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Health Insurance System in Slovenia

Visit of the delegation from Switzerland

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Solidarnost je pot – zdravje je cilj.

Health Insurance System in Slovenia

1. Introduction

2. Compulsory health insurance

3. Voluntary health insurance

4. Total expenditure for health care in Slovenia

5. Conclusions

1.1. Introduction

General characteristics of the health care in Slovenia:

- **Public health protection system – formally 100% coverage of the population with compulsory health insurance**
- **Qualitative and accessible health care network**
- **PHC – focal point of the system**
- **Health care performances comparable to those in EU**
- **Constant financial pressures due to aging and other developmental challenges**

1.2. Introduction

Key data on Slovenia:

- **No of inhabitants (1.7.2017): 2.066.161**
- **No of insured persons (31.12.2017): 2.096.689**
- **BDP: 42,8 billion € (estimated for 2017)**
- **Av. wages (bruto/neto per month, october 2017): 1.621,46 € /1.056,47 €**
- **Unemployment rate-registered (october 2017): 8,7**
- **Total expenditure for health care (2017): 3,450 billion € or 8,07 % BDP or cca 2.023 PPP € per capita**

1.3. Introduction

- **Infant mortality rate***: **1,8** (EU 28 = 3,7)
- **Life expectancy (women)**: **84,1** (EU 28 = 83,6)
- **Life expectancy (male)**: **78,2** (EU 28 = 78,1)
- **Standardised mortality rates**:
 - **ischemic heart disease (women)**: **76** (EU 28 = 44)
 - **ischemic heart disease (men)**: **161** (EU 28 = 176)
 - **cerebrovascular disease (women)**: **100** (EU 28 = 82)
 - **cerebrovascular disease (men)**: **122** (EU 28 = 96)
 - **cancer (women)**: **235** (EU 28 = 203)
 - **cancer (men)**: **445** (EU 28 = 355)
 - **traffic injuries (women)**: **4** (EU 28 = 3)
 - **traffic injuries (men)**: **13** (EU 28 = 9)

2.1. Compulsory Health Insurance in Slovenia:

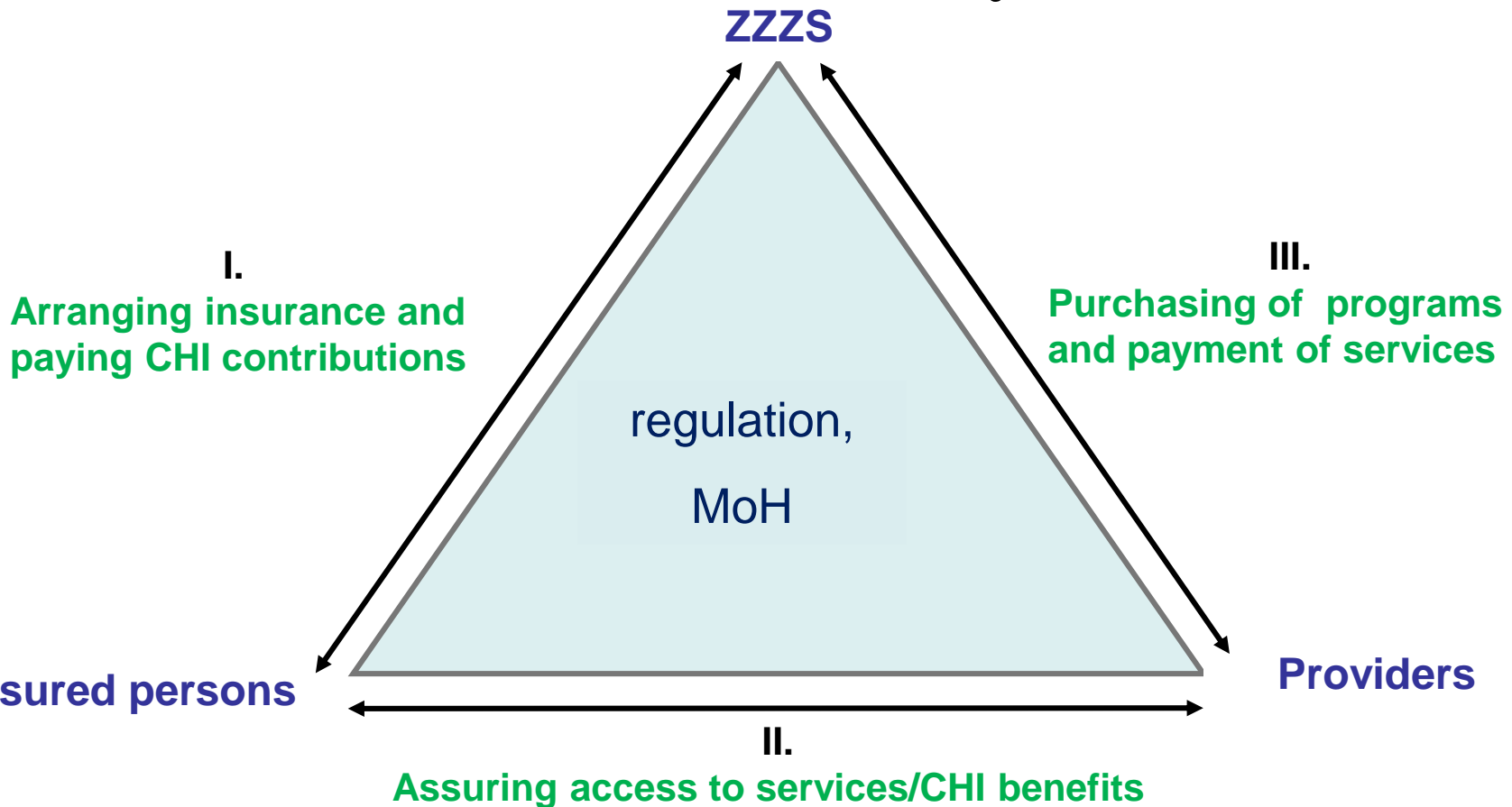
- **compulsory health insurance (hereafter CHI) in Slovenia: social model of health protection (basic principles: universal coverage, solidarity, equity)**
- **complex system with many stakeholders/actors:**
 - patients/insured persons/health care users and their associations
 - Ministry of Health
 - NIJZ
 - health care providers (public and private)
 - different associations of health care providers
 - **ZZZS (Health Insurance Institute of Slovenia)**
 - representatives of social partners as supervisors/managers of compulsory health insurance system
 - voluntary health insurance providers
 - idr.

2.2. Compulsory Health Insurance in Slovenia:

- **CHI system constituted in 1992**
- **ZZZS: single provider of CHI**
- **specific self-administration and management of the system (corporate representatives of contributions payers) - controlled by the state at key points**
- **key processes of CHI:**
 - **arranging insurance and paying contributions (financing)**
 - **system of benefits, assuring access to benefits (benefits)**
 - **allocation procedures, relations to HC providers (purchasing)**

2.3. Compulsory Health Insurance in Slovenia:

Key functions of CHI



2.4. Compulsory Health Insurance in Slovenia:

Key functions of CHI and participating stakeholders

Self administrative bodies of ZZZS: EC, Unions, invalide organisations, retired persons association, etc.

ZZZS

Partners in contracting process – national level: MoH, MC, PC, HCA etc.

I.
Arranging insurance and paying CHI contributions

II.
Purchasing of programs and payment of services

regulation,
MoH

Partners in contracting process on local level: 204 public providers, 1.518 private providers

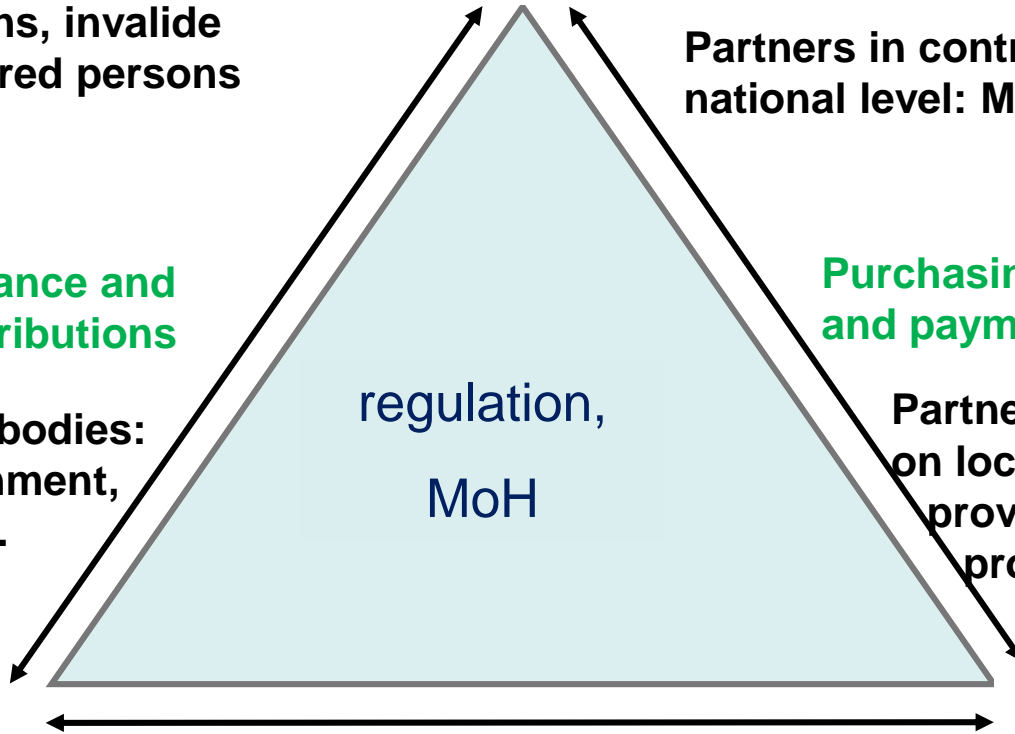
Participating state bodies: parliament, government, MoF, MoH, MoL etc.

Insured persons

Providers

III.
Assuring access to services/CHI benefits

MoH, professional associations, NGO/patients' organisations, ombudsman, etc.



2.5. ZZZS – management and organisation (1)

- **ZZZS managing bodies: Assembly, Executive Board and General Director**
- **ZZZS organisation: direction in Ljubljana, 10 regional offices and 45 branch offices, IC-IT dpt.**
- **Human Resources: 847 employed persons (2017); more than two third (70,0%) with HSE and higher educational degree**
- **ZZZS Information System is developed and maintained by the Information Centre in Ljubljana and departments of regional units.**

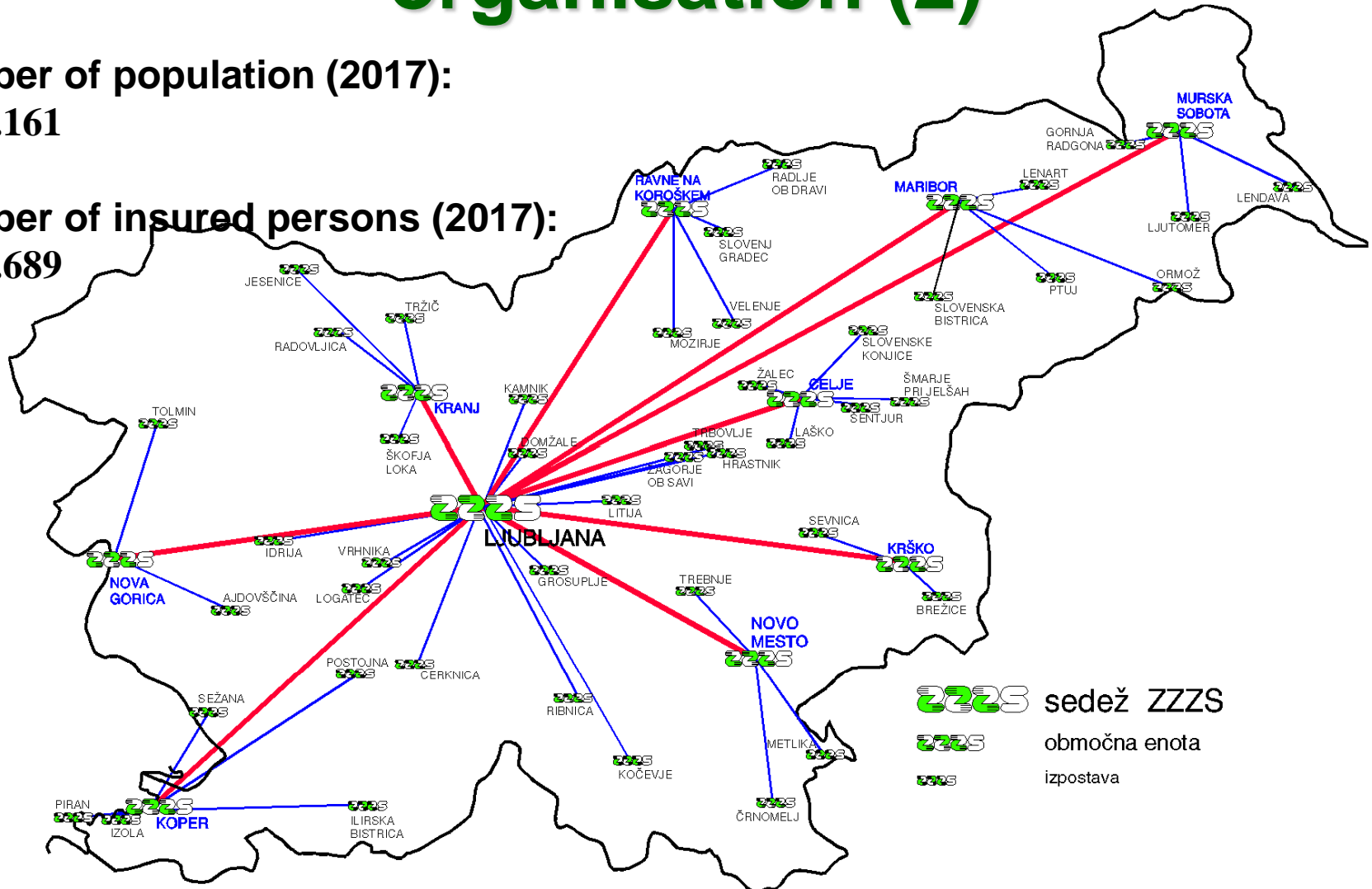
2.5. ZZZS – management and organisation (2)

Number of population (2017):

2.066.161

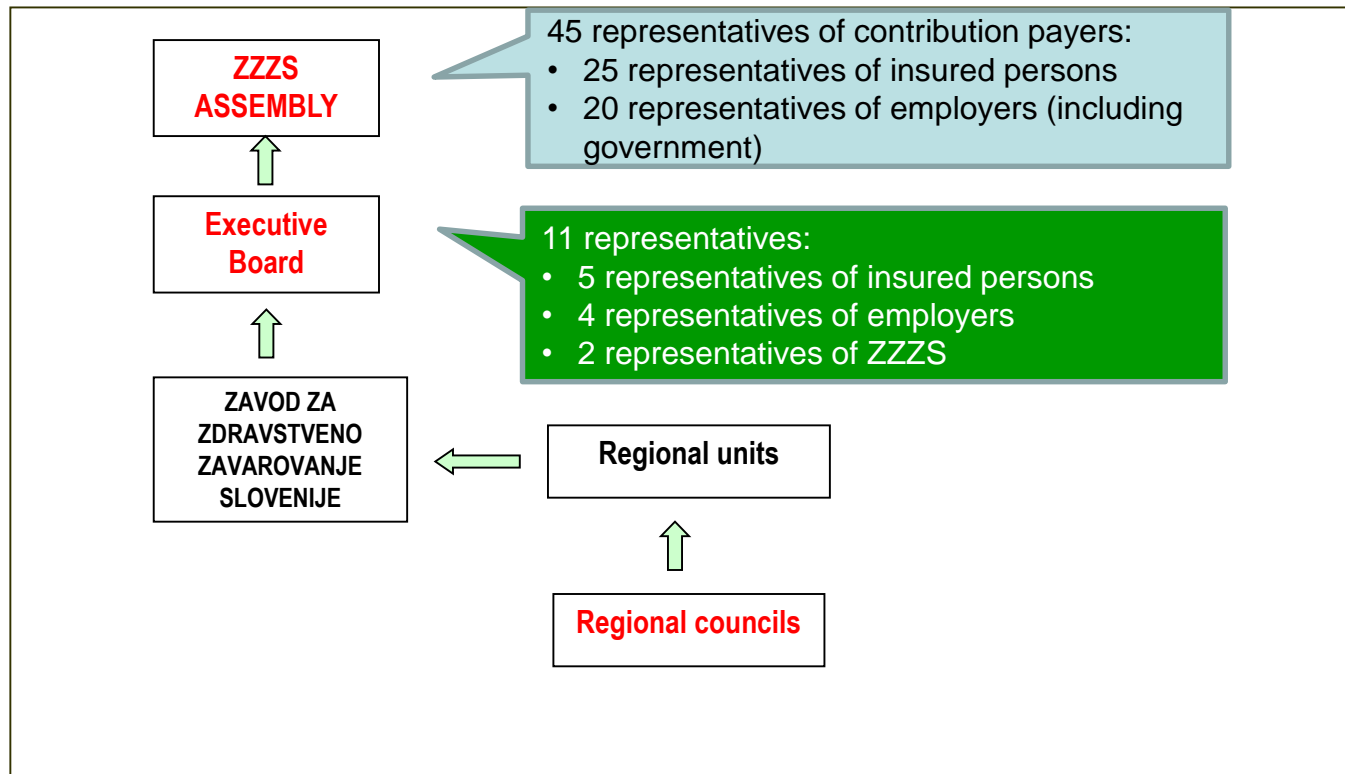
Number of insured persons (2017):

2.096.689



2.5. ZZZS – management and organisation (3)

Management: typical social insurance model



2.6. ZZZS – financing (1)

- funds are collected as proportional contributions
- obligors for contributions:
 - active population: employers (6,56% + 0,53% = 7,09%) and employees (6,36%) contribution rate: **total rate for active population: 13,45% of gross wages**
 - pensioners: rate of their gross pension (5,65%)
 - selfemployed (including farmers): fixed proportion of their income
 - socially weaker groups: fixed contributions paid by state or local budgets
- collection of contributions on contractual basis by Tax office
- **health insurance card system !**

2.6. ZZZS – financing (2)

Financial sources of ZZZS (2017, in millions of euro):

• contributions of employers/employees:	2.073,7	(77,2 %)
• contributions for pensioners:	380,2	(14,2 %)
• contributions of farmers	6,6	(0,3 %)
• other contributions	130,6	(4,9%)

• Contributions:	2.591,1	(96,6 %)
• Other income:	92,4	(3,4%)

ALL INCOME:	2.683,5	(100 %)
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2.7. ZZZS – coverage, benefits (1)

- **CHI covers entire population (100%)**
- **two large fields of benefits:**
 - **health services**
 - **cash benefits**
- **free choice of doctors & providers**

2.7. ZZZS – coverage, benefits (2)

- **Comprehensive health services benefits:**
 - **benefits comparable to those in EU**
 - **defined by the Law on health care and health insurance – sublaw Regulation on CHI**
 - **copayments/coinsurance/costs-sharing in the system: voluntary health insurance for copayments**
- **Cash benefits: allowances for absence from work, travel expencies**

2.8. ZZZS – allocation procedures (1)

- **different procedures for different expenditures**
- **main questions: efficiency, quality**
- **basic programs:**
 - **for HC services through negotiations and contracting process** (representing cca 69,9 % of all ZZZS expenditure in 2017)
 - **drugs, medical aids** (cca 14,8 %)
 - **cross border health and international insurance** (cca 1,9%)
 - **cash benefits** (cca 11,8 %)
 - **costs of the ZZZS's professional service** (cca 1,6 %)

2.8. ZZZS – allocation procedures (2)

Two steps of negotiation process:

- **negotiations between partners on national level**
 - **representatives of HC providers, ZZZS and MoH**
 - **agreement on scope and value of all HC programs**
 - **agreement (General agreement - as formal act for contracting)**
- **contracting with health care providers**
 - **all HC providers in public network (public and private providers with concession)**
 - **accounting methods**

2.8. ZZZS – allocation procedures (3)

1. Accounting methods on primary health care

H.C activity	Accounting method
Out-patients ambulatory services in primary level (chosen doctors' dispensaries)	<ul style="list-style-type: none">• Combined system of capitation: for all dispensaries in primary level;• Incentives: for preventive programs, maintaining orderly state of chronic patients, safer treatment with certain drugs, etc;• Flat fees: for duty and emergency services; for certain health education programs;• Fee for services: for fiziotherapy and patronage services; for mental health services; for certain health education and screening;
Dentistry	<ul style="list-style-type: none">• Fee for services: points system;• Flat fees: for duty and emergency services;
Emergency services	<ul style="list-style-type: none">• Flat fees: for emergency transportations• Fees for km: for non-emergency transportations
Nursing in social institutions	<ul style="list-style-type: none">• Per day: types I,II,III and IV• Fee for services: for care in hearing and speaching centres

2.8. ZZZS – allocation procedures (4)

2. Accounting methods on secondary and terciary level

H.C activity	Accounting method
Out-patients specialistic care (performed in hospitals)	<ul style="list-style-type: none">• Fee for services: points, investigations or integrated treatment–package of services• Per case: dialysis I,II,III,VI• Per day: dialysis IV,V.
Hospital care	<ul style="list-style-type: none">• DRG: for acute hospital treatment (from 2004)• Per days: for extended nursing and paliative care in hospitals; for disabled youth care;• Per days: for non-medical care of lactating mothers;• Per case: for psichiatric care and rehabilitation;• Per case: for different types of transplantations ;
Separately charged materials/services	<ul style="list-style-type: none">• According to costs of materials and services

2.9 ZZZS expenditures

Total ZZZS expenditures in 2017 (in millions of euro):

• Health services expenditure:	1.874,2 (69,9%)
- PHC	419,1 (15,6%)
- secondary/terciary care	1.241,3 (46,3%)
- LTC (nursing care in SH)	127,8 (4,8%)
- other	86,0 (3,2 %)
• Other health care expenditure:	395,8 (14,8%)
- drugs (+ pharm.)	312,0 (11,6%)
- med. aids	70,9 (2,6%)
- vaccin.	12,9 (0,5%)
• CBH/international insurance	52,1 (1,9%)
• Cash benefits expenditures:	317,2 (11,8%)
• ZZZS expenditures	42,9 (1,6%)
•	

TOTAL

2.682,5 (100%)

3.1 Voluntary health insurance

- **VHI in Slovenia is based on the idea of cost-sharing, copayment and coinsurance in the system**
- **The Law 1992: direct copayments or voluntary health insurance for risks of copayments in the system**

**COMPULSORY
HEALTH
INSURANCE**

Solidarity

**VOLUNTARY
HEALTH
INSURANCE**

Mutuality

**Commercial
insurance**

3.2 Voluntary health insurance

- **In complementary VHI schemes around 1,4 million insurees are included (out of 2 mio of population)**
- **Three competitive insurers:**
 - **VZAJEMNA (mutual insurance comp.)**
 - **Adriatic d.d. (for profit insurance comp.)**
 - **Triglav zdravstvena zavarovalnica (for profit insurance comp.)**
- **Offering also other types of VHI, but VHI for copayments is prevailing**

4.1 Expenditures for health care* - in Slovenia (1)

Total health care expenditures** in % of BDP in Slovenia 2017:

1. Public (total: cca 2.515,4 mio euro):	5,88 % BDP
- state and local budgets (cca 99,0 mio euro):	0,23 % BDP
- ZZZS/CHI (cca 2.333,4 mio evro):	5,46 % BDP
- LTC (cca 83,0 mio euro):	0,19% BDP
2. Private sources (total: cca 934,7 mio euro):	2,19 % BDP
- voluntary health insurance (cca 478,3 mio euro):	1,12 % BDP
- direct payments (413,6 mio euro):	0,97 %BDP
- companies (42,8 mio euro):	0,10 % BDP
3. TOTAL (cca 3.450,1 mio €)	8,07 % BDP

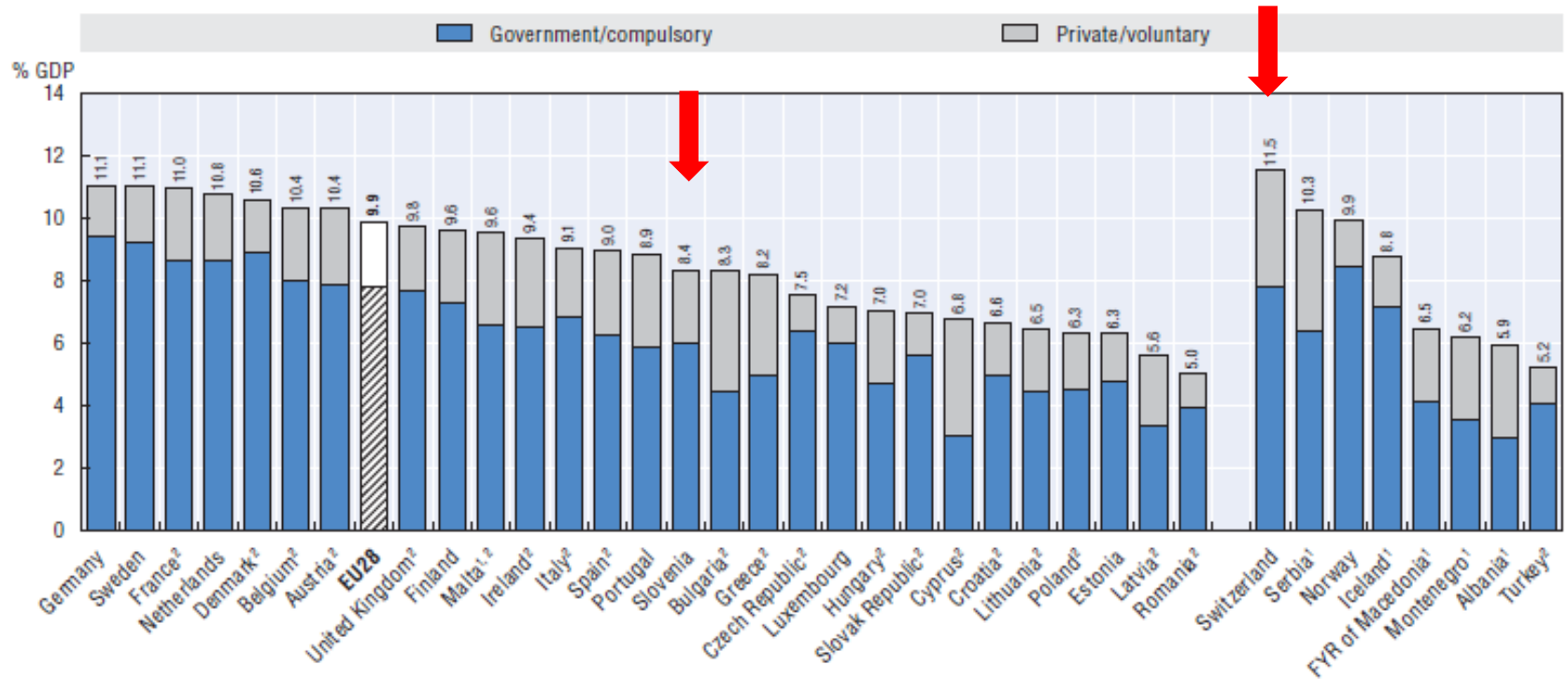
And per capita (2017): total =2.023 PPP € (EU 28 = 2.532 PPP €)
public = 1.470 PPP € (EU 28 = 1.781 PPP €)
private = 553 PPP € (EU 28 = 751 PPP €)

* according to SHA methodology (OECD: Health at a glance - Europe, 2018)

**running costs – without investments

4.1 Expenditures for health care – international comparisons (2)

Expenditures for HC in EU in % of GDP



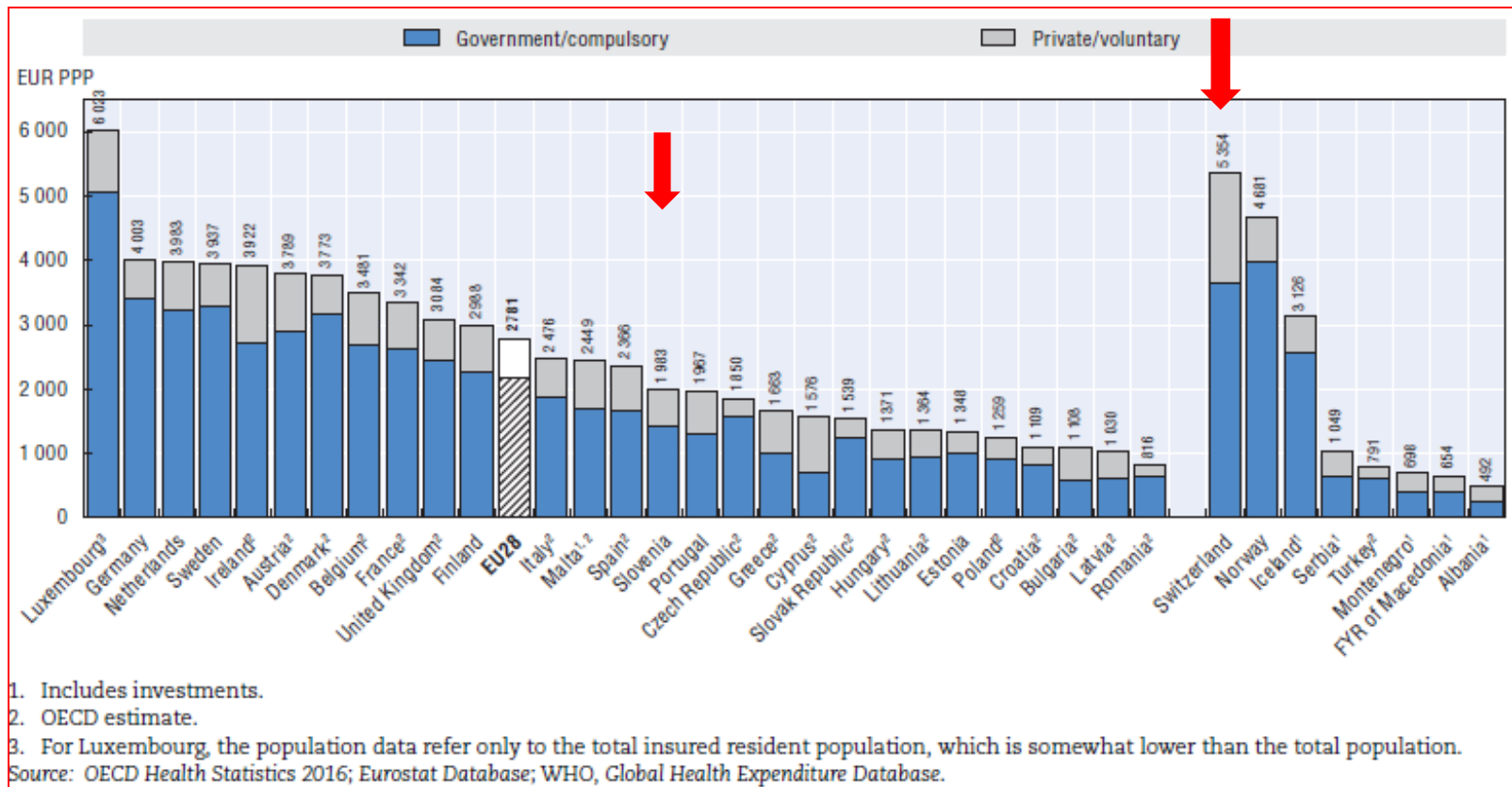
1. Includes investments.

2. OECD estimate.

Source: OECD Health Statistics 2016; Eurostat Database; WHO, Global Health Expenditure Database.

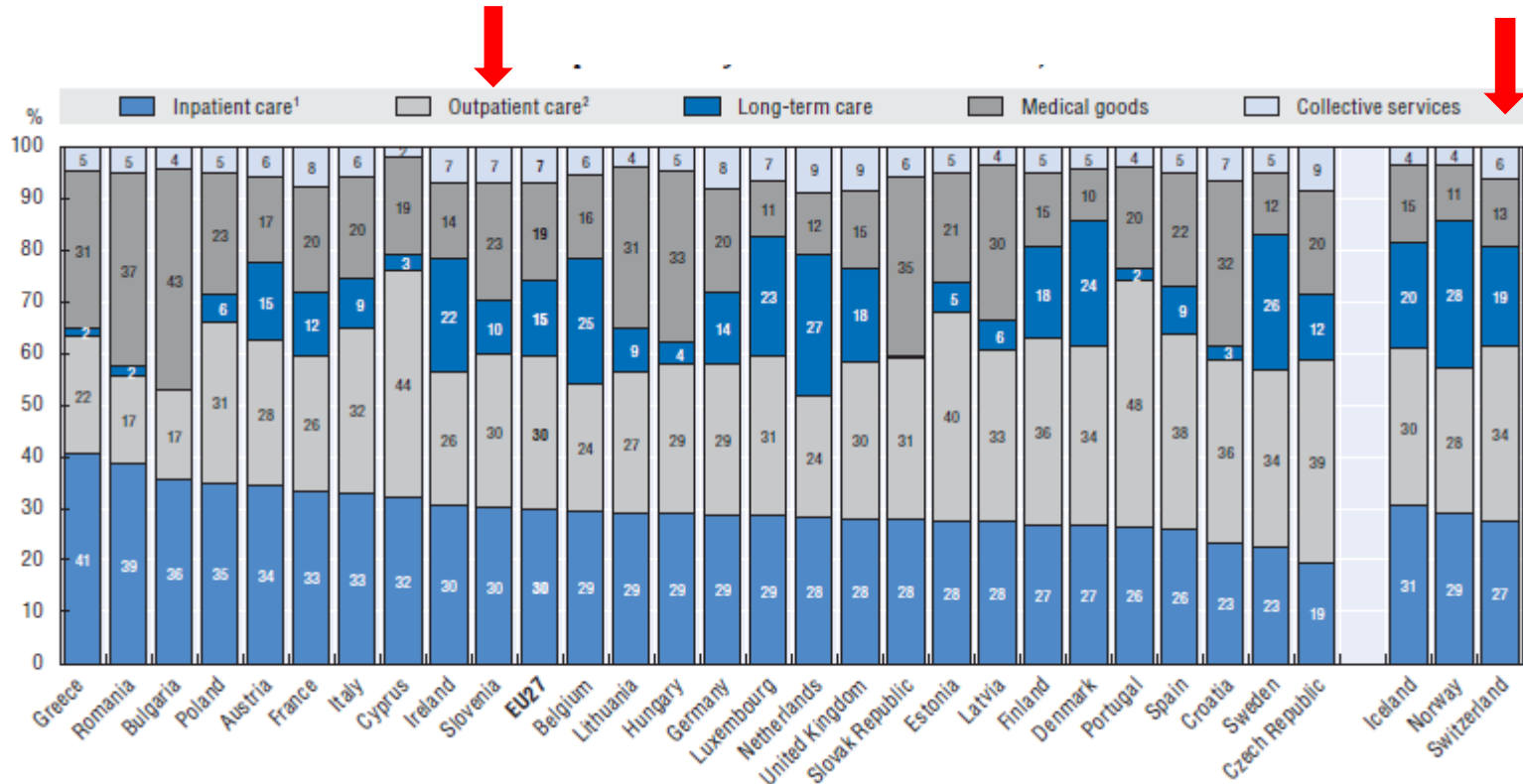
4.1 Expenditures for health care – international comparisons (3)

Expenditures for HC in EU per capita



4.1 Expenditures for health care – international comparisons (4)

Expenditures for HC in EU by functions of care



5. Conclusions

- **Need for further modernisation and reform of health care and health insurance system**
- **Old trends**
 - **Demographic and socioeconomic changes**
 - **Constant technology and organisation changes**
 - **New drugs**
 - **Demanding clients**
 - **Enormous pressures on costs**
- **New challenges**
 - **European trends**
 - **Economic cycles**