

# **HOW DOES THE INTRODUCTION OF HEALTH INSURANCE CHANGE THE EQUITY IN THE HEALTH CARE FINANCING IN BULGARIA**

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## **Non-Technical Summary**

The research examines the equity in health care financing in Bulgaria before and after the health care reform in 1999. Equity in the financing of health care is understood in the egalitarian sense – if the equals (in terms of ability to pay) are treated equally and if the unequals are treated unequally. The study examines how the reforms change:

- the proportion which different economic groups pay for health care
- the possibility for those who need health care to receive it.

The study examines the above questions by looking at several aspects of the health care financing.

- the structure of different types of health care financing and their change during the reform
- relationship between income and health care expense
- difference between financial and socially-related reasons for differences in health expenditure, which are due to vertical and horizontal inequities in health care financing
- social factors which shape health expenditure patterns and determine those social characteristics which lead to exclusion from the health care system
- changes in health care utilisation in relation to need and income distribution.

The research divides inequalities in health care financing into different social and economic reasons for spending or non-spending on health care. It aims to prove that the existing equity measures do not take into account the social attitudes to health care. It suggests a method for distinguishing between financially based and “exclusion based” reasons for having progressive/regressive health care financing.

The findings suggest that:

- equity in the health care system has decreased because:
  - income inequality in the society has increased and the health care system has not been able to respond to the economic changes
  - the introduction of health care insurance has had a progressive effect on the health care financing but it has not changed its structure because after the reform the proportion of the out-of-pocket payments has remained the same
- the increase in the progressiveness of the health care payments is not clearly a result of a positive change in the society. There is an increase in the discrepancies of the use of health care between different ethnic minority groups, regions, education groups and other social groups related to low social status.
- there is an increase in the number of people who cannot afford to use health care when they need it. After the reform, this increase develops a clear negative relation with the economic status.

The study proposes that:

- the equity goal can be best reached by decreasing the proportion of the out-of-pocket spending
- studying of socially related reasons for non-utilisation can provide a base for targeted programmes, prevent social exclusion, and stop further social problems.