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STATE AUDIT OFFICE

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- Press Release -

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Insufficient healthcare services for HIF insurees

Calculated at the lowest price charged of 1.400 denars per test and 819.240 tests done in two years, more than 18.6 million euros were poured into private healthcare by citizens

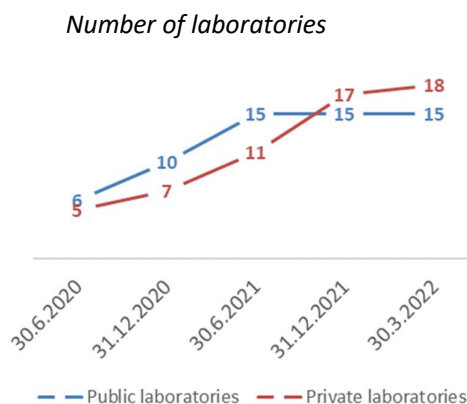
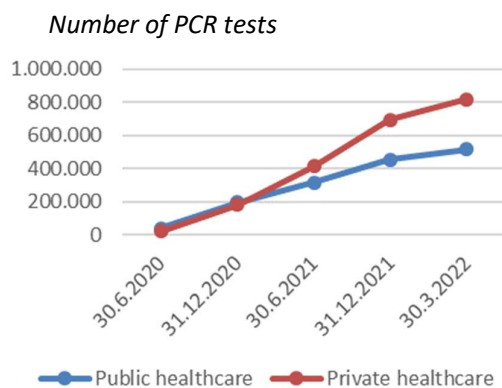
The State Audit Office audited the financial statements of the **Health Insurance Fund of RNM** (HIF) together with compliance audit for 2020.

The certified state auditor expressed qualified opinion on the reality and objectivity of financial statements and qualified opinion on the compliance of financial transactions with the relevant legal regulations for 2020.

In conditions of pandemic, due to insufficient number of available appointments in public healthcare institutions (HI) and not signed contracts with private HI for Covid-19 diagnosis, HIF insured persons were provided insufficient healthcare services.

According to data published by the Institute of Public Health, in RNM since the beginning of the pandemic a total of 1.962.489 tests have been done in 33 public and private HI laboratories, of which 1.337.238 PCR tests and the rest are rapid antigen tests.

The structure and trend of performed PCR tests and the number of public and private HI laboratories since the beginning of the pandemic in March 2020 until March 2022 are shown in the following graphs.



The number of tests done and the price of this service in private laboratories in different periods points to an outflow of citizens' financial resources in private healthcare. Calculated at the lowest price charged of 1.400 denars according to publicly available information, and 819.240 tests¹ done in public HI in two years, it is an amount of around 18.6 million euros, not taking into account the rapid antigen tests and higher prices charged of up to 5500 denars per test.

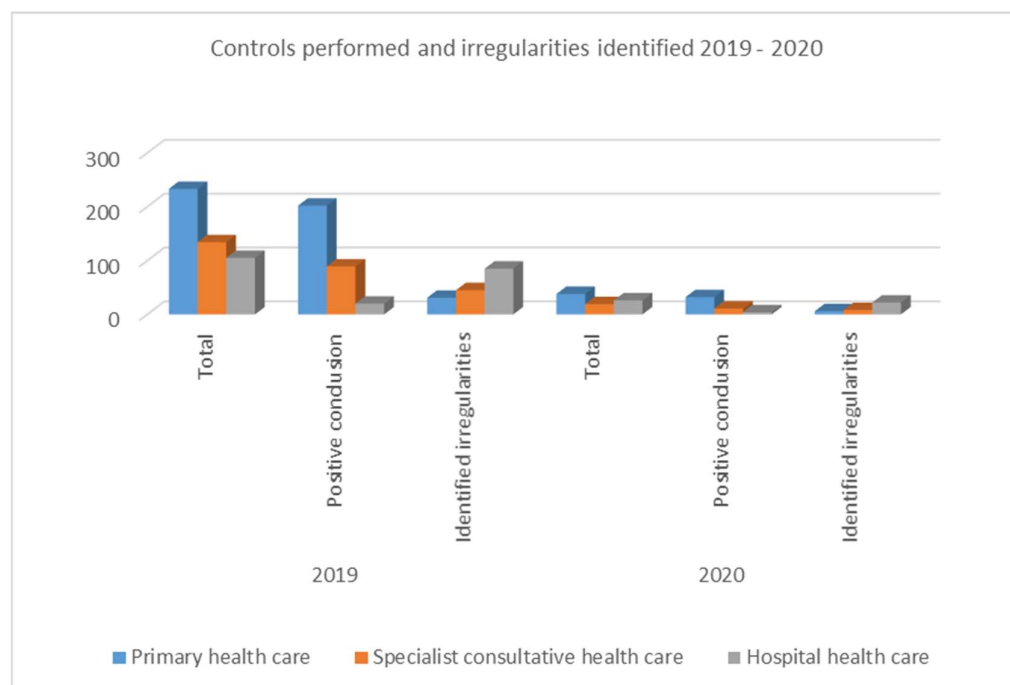
There is unequal ratio in performance of cardiovascular-surgical healthcare services in 2019 and 2020 between private and public healthcare institutions. Namely, HIF has signed agreements with three public and two private healthcare institutions and has paid 1.254.330.000 denars, of which 95% of services are performed in private healthcare institution. Most of the public healthcare services were performed by PHI University Clinic for state cardiac surgery. Even though it has qualified staff, this PHI does not have the necessary facilities, which adversely affects the scope of healthcare.

Auditors emphasize that it is necessary for the Ministry of Health to undertake activities to provide necessary conditions in public HIs to achieve greater competitiveness of public healthcare in performing cardiovascular-surgical healthcare services. The volume of healthcare services will not cause additional outflow of significant funds to public HIs, and will have an impact on reducing outflow of funds to private HIs.

With the performed audit, the auditors found weaknesses in the implementation of internal and field controls in confirming the objectivity of invoiced medical interventions performed by private HIs.

Due to the health crisis in 2020, the number of field controls in HIs has decreased by 74%, which increased the risk of recognition and payment of healthcare services in form and scope different from the factual one. According to information presented to the auditors, 83 controls were performed in HIs in 2020, compared to 472 in 2019.

The ratio of performed controls and identified irregularities by level of healthcare in 2019 and 2020 are shown in the following graph:



¹ Published data from the Institute of Public Health

The lowest number of controls were performed in healthcare institutions for hospital healthcare, whose contractual fees are the highest, and irregularities were found in 85% of the cases.

In addition, the audit report discloses irregularities and non-compliance with deadlines for performing controls and imposing contractual penalties, which resulted in not sanctioning HIs that did not act in accordance with concluded agreements with the HIF.

The auditors identified weaknesses in the functioning of HIF IT system, primarily in continuous lack of IT staff, lack of IT strategies and outdated IT policies and procedures for IT security, outdated server structure and incomplete functionality of the application modules.

In the procedures for referral for treatment abroad, the insured persons are not provided with adequate legal protection and control, and there is no system for monitoring and analysis of the success of the treatment. The HIF has recorded advance payments for treatment abroad to foreign healthcare institutions amounting to 209.772.000 denars, for which there is no accurate information about the status of the treatments due to unsecured documentation.

In the paragraph Emphasis of Matter, we point to the manner of payment for performed services to healthcare institutions, indicating that actual purchase of services provided by the Law on Health Insurance has not been provided. At the same time, attention should be paid to the shortcomings in public HIs due to the health crisis caused by Covid-19 in 2020. Namely, in 2021, 106 out of 116 public HIs have become unsustainable due to significantly lower volume of services realized in relation to the agreed fee.

Activities for introduction of electronic prescription through the HIF IT system have been initiated but not fully implemented, without coordination with the Ministry. Taking into consideration the provisions of the Law on records in the field of healthcare, there is a need for the Ministry of Health and the Electronic Healthcare Administration in coordination with the HIF to review the economy, effectiveness and efficiency of application of Article 28a of the Law on Health Insurance, which introduces electronic prescription through HIF IT system. They should also consider the possibility of using capacities of the existing system for prescribing and issuing prescription medicines with simultaneous establishment of control points that will ensure payment of collected medicines based on real and legally prescribed prescriptions from authorized doctors.

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