ASSPRO CEE 2007 Report Summary

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Final Report Summary - ASSPRO CEE 2007 (Assessment of patient payment policies and projection of their efficiency, equity and quality effects. The case of central and eastern Europe)

Executive summary:

Given the lack of systematic research on the assessment of patient payment policies and the need of evaluating the mechanisms of official patient payments in central and eastern Europe (CEE), the ASSPRO CEE 2007 project focuses on these issues. The aim of the project is to identify a comprehensive set of tangible evidence-based criteria suitable for the assessment of patient payment policies and to analyse the efficiency, equity and quality effects of these policies, specifically in CEE countries. The research aim is approached using quantitative and qualitative research methods from a broad range of fields related to socio-economic science and humanities. In particular, quantitative techniques (such as modelling, trend analysis as well as revealed and stated preference methods) are combined with qualitative data to study the micro and macro outcomes of patient payment policies. The project aim is directly related to topic SSH-2007-6.2.1 'Improved ways of measuring both the potential for and impact of policy', addressed in research area 8.6.2 of Theme 8 in the Seventh Framework Programme (FP7). The policy of interest in this project is the policy of patient payment, namely the evaluation of policy content, its changes and impacts. Project results indicate that formal patient charges could be a rational policy choice in CEE countries for improving efficiency in health care provision and the effectiveness of resource allocation, as well as for generating additional health care resources. However, there are major health care system problems that should be resolved before such reforms can be successful. First, in the CEE region, there are widespread informal payments for health care services. These payments range from 0.1 to 0.5 % of gross domestic product (GDP) depending on the country. The elimination of the informal payment practice prior to the implementation or increase of formal charges will be important in order to avoid the double financial burden to the patients. Informal patient payments present a considerable problem in the health care sector because they negatively affect the overall functioning of the health care system. In case of informal patient payments, the providers of health care services are compensated individually, irrespective of the value of health care provision to the society. A mixture of strategies on the demand and supply side of the health care market is proposed by the project as a plausible solution to informal patient payments. Second, there is an urgent need to carefully design or redesign the exemption mechanisms that accompany formal patient charges given the catastrophic and impoverishing effects of these charges among the vulnerable patient groups. Although from a macrolevel perspective, formal and informal patient payments for health care services seem negligible, they have a considerable impact on the individual patients by creating financial barriers to access health care services. Accumulated patient payments affect the demand for these services forcing some patients to forgo health care. Other patients employ a different coping strategy by borrowing money not only to pay for hospitalisations, but also for visits to physicians. The inability to pay ranges from 30 to 50 % of those in need across the CEE countries. Thus, new or increased formal charges should be implemented with precautions taking into account the country specific contextual factors. The project outcomes are not only relevant to health policy-making in CEE countries but they also help to establish standards in the assessment of patient payment policies around the world. In particular, the project demonstrates the importance of combining qualitative and quantitative policy indicators and incorporating consumer attitudes, preferences and willingness to pay in the policy-making process.
Project context and objectives:

A systematic analysis of the feasibility and potential impacts of patient charges is often advised as an essential step prior to the amendment of patient payment policies.

Nevertheless, the health policy practice is mostly ideological and is rarely rooted in evidence. Therefore, it is not surprising that patient payment policies are usually amended without any preliminary analyses. Their outcomes are evaluated afterwards, sometimes for the purpose of policy making but most often, solely due to a scientific interest in their effects. Despite the scientific interest in these payments however, the literature still does not offer a comprehensive set of tangible evidence-based indicators for the systematic assessment of patient payment policies. The lack of ready available policy assessment tools can explain to a certain extent why there is only a limited number of policy analyses prior to the implementation of patient charges or their subsequent amendments. Furthermore, there is a lack of empirical evidence on the effects of patient charges that governments could use in the assessment of their patient payment policy. Most empirical evidence worldwide concerns the effect of official patient charges on the consumption of health care services in the United States of America (USA). There are also various analyses on the efficiency and equity effects of official patient charges in developing countries, mainly in Africa and Asia. In Europe, the outcomes of patient payment policies are investigated only in some Western European countries. Data on official patient charges in CEE countries are lacking. There is however, a concern that official patient charges in these countries impose a double financial burden to consumers because they have been implemented in a context of persistent informal payments for health care services. Therefore, ASSPRO CEE 2007 focuses on these issues. In particular, the aim of the project is to identify a comprehensive set of tangible evidence-based criteria suitable for the assessment of patient payment policies and to analyse the efficiency, equity and quality effects of these policies, specifically in CEE countries.

Based on the project aim and application area, the research objectives of the project are to:

1. identify a comprehensive set of tangible evidence-based criteria (including economic, social, institutional, historical geographical, ethical, cultural, demographic and sector-specific criteria) for the assessment of patient payment policies, and to validate them in an application in CEE;
2. develop a reliable and valid research instrument for studying the level and type of informal payments for health care services and to apply this instrument in CEE countries to analyse the pattern of informal patient payments, as well as their effect on health care consumption;
3. study consumer demand for health care services under official patient payments taking into account the potential impact of informal payments for health care services, the behaviour of health care providers, and consumer preferences, specifically in CEE countries;
4. project the efficiency, equity and quality effects of patient payment policies using the models of consumer demand for health care services under official patient payments, specifically in CEE countries.

The 4 research objectives are approached using quantitative and qualitative research methods from a broad range of fields related to socio-economic science and humanities. Quantitative techniques (such as modelling, revealed and stated preference methods) are combined with qualitative data to study the outcomes of patient payment policies. 6 CEE countries are included: Hungary and Poland (economically advanced CEE), Lithuania (economically advanced former Soviet republic), Bulgaria and Romania (less advanced countries from Eastern Europe), Ukraine (less advanced former Soviet republic). Other CEE countries (e.g. Albania, Serbia and Russia) are also involved.

Project results:

The project research work consists of 5 phases:
1. conceptualisation;
2. preparation of data collection;
3. data collection;
4. data analysis; and
5. exploration of the analytical results for policy making.

All five phases are completed but the exploration of project foreground for the purpose of research and policy-making will continue also after the project end. The achievements with regard to each research objective are briefly described.

The identification of relevant assessment criteria started with a systematic review of secondary data. The results of the review are used to generate a conceptual model for the analysis and assessment of patient payment policy. The model combines evidence on potential and actual policy impacts, and provides information relevant to policy makers. Based on this model, a provisional set of evidence-based assessment criteria for the evaluation of patient payment policies is outlined. During focused-group discussions and semi-structured interviews, the set of indicators is discussed with policy makers, health care consumers, and health care providers. Based on this, a comprehensive set of criteria is outlined. Data regarding the value of the criteria in the CEE countries involved in the project are collected during the data collection phase of the project. The values of the assessment criteria are used to evaluate the patient payment policies in these CEE countries. Finally, the policy implications are outlined and policy recommendations are formulated.

With regard to the investigation on informal patient payments, the project focuses on informal payments for health care services covered by public health care budgets. The work started by a systematic review of definitions of informal patient payments outlined in the literature as well as of the methodology aspects of previous empirical studies on this topic. Based on this, a survey questionnaire is developed. The questionnaire is used during the data collection phase. The data collected are analysed with the aim to outline the nature, type and magnitude of the informal patient payments in the CEE countries involved in the project. A comparison between the countries is made. The impact of informal patient payments on the consumption of health care services is analysed to identify factors that influence the size of these payments and thus, to highlight the mechanism of informal patient payments in the CEE region. The policy and scientific implications are defined. The first analytical step in the project demand analyses was the systematic review of theory, empirical evidence and other secondary data. Based on this review, the demand analyses are framed. A research instrument in the form of a survey questionnaire is prepared. The questionnaire is used during the data collection phase of the project. Secondary data relevant to demand modelling are also collected. The data collected are used to parameterise the demand models for some countries (i.e. service use and payments). Policy implications are outlined.

The development of the projection module follows four basic steps: selection of outputs, selection of inputs, development of an algorithm, and estimation of parameters. To select the projection outputs, the primary effects of patient payments are considered: to reduce the quantities of health care services demanded, as well as to generate revenues for public health care services. The main inputs of the projection are various co-variation factors, such as demographics, type of public health care service, patient payment mechanism, method for paying to providers. The projection module is used to forecast the total size of out-of-pocket payments in the countries. The intention is to continue to develop the module also after the project end.

Furthermore, the project obtained access to relevant databases collected by others. The analysis of these datasets allows the inclusion of other CEE countries.

Potential impact:

The focus of this project is on policy assessment, which is also the main objective of activity 8.6 and specifically of topic SSH-2007-6.2.1. The set of assessment criteria and the projection module that are developed in this project, are validated by their
application in several CEE countries. The outcomes of this application provide health policy-making in these countries with relevant economic, social and sector-related indicators that they can use for the analysis of the official patient payment mechanisms already implemented or changes expected in these mechanisms. The project outcomes also help to identify which factors, opportunities and problems in this European region influence the effects of patient payment policies and what is the strength of their impact on policy outcomes. The impact of the transition process and the widely spread informal patient payments in CEE countries on the assessment of official patient payment mechanisms is in the centre of the research activities. The project results can also be used by policy-makers in these countries as a support in the assessment of future policy transformations and the potential impact of new patient payment policies that are considered for implementation. However, the implications of this project are not limited to CEE countries only. The research activities within the project address the more general need of new, improved and more appropriate indicators for the evaluation of patient payment policy at a European level and worldwide. This is necessary because the implementation of patient payment policies is rarely based on scientific evidence and is hardly ever preceded by an analysis of their potential impacts. The lack of relevant and tangible policy indicators can be seen as one of the reasons why evidence is not considered in policy-making. However, the implementation of patient payment policy is found to have numerous adverse effects on efficiency, equity and quality of health care provision. If these effects are neglected when policy is being developed, the negative impacts of patient payments can be further aggravated. Therefore, this project makes a contribution to the improvement of patient payment policies worldwide by offering a comprehensive and feasible set of tangible evidence-based assessment criteria, and by outlining the process of their application in policy evaluation. Theme 8 'Socio-economic Sciences and Humanities' also aims to improve knowledge and resolve societal problems. In view of this, the project activities are rooted in research that aims not only at providing the scientific basis for the assessment of patient payment policies, but also to gain insights into the key factors that underline the impact of these policies. By outlining the direction of policy impact and options for policy improvement, the project also addresses major societal needs in CEE countries related to the enhancement of efficiency, equity and quality of health care provision. The project specifically contributes to the understanding of how CEE health care consumers respond to prices in the health care sector, and about the impact of informal patient payments on consumer willingness and ability to pay official health care charges. The transformation of public health care sectors in these countries and the implementation of patient payment mechanisms as part of their health insurance reforms might have influenced the overall efficiency and equity. Although the impact of patient payments on efficiency is disputable, it is commonly believed that these charges negatively affect equity. In view of this, the project also addresses the general societal need of improving health care provision in this European region. In addition to this, the project activities help to establish a network of scholars from European Union (EU) Member States and outside the EU, with the aim of achieving a common research challenge. The project also contributes to capacity building within the EU and the EU partners by training young researchers.

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