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Health Care and Economic Crisis: Can It Get Worse?

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As we are witnessing the intensive media and politic debates on the subject of health care system, accompanied by the a total silence on the part of the health profession, we should ask ourselves whether the Croatian health care system is facing its greatest crisis so far just because it is being included in the discussion on the ongoing recession.

There are many questions directly related to this. First – is this done by force? Then, is one multidisciplinary sector, important for preserving the core values of the whole society, left to the mercy of the most vulgar type of economy, the only task of which is to cut public spending?

It seems that the answer to this question is positive. The World Health Organization (WHO), for instance, has for the whole two years been warning about the effects of the economic crisis on the global health care system, but in a way completely different to what has been done in Croatia. Since the economic crisis deepens social inequalities, it is necessary to preserve the public sector, ie, allow it to remain equally accessible to all. In other words, while the WHO is considering how to protect the public sector, Croatia is trying to protect the national economy, at the expense of the health care system if necessary.

For example, the WHO report entitled Financial Crisis and Global Health from January 2009 (1), in the part dealing with the problems of low gross domestic product countries, especially those that have requested help from the International Monetary Fund, states the following: "...In recent years, governments of many low-income countries have increased spending on health. Aid for health has doubled between 2000 and 2006 and overall commitments to aid spending have increased. Many countries have made impressive progress towards the achievement of the Millennium Development Goals. Making significant inroads into reducing levels of absolute poverty is now a real possibility."

The WHO concludes that countries hit by the crisis should do the following for their health care systems: "Ensuring

that financial and economic crises do not undermine these aspirations and achievements requires a strong sense of solidarity; between donor governments and the countries that require their support: keeping to promised levels of development assistance; between governments and their citizens: promoting an ethical dimension to public policy – and in particular, maintaining essential health and social services; between citizens: sharing risks and responsibilities as the basis of strong health care systems; civil society should maintain vigilance with regard to the commitments of governments, donors and international agencies; in summary, the financial crisis has provoked an examination of the values that underpin societies worldwide. The health response should likewise aim to be transformative and promote a focus on social justice."

Here, the emphasis is placed on the realization of the millennium goals, adopted by the UN in 2001, ie, on how not to undermine the achievements that the developing countries have made so far. In Croatia, on the other hand, the emphasis is exclusively placed on how to as painlessly as possible disturb the social justice, after it was silently agreed that it had to be disturbed.

It is very interesting that no one questions this line of reasoning, not even the political opposition or the media, although a negative opinion on health administration and health care system management had been formed among the broad public a long time ago, even before the economic crisis hit Croatia. Research conducted in 1994 by Chen and Mastilica showed that "health reformers" had difficulties with the popularization of utilitarian approach to health care system (more money more health), since 47% of respondents claimed that the economic reform made their access to health more difficult, while 50% concluded that out-of-pocket expenses presented a "big or very big" problem for them (2).

In a country interested in public perception of the quality of care, this would have been an alarm-call even then, but the policy makers once again ignored the

public opinion or exposed it to negative propaganda by identifying the interest in social rights with communist legacy. It is true that citizens of Croatia consider social insurance an important part of "the social contract," described by sociologists Millar and Wolchik in *The Social Legacy of Communism* (3) as a social consequence of the communist rule, but this is not a reason to forget or ignore the fact that a civilized country should intervene into health and ensure equal access for all. The reason is simple – equality in illness is the only acceptable option.

Instead, in the transitional period all health administrations in Croatia insisted on "simulating capitalism," ie, they tried to shape an unfavorable media image of a social contract that ensures free health services, introduced taxes in health, and allowed part-time work of the medical elite in private clinics under the excuse of "bad conditions and low salaries" in state hospitals.

In this sense, it is fascinating that the health administration in 2000 and 2010 "reformed" the system without a single structural intervention but passed as many as 17 amendments to laws on taxation, co-payments, and exemption from co-payments! So, although 1.7 laws were passed annually, all that prevailed was the feeling of social inequity due to constant changes in the amount of benefits and costs to be paid. At the same time, there was a 2-fold increase in health spending, which showed the complete inefficiency of the reforms. It is evident that we have to ask ourselves why all the reforms show the tendency to infringe the rights, meaning the rights of the individual, not of the system (which is far more burdened by communist legacy), and the tendency to discourage citizens from using health services.

To sum up, the answer to the question whether the element of financial crisis is forcibly introduced in the discussion on health care system is positive for the following reasons:

- a) economy matters are put before the efficiency of the system and social justice, rather than the other way around;
- b) economic flexibility is required exclusively from the user and not from the provider of the services;
- c) this is done regardless of completely different practices in Western, market-oriented countries.

There is also another important question, and that is whether the element of crisis is introduced in the

discussion on the health care system by consensus and whether this discussion includes the health profession or politicians only.

It is sufficient to say that the two greatest political parties – social-democratic opposition (SDP) and Christian democratic ruling party (HDZ), officially agreed that spending in health should be cut due to the crisis, regardless of the lack of structural interventions to the system. SDP's representatives in the discussion on the issue were Branko Grčić, party's leading economic expert (4), and the parliament member Slavko Linić (5), rather than the representatives of the Committee on Health, which in itself conveys a message that the profession should have no say on the matter. The party's insisting on spending cuts and health taxes reduction is not only damaging for the health care system but also for the reputation of the party: if somebody told them that 80% of health care system spending amounted to the employees' salaries, they probably would have not publicly said something like that. The fact remains that neither of the major political parties is interested in quality and structural changes of the health care systems, but they all agree that health care should be deprived of a certain amount of funds.

Another example of health profession's lack of participation in discussions on health care is the decision-making on the merge of Zagreb hospitals. The decision was reached in April this year (6), right after the presentation of the government's second plan for economic revival (7), which was launched to repair the damage made by the first set of anti-recession measures from July 2009. Provoked by the general criticism of the government economic measures, the minister of health and social welfare, Darko Milinović, ordered a merge of city and state hospitals without any consultation with the health profession and hospital management, without a cost-benefit analysis, and disregarding the right of the local government of the city of Zagreb to decide on its own health facilities.

Five months after the first proposal of the merge, there was a public debate on the subject, at which the assistant minister, Vitor Delić, was still not able to present the data on financial effects of this decision (8). Despite complete legal mess, the profession remained silent.

The general silence was at least partly due to the fact that this decision was made urgently in the midst of economic crisis and to the general belief that no citizen of Croatia should criticize measures launched to prevent the eco-

conomic collapse of the country. Since an atmosphere of a state of emergency was created, very few people reacted democratically to the fact that the minister's project fulfilled not even its most immediate goal of financial recovery. Even today, there are no data on the planned savings or on measures taken to achieve the savings.

The third question is whether there is any more reason for concern about the fate of the health care system besides the fact that it is managed by political executive orders, without any social or economic logic behind it, and in a completely undemocratic way. It is interesting that in April 2010, the head of Croatian Institute for Health Insurance, Tihomir Strizirep, stated at the congress of the Association of Private Health Care Practices that 600 private practices applied for a contract with the Institute, and 300 had already signed the contract. Is there an explanation why in the middle of crisis the Institute funds the private practices while refusing to do the same for the public sector? This problem also was not brought to the level of public discussion.

This is an alarm call: we may be approaching the long-anticipated privatization of a significant part of the state health resources. The consequences of such processes cannot be predicted but the process should be put under control right away, especially to prevent the interference from the political sphere. If that does not happen, we might get the health care system that we deserve, and that could turn out to be a too heavy burden for the society.

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