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STATE AUDIT OFFICE

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- Press Release -

Skopje, 27 April 2021

Health Insurance Fund has no defined criteria for selection of healthcare institutions for treatment abroad

The State Audit Office conducted audit on the financial statements together with compliance audit on the Health Insurance Fund of the Republic of North Macedonia (the Fund) for 2019.

The authorized state auditor expressed **qualified opinion** on the true and objective presentation of the financial situation and the results of financial activities, as well as on the compliance of financial transactions with the relevant legislation, guidelines and policies in place for 2019.

The authorized state auditor concluded that the Health Insurance Fund has **not established and performed appropriate controls** to ensure verification of the reality and objectivity of invoiced medical interventions and services performed by private healthcare institutions (PHI) and there is a risk of validation and payment of medical services that have not been realized.

In conditions of Covid 19 pandemic, the Fund has no controls in place for most of 2019 invoices, which are controled in 2020, and the fee for provided healthcare services is paid in full even though it is not certain whether the preventive examinations were performed by PHI in primary health care.

The manner of using healthcare services of insured persons abroad is regulated by the Law on Healthcare Insurance, the Rulebook of the Fund, and this process is regulated in detail with an internal procedure. During **2019**, the Fund paid **415 million denars for treatments abroad**.

Given the specificity and sensitivity of referral procedures for treatment abroad that require verification of extensive and complex medical and other documentation, the authorized state auditor concluded that the legal deadline of 45 days provided in Article 31 paragraphs 4 and 5 of the Law on Healthcare Insurance for resolving these cases has been exceeded for a number of them.

Some decisions on referral for treatment abroad were made with a delay of 7 to 14 days of the date of preparation of Minutes of the second instance commission, contrary to Article 14

paragraph 3 of the Rulebook on the manner of using healthcare services of insured persons abroad, according to which the decisions are to be prepared within one day.

The published audit report points to weaknesses in the procedures for providing healthcare services to insured persons abroad, as follows:

- The Fund has not established appropriate monitoring system and does not analyze the effects of treatments in medical institutions abroad and in the country where the approved treatment was completed, nor their effectiveness;
- The Fund has not prepared a list of hospitals for successful treatment of various diagnoses that could serve as basis for future referrals for treatment, and has not prepared an act for selection of medical institutions;
- There are cases of referral of insured persons without their prior consultation for treatment in healthcare institutions that do not specialize in treatment of the patients' diagnoses; no explanation has been given on the reasons for the change made or how the medical documentation required to make an offer has reached those healthcare institutions;

The audit report indicates that in 2019, according to information provided by the Fund, **27 healthcare institutions were unsustainable**. Based on prepared information and Government Decision, the Fund provides funds for their operation.

In order to determine the financial stability of the work of PHI related to dealing with the consequences of the current Covid 19 pandemic that affected our country during 2020, the authorized state auditor also covered the first nine months of 2020. It was determined that **overdue debt of PHIs** until September 2020 amount to approximately **3.8 million denars**, which is an increase of 11.7% compared to 2019. The total overdue debt including outstanding invoices shows a downward trend of 6.5% and amounts to approximately **4.4 million denars**.

On the other hand, the percentage of services rendered in the first three quarters of 2020 at the level of all PHIs has significantly decreased to 56.26% compared to 2019 when this percentage was 82.96%. This leads to the conclusion that the level of realized healthcare services related to the current pandemic is significantly reduced.

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