private expenditure increasing at the expense of public financing. In 2008, public expenditure on health as a share of total health expenditure was 57.8% while private expenditure accounted for 42.2%.

The main purchaser of health services is the National Health Insurance Fund (NHIF). Social health insurance contributions are calculated at 8% of monthly income, paid by the insured individuals, their employers, or the state. Relations between the NHIF and healthcare providers are based on the contract model. The Fund and the professional associations of physicians and dentists sign the National Framework Contract (NFC), which regulates the format and operational procedures of the compulsory health insurance system. Based on the NFC, providers sign individual contracts with the regional branches of the Fund. Providers are mainly paid prospectively for the services they will provide to the population on a fee-for service and per capita basis.

Voluntary health insurance is provided by for-profit, joint-stock companies intended for voluntary health insurance only. Beyond the package covered by the NHIF all citizens are free to purchase different insurance packages. Voluntary health insurance companies can also cover the cost of services included in the basic benefit package guaranteed by the NHIF budget. Less than 3% of the population purchased some form of voluntary health insurance in 2010.

#### Organisation

Outpatient services are organised according to territories. Investment for state and municipal health establishments is financed from the state or municipal share in the establishment's capital. For local hospitals, municipality funding for new investment and maintenance costs has shown a downward trend. There are various programmes offered by the Ministry of Health for investment in medical infrastructure that healthcare

establishments can apply for. On the primary care level, there is an uneven distribution of GPs regionally and a lack of incentives for primary and specialised medical practices have led to increased use of specialised care and increased hospitalisation rates. The number of acute beds per population in Bulgaria is above the EU27 average while the average length of stay is slightly below the EU27 and EU15 averages. Both indicators show a decreasing trend.

Health services are delivered by a network of various public and private healthcare providers. Public health services are provided by the state and organised and supervised by the Ministry of Health. The Health Care Establishment Act stipulates the distinction between outpatient and inpatient care.

The GP is the key figure in primary care and acts as a gatekeeper for specialised ambulatory and hospital care. The number of general practitioners in Bulgaria has been declining slowly and their geographical distribution does not reflect the needs of the population. Ambulatory care is also provided by specialised outpatient facilities, including individual and group practices, medical and medico-dental centres, diagnosticconsultative centres and stand-alone medico-diagnostic or medico-technical laboratories. They are autonomous healthcare establishments, most of them with a contractual relationship with the National Health Insurance Fund. All primary, and the majority of specialised, outpatient facilities are privately owned. Inpatient care is delivered mainly through a network of public and private hospitals, divided into multi-profile and specialised hospitals.

High rates of hospitalisation indicate the underuse of ambulatory care and a lack of integration at the different levels of care. Healthcare reforms after 1989 focused predominantly on ambulatory care and the restructuring of the hospital sector is still pending on the government agenda. Thus, both an oversupply of acute care beds and an undersupply of longterm care and rehabilitation services remain. Long-term care is generally underdeveloped regarding both community- based services and inpatient care provided by specialised hospitals. Regional centres for emergency care and hospitals' emergency wards are the key units in the organisation of emergency care. Urgent care is also provided by GPs. The main challenges faced in this field are the shortage of medical professionals and the lack of medical equipment.

#### **Healthcare Workforce**

In 2009 health workers accounted for 4.9% of the total workforce. While the number of physicians and dentists is high in Bulgaria, the number of nurses is well below the EU15, EU12 and EU27 averages. Healthcare professional mobility is a growing concern in Bulgaria, mainly due to the development of technology, accessible transport and communications. The migration of medical specialists has become a serious challenge: during the first nine months of 2010, more than 340 physicians and 500 nurses left the country.

In terms of education and training, medical education is provided by four medical universities and two medical faculties in other universities. The Council of Ministers determines the requirements for obtaining both higher education degrees and specialisations. Professional specialties in health provision are determined by the Ministry of Health and require a state examination by the State Examination Commission in Sofia. Continuous medical education is organised and credited by the Professional Associations in accordance with the Health Act.

#### **Major Reforms**

There have been three stages of reform of the healthcare system in Bulgaria since 1989. The first stage of reform (1989–1996) saw the abolishment of the state monopoly in the health system and the building a decentralised healthcare administration. During this period the idea of a health insurance system also emerged. The second stage (1997– 2001) saw the introduction of the new health insurance system with new laws on health insurance, healthcare establishments and the professional organisations of physicians and dentists. In the third stage (2002– present), the legislative foundation of the healthcare reform was completed. This third stage focuses on decreasing the number of citizens without SHI coverage and securing the financial stability of the system (mainly by raising the health insurance contribution from 6% to 8%).

At the present moment, these reforms have yet to achieve their main objectives: improved population health and a democratic healthcare system that meets the health needs of the population.

#### **A Challenging Future**

Health indicators show Bulgaria is still behind EU averages. There is a current feeling of dissatisfaction with the healthcare system among both healthcare professionals and citizens. Although health expenditure has increased nearly three times since the introduction of the health insurance model, the system continues to experience a lack of financial resources and large inequities on all levels. Financial protection is inadequate and the distribution of the financial burden uneven. Equity within the healthcare system is a challenge not only because of differences in health needs, but also because of socioeconomic disparities and territorial imbalances. Services provided to the population vary substantially in terms of quality and access in the different regions.

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