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Health Insurance and Productivity

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Aim. To provide a conceptual understanding of the basic relationship between health insurance and overall economic productivity, and to look at the human development index as a proxy for the quality of human capital.

Methods. Economic data and data related to human development in Central and Eastern European (CEE) countries, including Croatia, were compared to the European Union (EU) average. Data were selected out of databases provided by the International Monetary Fund, the Organization for Economic Cooperation and Development, and the United Nations. Income and growth rates were related to the EU averages. The human development index was used to compare the level of the average achievements in the longevity of life, knowledge, and quality of living in CEE countries.

Results. Relative to the EU-average, human development is lagging behind in CEE countries. Considering the world as a benchmark regarding human development, 8 out of 13 CEE countries exceed the world. However, all CEE countries have 3-28% lower human development than the industrialized countries.

Conclusions. The specific challenge for transition countries is how to adopt strategies to translate economic progress into health and social gains through reliable institutions, among them social health insurance bodies. The institutions and the provision of social health insurance are particularly challenged at a turning point when transition in terms of macroeconomic stabilization, along with the consolidated organization and financing of social and health insurance schemes, is accommodated to a business cycle-driven market economy

Key words: health care; health expenditures; health insurance; health plan implementation; hospital costs; insurance, health; planning, health and welfare; resource allocation reform