Joint 5th Joint AEMH-FEMS General Assembly
10-11 May 2024, Berlin, Germany

Members reports

Please name 3 main current concerns of the healthcare system in your country :
• Insufficient funding • Shortages of medical personnel • Ineffectiveness in the provisioning of services

Full report

1. Introduction

Romania is a country in the southern part of Central Europe, bordering Eastern Europe and the Balkan Peninsula, in the northern hemisphere of the globe. Romania is bordered by Ukraine, Moldova, Bulgaria, Serbia, and Hungary.

Since 1 January 2007, Romania has been a member state of the European Union. With a surface area of 238,397 km^2, Romania constitutes 4.8% of Europe and 5.4% of the European Union. The estimated population of Romania as of 1 January 2022, is 21,980,534.

Romania is an upper-middle-income country with an economy that is the 13th largest in the European Union and the 49th largest in the world. The World Bank's 2023 statistics classify Romania as a country with upper-middle incomes, in the process of development and which has seen numerous reforms since 1989.

The Romanian economy has undergone significant changes in the past few decades, transitioning from a centrally planned economy to a market-oriented one. Romania has a mixed economy that is dominated by the service sector, which accounts for approximately 60% of the country's GDP. The industrial sector is the second-largest contributor to the economy, accounting for around 20% of GDP, while agriculture contributes approximately

4.2% of GDP. Over the past two decades, Romania has impressively grown and prospered. Since 2010, the country's economy has grown at one of the fastest rates in the European Union. Romania's gross domestic product (GDP) is estimated at around USD 284.9 billion, with a GDP per capita of USD 14,872 . The unemployment rate in Romania has been steadily declining, reaching a record low of 3.9% in 2019. Despite these efforts, Romania still faces some challenges, including a high level of income inequality and a lack of access to healthcare and education in some areas. The country also faces environmental challenges, including air and water pollution.

2.Healthcare problems

- **Insufficient funding**

The public sector dominates healthcare in Romania, owning the majority of hospitals and providing national health insurance to nearly all Romanian citizens. The opening conjecture proposes that inadequate funding has a negative impact on the availability and standard of healthcare facilities in Romania.

The financing of the health system in Romania always depended on the economic and political transformation the country was going through. In 1946, the budget allocated by the State was 6.42% of the country's budget, increasing afterwards at quite a steady pace. In the 1950s, the annual growth rate of the total expenditure for health was 22.78%; between 1967 and 1977, the average annual rate of growth of expenditures for healthcare was 7.25%. In the 1980s and until the Romanian revolution in 1989, the variations in the resources allocated for health were considerable, leading to problems in the medical system.

After 1989, to reduce expenditure and improve the efficiency of the system, Romania carried out a series of reforms to optimise the hospital infrastructure. In most cases, reform mainly meant closing hospitals or at least reducing their capacity as performance thresholds were introduced and the existing healthcare units were unable to meet them. For Romania, evaluations considered not only the number of readmissions and transfers but also the number of cases that could be avoided, and certain hospitals were considered to underperform, leading to the closure or transformation of 67 hospitals into units of care for elder people. Additionally, hospital networks were put in place for a better allocation of resources and to coordinate the services offered. The network of services provided for a reduction of costs was also achieved in Estonia, Lithuania, and Latvia. Other Eastern Europe countries went through similar processes but with small differences: Hungary preferred to just reduce the number of beds or close sections in certain hospitals, while the Czech Republic centralised specialised care services in different centres and care facilities, increasing the quality by offering specialised treatment just in those places.

Still, despite the good intentions of increasing the efficiency of the use of public resources, the long tradition of getting medical care directly from specialists in hospitals created a huge resistance to the idea of reducing the number of people that would get to hospitals for health services by introducing family medicine. It was a needed reform, as the budgets allocated for the health sector were extremely limited.

In the 1990s, family medicine started to work, and universities offered new lines of training in the field, generating specialists in family medicine and giving this reform a chance to finally be accepted by the end beneficiaries. At the beginning, the new system was implemented only in a few regions to check its efficiency and allow necessary laws to be passed. Still, there were problems that needed care, such as the lack of control over the quality of services provided as well as over the billing of these services, which seemed to get out of hand. The experience of Romania led to some conclusions regarding the steps to be taken and their order: for the system to work, first the doctors must be trained for their new role in order to quickly gain the trust of future beneficiaries of their services; then, regulations for control and monitoring should be put in place for protection against the misuse of public funds; next come measures regarding the incentives in the payment system and the establishment of private, independent practices for the family doctors, with clear ways of accreditation and ownership over certain primary care facilities that previously belonged to the government.

The health reforms in the 1990s dealt with funding sources as well. A special fund for health was created in 1992, and the government provided partial compensation for specific medicines. Contributors to this fund were all employed persons, through a tax on salary, as well as the producers and sellers of alcohol and tobacco, through additional taxation on these types of products. These sources remained the main sources of financing for the next 5 years. After that, besides the compulsory contribution to the health system, private health insurance became an option for the employees.

In 1990, the health expenditure was 2.7% of the GDP; in 1998, it was 3.2%; and in 2005, it reached 5.4%. Afterwards, the system financing became more fluctuant, reaching the lowest percentage of GDP in 2015, when the allocation was 4.5% of the GDP, a step back to the value of 2002. In 2017, it went above 5% again, and in 2023, healthcare spending was estimated to be 6,5% of GDP, well below the 10.9% of GDP average for most European Union (EU) countries . The level of current healthcare expenditure was valued at EUR 13.7 billion in 2020. It has grown by 118% in the last decade, reaching EUR 6.2 billion in 2012 . In relation to population size and in EUR, current expenditure on healthcare in 2023 was EUR 1663 per capita .

Romania has among the lowest life expectancies at birth, among the highest rates of preventable mortality and treatable mortality, and a relatively high percentage of people with unmet medical needs, especially among those with low incomes. These problems are not related to the number of personnel in the health system, but to the lack of investments or the fact that 11% of the population does not benefit from social health insurance - both aspects reported in the European Commission report.

- **Shortages of medical personnel**

In addition, another hypothesis assumes that insufficient medical staff plays a considerable role in inequalities in access to and delivery of healthcare. The migration of health professionals to other countries has created a labor shortage in the health system.

Despite the increase in the number of health workers in the last decade, the number of doctors and nurses per 1000 inhabitants remains below the EU average. In 2022 there were 3.5 ‰

practicing doctors, a rate among the lowest in the EU (EU average being 4.1‰ doctors). At the same year, the number of nurses (80‰) was also slightly below the EU average (8.5‰).

Many health workers migrate, and staff shortages in Romania have led to an overburdened labor force and limited availability of health services. There is a shortage of around 1 million healthcare workers in Europe.

According to the National Federation of Family Physicians' Associations, at the beginning of 2022 there is a shortage of more than 2000 family physicians nationwide, with existing staff covering only 85% of needs. At least as important, we are talking about a deficit of a geographically concentrated deficit, which coexists with a large surplus, also geographically concentrated.

The problem of unequal distribution of health personnel is by and large as acute for the public sector as for the private sector. the huge and growing geographic inequalities in the distribution of the health workforce are, at least theoretically, widely recognized among policy makers.

- **Ineffectiveness in the provisioning of services**

Even though Romania is a member of the EU and has been under the supervision and influence of the World Bank, WHO, UN and other EU members, the health care status remains behind the average European standards.
The causes and debates surrounding this issue are multiple and include competition from an emerging private healthcare sector, pay scales and career prospects for healthcare professionals and, not least, endemic small-scale corruption.

Romania faces unequal access to healthcare between settings. In urban areas, there are 90.9% of the total number of hospitals and hospital-like establishments, 92.3% of the total number of specialist outpatient clinics and hospital-integrated outpatient clinics, 97.3% of the total number of medical dispensaries, 97.8% of the total number of dialysis centres, 98.5% of the total number of specialist medical centres, as well as nine out of eleven spa sanatoriums, all mental health centres, blood transfusion centres, and TB sanatoria. Additionally, urban areas have 60.5% of independent family medicine practices, 85.3% of independent general practice practices, 85.5% of independent dental practices, 94.9% of ‘‘other types of medical practices’’ (occupational medicine practices, company practices, medical expertise, and rehabilitation practices, etc.), 95.2% of independent specialist medical practices, 98.9% of school medical practices, 99.8% of school dental practices, all student medical and dental practices, 61.8% of pharmacies, pharmacy outlets, and drugstores, 95.4% of dental laboratories, 95.5% of medical laboratories, and 97.5% of ambulance and patient transport.

There are 366,821 health professionals working in Romania’s healthcare system. Of these, 36.9% are highly qualified health professionals (e.g., doctors, dentists, pharmacists, etc.), 42.4% are medium-qualified health professionals, and 20.7% are auxiliary health staff. It also shows once again the inequitable distribution of medical staff between rural and urban areas In 2001, urban healthcare units had 92.1% of all doctors, 89.0% of all dentists, 83.4% of all pharmacists, and 89.4% of all average healthcare staff .

In 2023, the healthcare network provided continuous inpatient care for 2,651,230 patients in hospitals, 1458 patients in health centres with hospital beds, 2282 patients in TB sanatoriums, 1037 patients in neuropsychiatric or neuropsychiatric sanatoriums, and 19,713 people in spa sanatoriums.

According to EU-SILC, unsatisfied healthcare needs in Romania (4.9% of the population) are more than twice as high as the EU average (2.2%). A large proportion of low-income Romanians report having unmet medical needs, their rate being almost three times higher than the rate of low-income households across the EU.