

## **CHARACTERISTIC FEATURES OF THE SYSTEM OF HEALTH SOCIAL INSURANCES IN ROMANIA AFTER 1990**

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**ABSTRACT:** *The topic approached by this paper targets in its first part a short history of health social insurances in Romania after 1990 as well as the implementation of this system according to the new demands. Further a series of aspects specific for the organization and functioning of the Health Insurances Center of the district of Hunedoara are analyzed; among them we should mention the following ones: the main responsibilities of this institution, the specific objectives, and the elements of the system of health insurances system. At the same time, an analysis of the evolution of the incomes and expenditures of the institution during the period 2001-2008 is done as well as a structure of the expenditures for medical services financed by FNUASS in 2008.*

**KEY WORDS:** *system of health social insurances, sanitary reform, insured persons, medical services, unique national fund of health social insurances*

### **1. HISTORY OF ROMANIA'S HEALTH SOCIAL INSURANCES**

Until the issuing of the Law of health social insurances no. 145/1997, the system of health protection was centrally coordinated by the Health Ministry owing to the 41 District Sanitary Directions and the Sanitary Direction of the Municipality of Bucharest; it included a network of hospitals, polyclinics, medical units, and other sanitary units. At the same time, there were a series a hospitals, institutes, and national highly specialized centers directly subordinated to the Health Ministry, as well as parallel medical networks subordinated to the Ministry of Transports, The Ministry a National Defense, The Ministry of Internal Affairs, the Ministry of Labor and Social Protection, and the Romanian Intelligence Service, that provided medical services and had as a responsibility the care taking of a certain category of the population.

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During the period 1990-1998 a dualist system was used: financing from the State budget and complementary financing owing to a special health fund (the Government's Order no. 22/1992), as well as external financing – loans from the World Bank (Law no.79/1991), PHARE funds, and donations. The beginning of the sanitary reform in Romania has implied the re-organization of the health services and of the system of health services financing. In July 1997 the Law of Health Social Insurances no. 145 was adopted by Romania's Parliament and promulgated by the President of the country. It took into consideration Bismarck insurances model comprising compulsory health insurances, based upon the principle of solidarity, and functioning within a decentralized system. The law was in force beginning with January the 1<sup>st</sup>, 1999; yet, it witnessed a period of transition during 1998 when the District Sanitary Directions and the Health Ministry administrated insurance funds. Consequently, beginning with January the 1<sup>st</sup>, 1999, and according to the law, the health insurances centers also began to function as autonomous public institutions administrated by the representatives of the insured persons and the employers through the Administration Councils.

## **2. IMPLEMENTATION OF THE SYSTEM OF HEALTH SOCIAL INSURANCES**

Law no.145/1997 of the health social insurances, the first norm act that has introduced the principles of health social insurances, brought a series of new data having a democratic character (compulsory inclusiveness of the population in a unitary system of social protection, free choice of one's doctor, of one's sanitary unit, and of the health insurances center, offer of a definite package of medical services stipulated by the basic contract, financing through contributions and State subsidies, financial balance, decentralized functioning, and solidarity, in collecting and using the funds, equity, easiness in getting medical services). From an administrative point of view, "health insurances are organized by the National Center of Health Insurances - CNAS, by the district health insurances centers, and the center of the Municipality of Bucharest, and by territory offices"; the management level was represented by CNAS – the general assembly of the representatives and the administration council, chosen by the general assembly of the representatives, having a president and a vice-president chosen among its members; in case of the district centers we dealt with the representatives assembly and the administration council.

The health social insurances centers should have, according to Law no.145/1997, their own management level chosen according to a secret vote for 5 years and should have included the representatives of the insured persons and of the employers. The insured persons and the employers used to chose 2 representatives for each 10 000 insured persons, according to representative groups as follows: employees, professionals, farmers, retired persons, unemployed persons, pupils and students, and household persons. The law also stipulated elections for the general assembly of the representatives according to a set of electoral rules elaborated by the central electoral board; at the level of the districts and of the Municipality of Bucharest, on the basis of

the electoral set of rules, district electoral boards would have functioned approved by the central electoral board and having similar components.

### **3. CHARACTERISTIC FEATURES OF THE ORGANIZATION AND FUNCTIONING OF THE HEALTH SOCIAL INSURANCES CENTER OF THE DISTRICT OF HUNEDOARA**

The system of health social insurances represents the main system of financing the protection of population's health that enables the access to a package of basic services for those who are insured. Under the circumstances of the sanitary policy initiated by the Government through the Ministry of Public Health, the National Center of Health Insurances has planned to settle the problems of the system of health social insurances starting a real reform of the system integrated within the sanitary reform.

The Health Insurances Center of the District of Hunedoara is a public, autonomous and juridical institution, of local interest, without any lucrative purpose; it has its own budget and is subordinated to CNAS; it administrates the unique national fund of the health social insurances observing the norms elaborated by the National Health Insurances Center and providing the functioning of the system of health insurances at a district level. The Health Insurances Center of the District of Hunedoara, when exerting its responsibilities given by the law and the Statute, implements and observes the general policy and strategy settled by the National Health Insurances Center for the system of health social insurances system within the margins of its competence. The Health Insurances Center of the District of Hunedoara was founded on February the 1<sup>st</sup>, 1999, according to Law no.145/1997. The Health Insurances Center of the District of Hunedoara includes 436 881 insured persons, a number that, when compared with the total number of the district's population of 472 284 inhabitants, represents 92.50%; out of it 325 059 inhabitants belong to the urban environment – 74.40%, and 111 822 inhabitants to the rural environment - 25.60%.

CAS Hunedoara has begun its activity with 30 employees whose number has increased due to the diversification of the services offered to the insured persons; today it counts 85 employees.

The main *responsibilities* of CAS Hunedoara are the following ones: it administrates, together with CNAS, the Unique National Fund of Health Social Insurances (FNUASS); it controls the observation of the right of the insured persons to medical services, medicines, and sanitary stuff, non-discriminatorily, under the stipulations of the law; it takes part in the evaluation of the doctors and of the sanitary staff that can be admitted to work within the system of health social insurances; it collects FNUASS' s contributions for the natural persons others than those for which the incomes' collecting is done by ANAF; it administrates its own budget; it registers, up-dates, and reports the data regarding the insured persons towards CNAS; it elaborates and publishes the yearly report and the activity plan for the year to come; it makes use of all legal means in order to improve contributions' collecting for FNUASS; it freely provides data, consultancy, and assistance regarding the health social insurances and the medical services to the insured persons, employers, and the medical services suppliers; it administrates the assets of the insurances center,

according to the legal stipulations; it negotiates, contracts, and discounts the medical services contracted with the medical services suppliers according to the basic contract and to the implementation methodological norms; it discounts the cost of the services contracted and provided to the insured persons in the benefit of the medical services, pharmaceutical services, and medical devices meant to correct and recover organic or functional deficiencies or to correct certain physical deficiencies, according to reporting forms settled on the basis of the Order of the President of the National Health Insurances Center; it monitors the number of medical services provided and the level of their cost; it can organize auctions with a view of contracting certain services belonging to the package of services according to the basic contract; it questions the insured persons in order to evaluate their degree of satisfaction and the interest they show for the quality of the medical services; it provides according to its competence the implementation of the international documents regarding the health field agreed by Romania with other countries; it provides the confidentiality of the data according to the legal acts in force; it has other responsibilities stipulated by the acts in the health field.

Nowadays, the Health Insurances Center of the District of Hunedoara has as a responsibility the providing of the equality of chances of the citizens guaranteeing the non-discriminatory access to basic medical care. With a view of improving the quality of medical care, the institution encourages competition among medical services suppliers looking to provide a proper financing of all the fields of medical assistance within the margins of the approved budget in order to meet to a larger extent the needs of the district's insured persons; this preoccupation represents the main objective of CAS Hunedoara.

The specific *objectives* of the Health Insurances Center of the District of Hunedoara have targeted the following aspects: a) the increase of the degree of collecting the incomes of FNUASS according to the stipulations approved in case of natural persons; b) the increase of the degree of collecting the debts in case of natural persons; c) the share of expenditures as compared with the approved stipulations; d) the diminishing of the share of administration, functioning, and capital expenditures within the total sums collected at the district level; e) the implementation of a system of evaluating the degree of satisfaction through sociological enquiries; f) the strict selection, according to performance and professional fame, of the medical services suppliers noticing the existence of the criteria of access of the insured persons to the medical services suppliers and medical products suppliers; g) the control of the reported data for medical services with a view of discounting them within the strict margins of the legal stipulations; h) observation of paying terms stipulated by the contracts of services supplying according to assistance fields; i) monthly and quarterly monitoring of the expenditures in order to remain within the limits of the budget allocated sums both regarding medical services and the budget for its own activity; j) intensifying the evaluation of efficiency and efficacy of the decisional and execution factors of the institution at the level of certain programs, activities, and actions, in using financial, material, and human resources in order to accomplish the objectives and to get envisaged results.

The elements of the health insurances system that represent a permanent preoccupation of CAS Hunedoara are mainly the following ones:

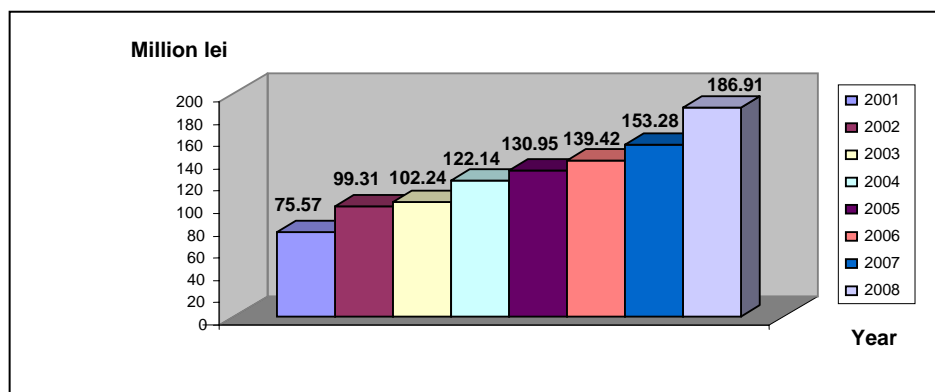
- *Insured persons* - towards whom all the efforts of those who work within the system of health insurances target. The insured person is the one who pays, consequently that person is the main beneficiary.
- *Medical and pharmaceutical services suppliers*. The doctors and the pharmacists are the engine of the whole system. The reform's entire activity and success depends on them. The bridge between the insured person and the medical system is represented by the family doctor. He/she is the insured person's „lawyer” in whatever health matter.
- *The Health Insurances Center*. The main task of the insurances centers is to distribute the funds so that each insured person, irrespective of his/her possibilities, can benefit from the medical assistance required in order to maintain his/her health. In fact, the insurances centers buy the services required by the insured persons.

During 2008 the incomes of FNUASS represented 186 905 461 lei, the percent of gathering the incomes as compared with the budget stipulations representing 66.7%.

The analysis of the last years dynamics of the incomes' evolution one can notice an ascendant trend as follows:

**Table 1. The evolution of the incomes of CAS Hunedoara during the period 2001-2008**

	2001	2002	2003	2004	2005	2006	2007	2008
Total incomes (million lei)	75.57	99.31	102.24	122.14	130.95	139.42	153.28	186.91

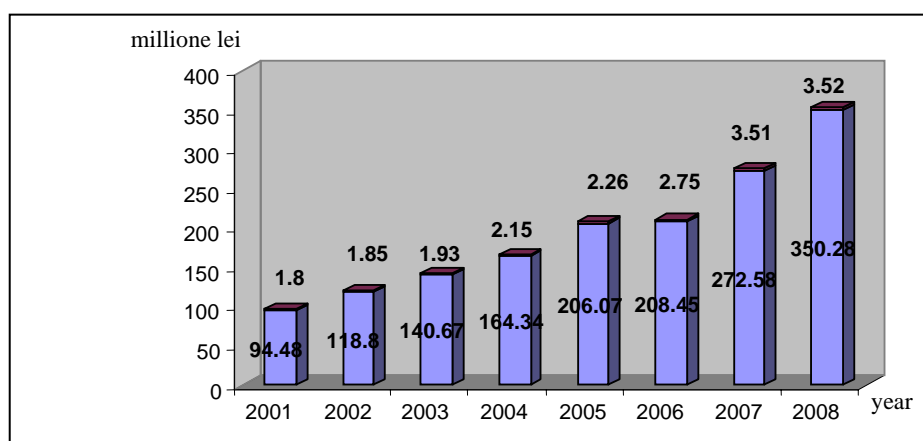


**Figure 1. Evolution of the incomes of CAS Hunedoara during the period 2001 – 2008**

Analyzing the expenditures' evolution of the last years dynamics one can notice an ascendant trend from 94.48 million lei in 2001 to 355.21 million lei in 2008, and the administration expenditures of the fund from 1.8 million lei to 3.52 million lei as follows:

**Table 2. Evolution of the total expenditures of CAS Hunedoara out of which administration expenditures during the period 2001 - 2008**

	2001	2002	2003	2004	2005	2006	2007	2008
Total expenditures (million lei)	94.48	118.80	140.67	164.34	206.07	208.45	272.58	350.28
Administration expenditures (million lei)	1.8	1.85	1.93	2.15	2.26	2.75	3.51	3.52

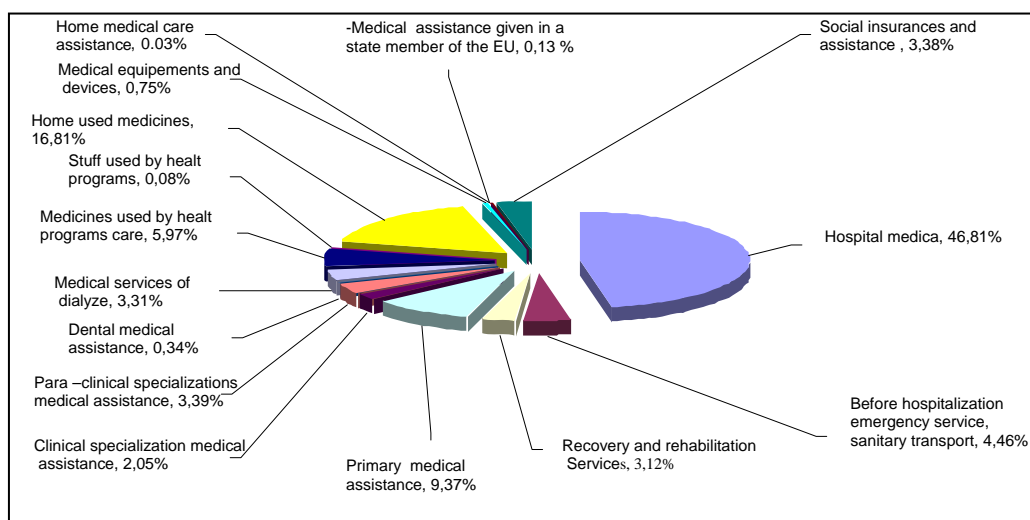


**Figure 2. Evolution of the total expenditures out of which administration expenditures of CAS Hunedoara during the period 2001 - 2008**

In 2008 the structure of the medical services financed by the Unique National Fund of Health Social Insurances is displayed in the figure below. One can notice that the hospital remains the place where the most important amount of resources is used while providing the most expensive medical services; such facts determine a modern management approach capable of allowing the increase of efficiency and of the quality of the supplied services. At the same time primary medical assistance and medicines assistance at home witness an ascendant trend being a priority of the health services reform. As compared with 2001 new medical services have emerged: home medical care in 2006 and medical assistance given in a state member of the European Union in 2007 which play an increasing part.

In order to improve the quality of the medical act with a view of a better use of human resources and in order to gain doctors' interest for the activity supplied and the relation with the patients, in order to increase the insured persons' degree of content and to improve population's access to medical services, it is necessary to have financial support, to know legislation in force, and to observe financial discipline and medical deontology. The whole activity of CAS Hunedoara has been based upon the quantitative and qualitative efficiency of the medical, pharmaceutical, and devices services given to the insured persons in order to improve the health condition of the population living in the district of Hunedoara, to facilitate the access to health services

through a better discovery of less favored social groups, the improvement of the mutual relations with all the “actors” of the system in order to better know the field of health social insurances in Romania.



**Figure 3. Structure of the expenditures of medical services financed by FNUASS, the district of Hunedoara during 2008**

**Table 3. Structure of the expenditures of medical services financed by FNUASS during 2008**

Medical and social assistance services in case of illnesses and invalidity given in 2008	Sum million lei	%
Hospital medical assistance	164.05	46.81%
Before hospitalization emergency services and sanitary transport	15.63	4.46%
Recovery and rehabilitation services	10.93	3.12%
Primary medical assistance	32.84	9.37%
Clinical specializations medical assistance	7.17	2.05%
Para-clinical specializations medical assistance	11.89	3.39%
Dental medical assistance	1.2	0.34%
Dialyze medical services	11.6	3.31%
Medicines used by the health programs	20.92	5.97%
Stuff used by the health programs	0.297	0.08%
Medicines used at home	58.91	16.81%
Medical devices and equipments	2.64	0.75%
Home medical care	0.12	0.03%
Medical assistance given in a state member of the EU	0.46	0.13%
Social insurances and assistance	11.83	3.38%
Total expenditures for medical services in 2008	350.487	

The Health Insurances Center of the District of Hunedoara has given clear and specific messages regarding population's health insurances targeting general information and a favorable opinion regarding the institution's image as well as the implication of the decisional factors in attracting funds in the system in the benefit of the insured persons; the specific objectives of the organization have had as a goal the increase of the performance of medical services suppliers and the access to medical services of all the insured persons; the objectives have targeted:

- The increase of technical efficiency through properly using the limited resources, waste elimination, and the decrease of the costs of supplied services;
- The increase of allocation efficiency through maximizing the value given by the resources that have been spent, resources allocation depending on results and the impact upon the health condition expressed in life years gained, the improvement of life quality, the improvement of the access to priority services;
- The increase of the access of less favored groups through a resources distribution centered on those who mostly need services and have limited access;
- The adaptation of the structure of medical services to the demands and expectations of their users so that public services should meet patients' expectations.

During the next period we consider that the main acting directions are the following ones:

- Improvement of acute patients' hospitals and setting up hospital integrated ambulatories. Such an objective can be implemented through: the diminishing of the number of hospital beds, the diminishing of the number of externalized cases, and the increase of the number of cases cured in ambulatory and the increase of the rate of surgery activities in surgical departments up to about 80 %;
- Development of home medical care services;
- Development of multifunctional rural centers.

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