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*THE HEALTH
POLICY EXCHANGE*



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Health Policy and Politics¹

Approval ratings for February show that 70% of respondents trust the Prime Minister (up 2% since January) and 69% trust Zbigniew Religa the Minister of Health (up 4%).

The duties of the National Consultants, appointed by the Minister of Health for each of the therapeutic areas, have changed. They will be expected to perform more duties but will receive remuneration for this.

The Scientific Council which advises the Minister of Health met on 23 February. It numbers 27 members of diverse speciality and geographic location. The chair is Prof Maciej Latański deputy chair, Prof Wojciech Noszczyk, Sławomir Majewski is the secretary and Leszek Paczek and Kazimierz Rozkowski-Sliz make up the Presidium. They have been asked to work on the following priorities: Network of hospitals funded by the National health Fund (NFZ), healthcare use information system (RUM), basket of services funded from public funds and to health insurance regulation and to the emergency services Law.

Andrzej Sosnierz who was widely rumoured to become the President of the National Health Fund is now less likely to replace Jerzy Miller. The excuse given was that according to the Constitution he could not be a Member of Parliament and hold an administrative/civil service post concurrently. However, Andrzej Sosnierz received an opinion from the Parliamentary legal council this is not the case.

National Health Fund (NFZ)²

Funding

2005 was the first in which the NFZ financial year was closed without debt towards providers or retail pharmacies. In 1999 debt amounted to 800 mln PLN [211 mln €], while in 2003 this was as high as 1.5 bln PLN [396 mln €].

The NFZ identified an additional 320 mln PLN [85 mln €] for health of which, 240 mln is to cover the Zielongorskie Agreement (increased capitation payment for primary care doctors) and 80 mln will go for preventive care and orthopaedic appliances. The Minister of Health announced that 4 bln PLN [1.02 bln €] more will be available for health from public funds in 2007. The money will come from the 0.25% increase in subscription next year (2 bln PLN) and from the state budget for emergency services (1.2 bln PLN) and an increased contribution on behalf of the unemployed (0.8 bln PLN). This contribution had been lowered previously by the former government. In order to reach the Coalition for Health target of 6% GDP this means another 20 bln [5.1 bln €] which must be reached over the next four years.

Waiting lists

A system of waiting lists was introduced by the NFZ in 2004. Providers should provide updated information on waiting list to the NFZ which display this on the web-site. The information is not updated regularly by the healthcare facilities. Queues appear falsely long because multiple appointments are booked by patients, who then fail to keep them. The situation is similar for in-patient procedures with patients failing to notify the hospital when a procedure has already been performed elsewhere. The failure to show rate may be as high as 40% in some instances for both visits and elective procedures.

Some provinces have overcome this problem by making a note on the referral form when patients are put on the list. In order to get onto another list they must withdraw from a previous one. The Ministry of health wants to change the regulations so that the PESEL number (individual ID) and procedure code number will be necessary for booking visits and

admissions to avoid duplication. Improved management of the waiting lists was identified by the NFZ President Jerzy Miller as a target for his organisation this year.

Healthcare utilisation information system (RUM)

The RUM pilot project was announced during a briefing meeting on 16 February in the MOH with Minister of Health Zbigniew Religa and NFZ President Jerzy Miller. The RUM will play a role in information, control and prevention in terms of appropriate healthcare provision including drug prescribing and dispensing practices. The idea has been discussed since the early nineties and was previously piloted as a paper booklet for patients. The implementation of a countrywide electronic system is expected to bring savings of at least a few hundred million PLN per year.

The pilot will run in the Wielkopolskie province, which was selected because it has a network of healthcare facilities and will include 100 thousand patients and cover primary healthcare, specialist treatment and retail pharmacies. Information will be collected on visits and drugs for a period of 8-9 months and then evaluated before extension of the system countrywide. The pilot will cost 30 mln PLN [7.7 mln €].

An information system called SERUM, developed by Spin from Kamsoft which is in the Prokom group, already operates in Poznan but only for in-patients. The system will use processor based cards which have a greater memory than chips and with lower costs of card readers. A different system START, developed by Computerland based on chip cards has been operating in the Slaskie province (Silesia). However, Jerzy Miller believes that it is out-dated and does not provide enough information on the treatment process, although representatives from Silesia say that they have full knowledge of what is prescribed and are able to pick up irregularities.

Computerland are not giving in and intend to participate in competitive bidding for the countrywide system worth 100 mln PLN [25.52 mln €]. They point out that they have 5 years of experience in Silesia with more than 4 mln lives and that their system fulfils the technical criteria required. The system cost 22 mln PLN but this was saved within the first year and savings of 40-50 mln PLN are made every year.

Health Professions³

Doctors' remuneration

Doctors earn about 2 thousand PLN net a month for a 12 hour day. The situation for nurses is even worse. Doctors are demanding a 30% increase in salary or else they threaten a general strike. Protest action has taken many forms and is spreading to other provinces. About one thousand doctors in the Podkarpackie province will take one day's leave on 20 February (Polish law allows ad-hoc leave) providing out of hours cover only. The action was supported by the Regional Chamber of Physicians. Doctors from Lodz wrote to their hospital/healthcare directors demanding an increase in salary and received negative responses. They plan to boycott certain administrative duties relating to official notification forms and patients notes. Additionally, they may hand in their resignations. Orthopaedic surgeons in Radom are also planning to resign, which would leave the town with no such specialists from 1 May.

The National Union of Doctors (OZZL), the Anaesthetists Association, the ECG Technicians Association, the National Conference of Healthcare Employees and the Chambers of Physicians, Nurses and Diagnostic Technologists have formed a Committee to take joint action in respect of salaries.

Kazimierz Marcinkiewicz, the Prime Minister met with representatives of health care trades unions on 22 February, when he announced that work would begin within a tripartite team under the leadership of the Minister of Health. The team is to develop a plan that will deliver an increase in salaries, particularly for hospital based staff. The Prime Minister and Minister of Health subsequently stated that next year healthcare professionals can count on a 30% increase in salary and further increases over the next three years. Before the end of March the Tripartite Committee and the Ministry of Health will present a proposal for the systematic increase in salaries. It is estimated that if healthcare professionals demands are met then an additional 8-11 bln PLN would need to be found. The source of funds has not been identified.

Krzysztof Bukiel the OZZL head stated that the protest action will continue because of the uncertainty of the salary increase as well as to that of the source of funding. It will also be difficult to estimate the cost of salaries in the NFZ contract as suggested by the Prime Minister and Minister of Health.

The idea has been put forward that the NFZ contracts should specify the portion which is for salaries. The Minister of Health says that the healthcare services must be priced higher to reflect the additional cost doctors and nurses work. This Krzysztof Bukiel believes, should not be decided by NFZ and the best would be an independent pricing institute based on information from a number of sources. The Minister of Health informed Parliamentarians on 23 February that a further 4 bln will be available for NFZ budget this year. This should go on salary increase rather than on access. He shared his concern about the doctors' protests.

Patients⁴

Patients/Citizens Views

Results of a poll performed by CBOS show an improvement in the perception of healthcare, since the new government took power.

Are you satisfied with healthcare?	Dec 2004	Oct 2004	Dec 2005
Yes and rather yes	19%	22%	25%
Neither yes nor no	17%	17%	26%
No or rather not	61%	59%	46%

Has healthcare quality changed?	Dec 2004	Oct 2004	Dec 2005
Yes and rather yes	7%	-	8%
Neither yes nor no	42%	-	53%
No or rather not	46%	-	35%

Household health expenditure

The Social Diagnosis study is performed every two years and includes a section on healthcare. Out of pocket expenditure on healthcare increased slightly over the last two years. Private subscription healthcare is purchased by 5% of households, but following an earlier increase in uptake this has remained stable. Overall 40% of households purchased private healthcare, with working households doing so most often. Expenditure on private healthcare increased by 6% over the last two years with a similar situation for the purchase of drugs. Although informal gratuity payments are generally believed to occur commonly, the study showed that they amount to less than the money spent out of pocket on drugs and private care. Informal payments were made by 6% of households and 9% of households gave presents out of gratitude.

Of the 33% of respondents who said that they had had insufficient money to fill prescriptions only half did not in fact do so, the other half either asked for cheaper drugs or were able to

gather the necessary funds. Forty two percent of respondents were not interested in having private health insurance, 44% say that they cannot afford to do so and 17% would purchase such insurance providing that the cost did not exceed 100 PLN. For the majority formal co-payment would be acceptable only if this is for a higher standard of facilities.

A high percentage of respondents believe that access to healthcare is now worse than before despite the actual availability. In total 75% of respondents are satisfied with healthcare in their place of residence. Almost half of respondents above 16 years of age said that they trusted Polish drug manufacturers, 10 % did not and 42% had no opinion. Higher income and education went with greater faith in foreign manufacturers, but generally less than for domestic manufacturers.

Patients Rights

MOH ordinance on duties and practices of patients rights advocate in psychiatric hospitals is effective from 16 February. This includes drafting and submitting complaints to the hospital director with particular attention paid to those who have been detained without their consent and against whom direct physical restraint is used. There are currently 20 patient's advocates and their target number is 50 to provide 1 advocate per 500 patients.

Many hospitals charge patients for additional services such as 5 PLN [1.3 €] for charging a mobile phone, 20 PLN [5.2 €] for a parent to stay with child overnight (bed charge), meter TV, parking fees and disposable plastic shoe protectors. Proposed regulations will prevent this. It will no longer be possible to take money for a single room, more intensive nursing care and attendance of the family at birth. The Ministry of Health also wants to withdraw from the proposal of the previous government that patients could pay for procedures in public facilities if these had run out of funds. Doctors have commented that this discriminates public facilities.

According to students working in the Medical Law Advice Centre at the Jagellonian University the Patients Rights Charter is out of date. The current charter is based on 5 different laws but according to students there are actually 14 laws which should be taken into account.

Medicine⁵

Emergency services

Emergency Medical Services regulations have been drafted as part of the crisis management law. The details still need to be finalised by the MOH before the government can deliberate the draft law. Every year 400 paramedics graduate from the three year licentiate degree courses but the emergency services fail to recruit the graduates because they lack field experience.

It is estimated that 236 persons died from exposure this winter. Many had died after having drunk alcohol and almost half were homeless.

Cancer

February 4 was the VI International Cancer Day. The theme this year was childhood cancer. Each year about 1300 children fall ill and 300 die of cancer in Poland.

The Minister of Health said that the 250 mln PLN additional funds provided for this year to fight cancer is sufficient for this period. Late diagnosis is the main problem.

Pharmaceuticals⁶

Reimbursement

Expenditure on reimbursement was 6.3 bln PLN [1.61 bln €] in 2005, with an additional 600 mln [153 €] spent by the NFZ on drug programmes and 2 bln [0.51 bln €] on hospital products. This was almost 25% of NFZ resources. The NFZ budget for drugs in 2006 is 6.6 bln PLN [1.68 bln €].

The Minister of Health invited representatives of pharmaceutical manufacturer's and journalists to a meeting on 2 February during which there was a presentation on drug reimbursement data by the Ministry which was followed by a panel discussion. The Deputy Minister of Health Boleslaw Piecha and the Deputy Head of the Sejm Health Committee were also present.

As a follow-up there was another briefing meeting at the Ministry of Health organised by the Drug Policy Department on 15 February. This was the first in a series of meetings devoted to the amendment of the government document "Principles of change to the system of drug reimbursement", which was approved by the former government in September 2005. The objective is to develop a consensus which will enable the preparation of appropriate regulations in this field. The next meeting is planned for 15 March during which data on the pharma market in Poland (NFZ data for 2005 will be available at the end of March) will be presented as well as information on systems in selected EU countries. Future discussions will include:

- a transparent reimbursement system and how to achieve this
- margins and prices
- proposed solutions

The NFZ wants to introduce electronic monitoring of prescriptions, gradual inclusion of new products and a new category of specialist products. Boleslaw Piecha announced on 27 February that the next updated of the reimbursement list would be ready in May. The intention is to update the list every three months. Companies will be able to have information on how their applications for reimbursement are progressing and will have the right to appeal against a decision to the administrative court. Reference was also made to the provisions of the new lobbying law which is effective from the beginning of March.

Pharmacies

The EU standards for retail pharmacies come into effect in October 2007. This is a problem for many of these pharmacies in that the EU requires sufficient room and appropriate facilities for preparation of drugs made up by pharmacists. Three and a half thousand such outlets, which is about 30%, face of closure for this reason.

Local companies

Bioton signed a favourable annex to their agreement with government on the project "implementation of technology and initiation of production of a number of recombinant drugs and the proteins necessary for their production". The agreement was with the National Scientific Committee (KBN) and Institute of Biotechnology and Antibiotics (the latter are shareholders in Bioton as is Prokom). The Project cost is estimated at 65 mln PLN [16.6 mln €] and the KBN promised 19 mln [4.9 mln €]. The Ministry of Education which took over KBN functions is providing additional finance of 22.5 mln PLN [5.7 mln €] and the agreement has been extended by an additional year.

The Pharmaceutical Institute will participate in a project financed from EU funds and worth 280 thousand Euros to the Institute, to work on innovative drugs. This is the only Polish organisation and one of ten in EU involved in the project, which is co-ordinated by Xceleron.

The task is how to combine C14 with substances which are candidates for drugs. The Pharmaceutical Institute is one of the few academic organisations which has continuous relationship with business provide commercial services for Adamed and Bioton. This year's budget is 43 mln PLN [11 mln €] of which 2.5 mln PLN [0.64 mln €] comes from the state budget, while the remainder comes from contracts.

Experts say that the low level of innovations in Poland is explained by a lack of funding. In Poland 3% of inventions come from academia compared with, 4% in Slovakia and 7% in Sweden. In terms of European patents per 1 million inhabitants the figures are Poland 2.7, Czechs 10.8 and Hungary 18.3.

Privatisation

The Government does not want to sell state owned enterprises. Privatisation of the Polish Pharmaceutical Holding (PHF) planned for 2006/7 was halted by the Treasury Ministry, which owns 100% of PHF shares. The individual companies (Polfa Warszawa, Polfa Tarchomin and Polfa Pabianice) were forbidden to enter into any agreements with themselves or with PHF which owns 80% of each Polfa. The Anderson Business Consulting plan from 2002, which was the basis for the merger of the three Polfas, will be re-evaluated and each company will be audited. Despite advanced negotiations between the Treasury Ministry and Sanitas the Lithuanian company or its competitor Enterprise Investors, the matter of including Jelfa in the PHF rather than its sale has been raised.

Hospitals and healthcare facilities⁷

Of the 2.2 bln PLN [0.56 bln €] provided for loans for indebted hospitals in 2005 under the Public Assistance and Restructuring law, 1.7 bln PLN [0.43 bln €] was taken up. The first visible effects are the reduction in financial obligations, with overdue payments reduced by one fifth. However benefits have also accrued from the restructuring plans that were a condition of securing the loans. Some danger to the stability provided by the scheme may come from the increasing militancy of doctors over low pay.

There are proposals to update the law. These include an increase in the amount of the loan repayment waived in the case of from 50 to 80% and preferential credit terms provided to research and development institutions, which had been excluded up till now. It has been suggested that the remaining funds provided for in the scheme could go to the research institutions.

The Private Sector⁸

According to the OZPPSZ (Ogólnopolski Związek Pracodawców Prywatnej Służby Zdrowia) which represents private healthcare employers in Poland 20-24 bln PLN [5.1-6.1 bln €] is spent on healthcare by patients out of pocket. Of this 10 bln PLN [2.55 bln €] goes on drugs, 2-4 bln PLN [0.51-1.1 bln €] is spent on formal payments in the private sector and between 8-10 bln PLN [2.01-2.54 bln €] for so called unregistered services. Healthcare subscriptions with private providers range from 30 to 500 PLN [8-130 €] per month and the number of subscriptions per provider organisation is from 20 to 20 thousand.

Private health insurance schemes are not as popular as yet and cover out-patient care, such as the policy offered by Compensa Zdrowie. The monthly subscription can include preventive care, diagnosis and treatment. The provider partner in this case is the Centrum Medyczne LIM together with its network. In February the Signal Iduna insurance society introduced the first plan which includes in-patient care. The out-patient partner is LUX-MED and in-patient care is provided by both private and public facilities. The full plan comes at a monthly premium of about 225 PLN [58 €].

The ECJ Decision in 2003 provided for patients to be reimbursed for out-patient treatment outside their country of residence. In the opinion OZPPSZ (Ogólnopolski Związek Pracodawców Prywatnej Służby Zdrowia), the principle of equal treatment means that the same should apply to private treatment within the EU citizens own country. They do not expect full price reimbursement, but at least that equivalent to the public sector. It has been suggested that this could be a door-opener for co-payment in the public sector.

Swissmed and the EMC Instytut are private providers whose shares are traded on the Warsaw Stock Exchange. EMC has entered into an agreement with the NFZ in Kamień Pomorski worth 6.87 mln PLN [1.76 mln €], while Centrum Damiana have signed a contract with NFZ for the first time.

Medicover has plans to build a hospital in Warsaw and have been working on a project together with the Indian Apollo Hospitals Group, the largest provide in Asia. The Initial plan was for 200 beds at a cost of 25 mln Euro. The plan also included the Centrum Damiana with which a letter of intent had been signed. In the meantime a dispute has arisen resulting from the purchase by Medicover (traded on the Swedish Stock Exchange) of 40% of the shares in Centrum Damiana. The President of the latter denies this claim, saying that this is a hostile takeover and that the agreement between the share holders precluded the sale of shares in this manner. Centrum Damiana is planning an extension of their facilities. Falck has decided against joining a hospital venture in Słupsk together with local authority. The reason for this is the unclear regulations concerning the future network of hospitals.

EU Structural Funds⁹

The draft National Strategic Reference Framework document which is the basis for subsequent use of EU Structural Funds in 2007-2013 was accepted by the Council of Ministers on 14 February. It was drawn-up by the Ministry of Regional Development. Danuta Hubner (EU Commissioner for Regional Policy) visited Poland and discussed the matter with Prime Minister – slowing down of work may result in loss of funding. The greatest difficulty is in transport. The importance of the Energy Treaty was underlined.

Non-transparency and Corruption

The Transparency International (TI) Global Corruption Report 2006 was presented in February with health a major issue in the report. Although the Polish chapter did not provide specific details on this issue itself Malgorzata Brennek the President of TI Poland identified four areas in health affected by corruption in Poland: the patient/provider interface, patient contact with the NFZ, contracting services and the drugs registration and reimbursement process.

Examples of corrupt behaviour reported by the media in February include the former director of the Malopolskie NFZ who received a 4 year suspended sentence and 8 year ban on management positions in institutions which deal with public healthcare funds. Another case involved virtual healthcare facilities which did not exist but which received approval from a local director of sanitation and epidemiological services. Documentation from existing facilities was used to extort NFZ contracts for 6 such virtual facilities. The director was suspended.

A long-running case is that of the LFO (Serum Fractionation Laboratory). Over the 12 years since 1993 serum collected by blood transfusion centres has been sent to the Swiss Red Cross (the Swiss Red Cross facility was subsequently bought by Australian CSL) for fractionation and preparation for specific blood products for use in Poland. The technical and business procedure was managed by the Institute of Haematology and Transfusion. Initially

Biofarm wanted to set up a factory in Poland but the Ministry of Health decided against this concept. Subsequently the LFO prepared a plan to establish a centre for preparation of blood products in Poland itself and the government underwrote the project. Since that time it has been the subject of scandal and conjecture because the factory was never built and the government had to make good the underwritten obligations. The topic is in the public eye again because the former President has been implicated in the dealings relating to the venture according to a former Minister of Health. There is also pressure from parliamentarians to question the former President who was not willing earlier to appear before the Special Parliamentary Investigative Committees in the previous term.

The whole issue of blood transfusion products appears to be a cause for concern. Apparently, millions of zloty losses have been sustained. Resources of 409 mln PLN from the State Budget are paid to Institute of Haematology and Transfusion each year. Products Received from Switzerland are valued at 211 mln PLN leaving 198 mln. Additionally, hospitals themselves paid 124 mln PLN for blood products already paid for in advance by the government. The Institute also failed to take immunoglobulin worth 298 mln PLN from the Swiss laboratory. Over a 5 year period there is a loss equivalent to 600 mln PLN but if the whole period since 1993 is taken into account then this loss is of the order of 1 bln PLN.

In 1999 the law on the Public Blood Service provided for a National Council to be established, but it was never set up by any of the Ministers, despite being pointed out by the Supreme Chamber of Audit (NIK) in 2002. The same individual has been involved with the issue in the Ministry of health over the long term, while concurrently employed at the National Transfusion Centre. The Centre was established but not the Council to supervise it and the Centre remained – outside the control of the Ministry. The financing of the whole system is not transparent. The Council was recently established by the new Minister of Health.

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