# FINANCING THE MILITARY HEALTH SYSTEM

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Abstract: Health systems in EU Member States are funded through public contributions or direct contributions. Each Member State has developed its own funding mechanisms. These funding systems are constantly undergoing changes as these countries are in constant evolution and change, both in terms of the disease profile and the resources needed for their healing and / or alleviation.

Keywords: health system, funding, resources, strategy

# Introduction

There are currently no health systems in Europe that are funded exclusively from public or private resources, with funding being made from many sources, both public and private.

Thus, health systems at European level are funded from multiple sources, combining state funding, public and private health insurance, copayment or direct payment of medical services by patients.

Although these funding systems differ from country to country, there is a need for a comprehensive health financing mechanism, a well-prepared and adequately funded workforce, reliable information on which to base decisions and policies in health, as well as the logistics and technology needed to deliver quality medicines and medical services.

The Military Health System is the structure of the Ministry of National Defense which provides medical assistance to military personnel but also to retired military personnel and their dependents. Its mission is to provide health support for the entire range of military operations and to support the health of all those entrusted with care.

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- 106

The healthcare system in Romania is financed from public and private financial resources, the majority being the public ones, most of which are managed by the National Fund for Social Health Insurance (FNUASS).

Although funding from public financial resources is an important source of funding for the health system, in Romania, as in most of the countries in Europe, the main source of public health revenues is health insurance contributions. Thus, like most of the EU Member States in Romania also there is a social health insurance system with income from health insurance rates collected in a single fund.

Through national legal regulations, EU Member States have imposed a social security contribution obligation so that these systems can achieve their primary objective of providing health care to the population, including those categories of people who are unable to contribute to the establishment of health insurance funds. The current mechanisms underlying the coverage of health care costs in the EU Member States are based on social solidarity<sup>1</sup>.

According to this principle, all citizens, regardless of the income they earn, have the right to health protection. The financing of health care in Romania is provided mainly from the FNUASS budget, supplemented by sums from the state budget, as well as from the Ministry of Health's own revenues. In the case of private ones, most of the financial resources come from direct payments, co-payments or service charges.

Illnesses due to a work accident or occupational disease are covered by the state social insurance budget of the Risk Fund for Work Accidents and Professional Diseases managed by the National House of Public Pensions.<sup>2</sup>

Currently in Romania, health insurance is the main funding system for the health care of the population that provides access to a basic medical services package on a fair and non-discriminatory basis to any insured person.

<sup>&</sup>lt;sup>1</sup> Financing the health system in Romania, in https://ro.blastingnews.com/economie/2017/-01/finantarea-sistemului-de-sanatate-in-romania-001394085.html, accessed on 10.12.2017. <sup>2</sup>DECISION No. 118 of 6 March 2012 on the approval of the Statute of the National House of Public Pensions, in http://www.mmuncii.ro/pub/imagemanager/images/file/Legislatie/-HOTARARI-DE-GUVERN/HG118-2012.pdf, accessed on 11.12.2017.

### **Challenges of the Military Health System**

Military health institutions are among the first in Romania (after the Hospital in Sibiu -1292<sup>3</sup> and Coltea Hospital - 1704<sup>4</sup>). Thus, the first was the "Dr. Alexandru Augustin" Military Emergency Clinical Hospital, Sibiu -1742<sup>5</sup>, "Dr. Victor Popescu" Military Emergency Clinical Hospital, Timișoara - 1754<sup>6</sup>, "Regina Maria" Military Emergency Clinical Hospital, Braşov - 1791<sup>7</sup>, "Dr. Iacob Czihac" Military Emergency Clinical Hospital, Iași - 18308, "Dr. Ștefan Odobleja" Military Emergency Clinical Hospital, Craiova - 1831<sup>9</sup>, "Dr. Carol Davila" Emergency Military Central University Hospital, Bucharest - 1831<sup>10</sup>, "Dr. Alexandru Popescu" Military Emergency Hospital, Focșani, 1832<sup>11</sup>, "Ion Manu" Military Emergency Clinical Hospital, Piteşti - 1881<sup>12</sup>. Unfortunately, the last years were the most difficult for the Romanian military health system.

In this respect, we recall that, only in the period 2009 - 2012, at international level, a series of challenges were manifested, in which state actors were subjected, in turn, to a series of attempts to overcome the state of fragile economies, of disproportionate unemployment rates caused by the

was opened 721 years ago in Sibiu, in Romanian hospital http://www.tribuna.ro/stiri/actualitate/primul-spital-romanesc-s-a-deschis-acum-721-de-anila-sibiu-86271.html, accessed on 13.12.2017.

<sup>&</sup>lt;sup>4</sup>Medical days of the Coltea Clinical Hospital, in https://www.coltea.ro/, accesed at 14.12.2017.

<sup>&</sup>lt;sup>5</sup>Hospital History - "Alexandru Augustin" Military Emergency Hospital, Sibiu, in http://www.spitalmilitarsb.ro/istoric.htm, accessed at 14.12.2017.

<sup>6260</sup> years of Romanian military medicine, in http://www.smutm.ro/?top=1\_2, accessed at 14.12.2017.

<sup>&</sup>lt;sup>7</sup>"Regina Maria" Military Emergency Clinical Hospital, Brașov, inhttp://www.smbv.ro/?page, accessed at 14.12.2017.

<sup>&</sup>lt;sup>8</sup> History of Military HOSpital, Iasi, in http://www.smuis.ro/istoric.htm, accesed at 14.12.2017.

<sup>&</sup>lt;sup>9</sup> Presentation - "Dr. Ştefan Odobleja" Military Emergency Clinical Hospital, in http://www.smucraiova.ro/index101t.html. accessed on 14.12.2017.

<sup>&</sup>lt;sup>10</sup> Central Military Hospital - 187 years in which the tradition went further, in http://www.scumc.ro/despre-noi/istoric/.

<sup>11</sup> Military Emergency Hospital, Focșani, in http://www.smufocsani.ro/Despre\_noi.html, accessed on 14.12.2017.

<sup>12 &</sup>quot;Dr. Ion Jianu" Military Emergency Hospital, Piteşti, in http://www.smupitesti.ro/, accessed on 14.12.2017.

closure of large enterprises in our country and labor migration, poor health systems, underfunded and uncorrelated to the challenges of the millennium (pandemics, earthquakes, floods, heat, etc.) and dysfunctional financial systems unable to support the efforts of the concluded partnerships.

Military medicine could not evolve separately either in an enclave, isolated from the troubles of the last few years of democracy and the strategic documents drawn up in the medium and long term in this field of activity had an unique mark due to incorporation of adaptability, validity and legitimacy implications, all of which are consistent with a set of objectives, analyzed and predicted to be operational, but which did not take into account a certain variable - the uncertainty.

Perhaps in no other area of social protection was there a more prolific start like the one of military medicine, benefiting from the professionalism, consistency and expertise that, at that time, physicians trained in prestigious schools in the world owned.

Thus, the prerequisites for the emergence of the concept of organizational policy in the medical-military field, as an aptitude of the elite, were created as an interface with the social needs, based on the dynamics of the equitable distribution of resources. The current state of the medical-military field allows the assertion that it has elements indispensable to the necessity of operationalization of all evolutionary processes taking place on this level.

From the perspective of public health vulnerabilities, the 21<sup>st</sup> century began with a series of challenges for the academic, medical and, last but not least, military world.

Unlike the concerns in the civic scientific area, the Romanian medical-military infrastructure, connected and perfectly adapted to the strategies and personnel policies of similar structures within the other NATO and EU member states, enjoys a high degree of domestic and international appreciation.

The position of the medical-military organization in the hierarchy of the national security system depends, to a great extent, beyond the historical situation, on the degree of motivation of its representatives, by the extent to which they relate, from the perspective of equivalence and compensation to the rest of society. Without history, structure, hierarchy, norms, legality and freedom, we cannot talk about evolution. The development of society is based, to a large extent, on the ability to adapt to the environment through organizational culture.

Military physicians of all specialties over time have overcome geographical and social barriers, becoming recognized personalities in the domestic and international medical world.

The military medical mission is that of promoting education and mentoring in the medical-military field so as not to disappoint those who, entering the gates of a hospital or ambulatory specialty, put their hopes in the capabilities of rapid diagnosis and medical treatment quality.

In order to be successful, the stages of a permanent, integral transformation have to be carried out at the same time on the economic, academic, legal and political dimension, ensuring, equally, by putting strategies on the principles of competences and values, the coherent development of the elites, with roots inside the organization.

Unfortunately, the health system in Romania continues to face structural and funding challenges: inefficient spending; the lack of a sustainable long-term funding structure; a system focusing on hospital care, with few primary and ambulatory care services; the repeated overrun of the budget allocated to pharmaceutical products limits the introduction of innovative medicines; electronic systems are not fully functional; poor governance, etc.<sup>13</sup>

While much of Romania's population is self-assessing as enjoying good health, life expectancy at birth remains almost six years below the EU average and is one of the lowest in the EU. There have been some unfavorable trends, including the increase in mortality rates for the most common causes of death (cardiovascular disease and lung, breast and colorectal cancer), an increase in new HIV / AIDS cases and a decrease in immunization rates.

Excessive episodic drinking among men is a serious public health problem, with the highest level in the EU, but without any national program

<sup>&</sup>lt;sup>13</sup> European Semester 2017: Country Report for Romania - Health, Conf. Dr. Diana Loreta Păun https://ec.europa.eu/romania/sites/romania/files/conferinta\_de\_lansare\_a\_raportului\_de\_tara\_-\_semestru\_european\_ 2017\_-\_diana\_paun.pdf, accessed on 16.12.2017.

in place to combat it. In positive terms, the number of people who smoke daily is in line with the EU average and the adult obesity rate is the smallest in Europe. However, behavioral risk factors contribute to more than 40% of the general burden of disease in Romania. 14

The Romanian health system is characterized by low funding and inefficient use of public resources, with the lowest per capita spending as a share of GDP in the EU. There is no universal coverage, although the uncovered population has access to a minimum package of services. There are also inequalities regarding access to services between rural and urban populations, but also for vulnerable groups. Recent efforts include the creation of community care centers to improve access, including to the Roma population.

"Out of pocket" spending represents one fifth of total healthcare expenditure and includes direct payments and unofficial payments. The latter are considered to be widespread and substantial, but still difficult to estimate, preventing reliable calculations for assessing the real share of private health spending. Cost-related accessibility is the main reason for the unprecedented reported healthcare needs. <sup>15</sup>

The efficiency of the healthcare system is limited by delays in the transition from hospital care to ambulatory care and medical primary care. Strengthening primary health care is on the policy agenda of 1990, but primary and community health care services are still insufficient and underused and there is still inadequate use of inpatient care and specialized ambulatory care, including assistance provided within emergency services at hospitals.

Efforts to improve the system are hampered by the lack of information. There is insufficient data to assess the quality of assistance and the assessment of medical technology is still at an early stage of development. There are no clear criteria for resource allocation and insufficient evidence is available to improve the cost-effectiveness ratio.

<sup>&</sup>lt;sup>14</sup>Health in Europe and the voluntary exchange program, in http://www.europuls.ro/-2018/02/04/starea-de-sanatate-europa-si-programul-de-schimburi-voluntare/, accessed on 16.12.2017.

<sup>&</sup>lt;sup>15</sup> State of Health in the EU Romania, Health Profile in 2017, in https://ec.europa.eu/health/sites/health/ files/state/docs/chp\_romania\_romanian.pdf, accessed on 17.12.2017.

There is also no system in place to ensure a fair distribution of health institutions and human resources across the country to overcome inequalities between rural and urban areas.

However, there are a number of initiatives made so as to improve the health care system. The national health strategy in Romania sets strategic objectives in the field of public health and healthcare services and is supported by the development of eight regional plans to reorganize medical services and direct investments to disadvantaged areas. A National Authority for Health Quality Management<sup>16</sup> has been set up and the new government addresses health care workforce conditions and access to medicines.

# National Health Strategy 2014-2020

The National Health Strategy 2014 - 2020 was adopted for the need to align with European health standards. This is intended to provide a general framework of action to eliminate weaknesses identified in the health sector by: reducing existing major inequalities in health; optimizing the use of resources in health services in terms of increased cost-effectiveness using evidence-based medicine and last but not least, to improve the administrative capacity and the quality of management at all levels. The strategy is a framework allowing a firm articulation to the European context and strategic directions set out in the "Europe 2020" (Health 2020) of World Health Organization European Region and falls in the seven flagship initiatives of the EU. The strategic document is drawn up in the context of the programming of EU funds for the period 2014 - 2020 and represents a vision document justified by the need to meet compliance provided by the position of Commission Services on the development of the Partnership Agreement and programs in Romania for 2014 - 2020, as well as country recommendations made by the European Commission on the health sector.

At the same time, the general framework for the development of health policies for the period 2014 - 2020 took into account the reform measures proposed in the "Functional Analysis of the Health Sector in Romania" by the World Bank experts. The Ministry of Health sees the National Health Strategy 2014 - 2020 as a catalyst document meant to

<sup>&</sup>lt;sup>16</sup> National Authority for Health Quality Management, in http://anmcs.gov.ro/web/, accessed on 17.12.2017

stimulate progress and development in the Romanian health system in priority areas. <sup>17</sup>

#### **Conclusions**

Although the National Health Strategy 2014 - 2020 includes specific measures to address poor health outcomes and there were some positive outcomes, long-term implementation will be crucial to sustaining these developments. A comprehensive approach to the functioning of electronic systems and the labor force strategy have not yet been developed (in December 2016, the National Human Resources Health Plan was launched).

The general objectives of the health care provided in the sanitary units in the network of the Ministry of National Defence are the following: promoting the health of the army personnel; preserving and developing the physical and mental capacities of the assisted personnel in order to fulfill the specific tasks assigned to them; assessing health and aptitude features for military career as part of medical-military expertise; the provision of quality, efficient medical services in order to restore as soon as possible the health of the assisted persons; maintaining the hygienic-sanitary conditions in the military units to the standards established by the legislation in force; identifying risk factors with an impact on the health status of army personnel and implementing the necessary measures to reduce and eliminate them; promoting the concept of healthy human medicine through health education programs in conjunction with a balanced work and living regime, as well as physical education<sup>18</sup>.

- 113

<sup>&</sup>lt;sup>17</sup> National Health Strategy *2014-2020, in* http://www.ms.ro/strategia-nationala-de-sanatate-2014-2020/, accessed on 06.01.2018

<sup>&</sup>lt;sup>18</sup> Order no. 110 of October 15, 2009 for the approval of the Instructions on healthcare and pharmaceuticals in the Ministry of National Defense in peacetime, in http://www.legex.ro/-Ordin-110-2009-100091.aspx, accessed on 21.12.2017



- \*\*\* Buletin informativ Year. 16, No. 1(61), trim. I 2014 National Agency for Medicines and Medical Devices in http://www.anm.ro/-anmdm/\_/BULETINE%20INFORMATIVE/BI%20nr%201\_-2014.pdf;
- \*\*\* Directive 2011/24 EU on patients' rights in cross-border healthcare.
- \*\*\* THE GOVERNANCE PROGRAM 2013-2016, in (http://media.-hotnews.ro/media\_server1/document-2012-12-20-13852506-0-programul-guvernare-usl-2013-2016.pdf);
- \*\*\* The National Health Strategy 2014-2020;
- \*\*\* LAW No. 95 from 14 april 2006 on health reform;
- \*\*\* Decision no. 114 of July 19, 2007, whereby the Supreme Council of Country's Defence approved the "Concept on the Reorganization and Modernization of the Military Medical System";
- \*\*\* Emergency Ordinance no. 2/2014 for amending and completing the Law no. 95/2006 on the health reform, as well as for the modification and completion of some normative acts (http://lege5.ro/Gratuit/gm4tamrvhe/ordonanta-de-urgenta-nr-2-2014-pentru-modificarea-si-completarea-legii-nr-95-2006-privind-reforma-in-domeniul-sanatatii-precum-si-pentru-modificarea-si-completarea-unor-acte-normative);

