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Psychiatry in Prague: March 1993

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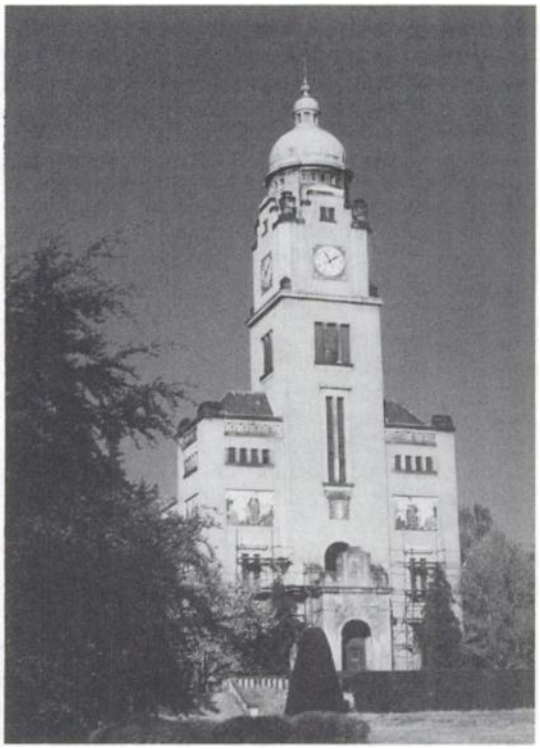
1 January 1993 was the day when a large part of Europe started to dismantle its borders. Paradoxically, in Czechoslovakia, a new border was created, splitting the country into two republics. As I write these lines it is the last day of the Czechoslovak currency; on 8 February 1993 it was split into the Czech crown and the Slovak crown. Although the split of the country and the currency may have meant a shock to the economy, for the organisation of health care it was not significant. The reason is that under former federation laws, health care was under the authority of the Republics, i.e. two Ministries of Health – the Czech one and the Slovak one – since 1968.

Yet, there will be controversial issues in 1993. First, in January, the General Health Insurance Company (GHIC) took over completely the financing of medical services in the Czech Republic (until 1992, funding came from the state budget). The GHIC, revived after more than 40 years of the unified state-run health care, has introduced a controversial system of payments according to an itemised scoring list covering particular medical procedures. The scoring list in its present form does not cover some important services needed for mentally ill e.g., different forms of extramural social and rehabilitation activities provided by social workers and nurses. For patients who need drug treatment, the insurance agency pays fully for only the cheapest drugs in the category. Exceptions are limited to non-responders to the cheaper drugs following the special approval of the insurance supervisor.

Only a few weeks after the new insurance system started, it became apparent that the scoring list was not optimally balanced. For example, the big psychiatric hospitals, providing care mainly for the chronically ill, are among the institutions whose services are not adequately covered by the present scoring system. This is because the number of "points" produced by medical activities amounts to only about 10% of the budget of these hospitals. The rest is related to non-medical services – e.g. lodging, food, social and cultural programmes, which, however, are now paid much less than is needed to fill in the remaining 90% of the budget. It follows that increasing the activity of medical services does not have a significant impact on the total financial balance of the hospital.



St Venceslas church in the Bohnice hospital: the services restored after more than 40 years of silence

Problems of this kind facilitated the establishment of the Association of Big Hospitals, which is negotiating with the GHIC and the Ministry of Health an update of both the scoring list and principles of the hospitals' funding, since there are fears that some hospitals may go bankrupt. However, the officers at the Ministry of Health believe that after tuning the system, and with the estimated annual GHIC budget 50% higher than was the state's health care budget in 1992, neither the whole health care system nor any major hospital or polyclinic will go bankrupt. The

Therapy on horse-back in the Bohnice hospital: who will pay?

increased budget should compensate not only for the effects of inflation (estimated 20% annual rate in 1993) but also for the other increases in health care costs, including salaries. In fact, the increase of cash flow into health care is a quite exceptional case of an increase in public spending in an otherwise strongly restrictive government fiscal policy.

The first few weeks of the new system of the health care funding did not only show its drawbacks. While in the former system, more patients in the doctor's office mean nothing but a greater workload, what we see now is a "battle for patients". Doctors and psychologists in the out-patient clinics design new psychotherapeutic programmes, and their working hours become convenient to patients and not to themselves. Similarly, some wards in psychiatric hospitals have already extended their activities to include weekend programmes, family therapy, and treatment on an out-patient basis. This way the whole system seems to aim towards a more integrated and individually adjusted form of care.

Of course, not every doctor or social worker is flexible enough to cope with the changed circumstances. It is likely that those who fail to change their old style of work will find themselves unemployed quite soon.

Besides the GHIC, several other health insurance companies, mainly serving professional groups, have been established. They are believed to cover a broader spectrum of services, beyond the standard care. The number of people who will join these insurance systems is not yet known.

The second key issue in 1993 will be the privatisation of health care. Many doctors do not like the idea of full privatisation. They object that this would undermine their mobility as well as place them in debt for many years. It is also very difficult to make a reliable economic calculation for the future until the scoring system of the insurance agency is improved and stabilised. Therefore doctors over 50 especially feel trapped by these changes.

The other objections against privatisation of the institutions come from fears that buyers may not aim to run a health care facility but rather to obtain an attractive piece of real estate. Indeed, a few hospital managers have already hired part of their hospital building to a private company to get extra money. Therefore privatisation of health care is now on the top of the legislation agenda. The solution most likely to be accepted is the categorisation of the health care facilities with two to three categories defining the rights of the future owners. This way the functioning of the essential health care network should be preserved.

The privatisation of health care is opposed by some political parties, e.g. the social democrats, who claim that health care should not be an enterprise but a service to the population.

In Slovakia, a hybrid system of health care financing has been planned, with the health insurance company covering about 50% of its expenses and the state the rest. At present, however, the necessary laws are only in preparation, and the health insurance company has not yet started its work. There was a temporary shortage of Czech-made drugs in Slovakia because the new contracts between the Slovak drug wholesalers and the Czech producers were not signed in time due to insolvency problems in Slovakia. Similarly as in the Czech Republic, legislation concerning the privatisation of health care facilities is in preparation, and the necessary laws should be passed later this year.

Those who want to know more than brief cross-sectional information may wish to read the reports about post-communist Czechoslovakia (Kerr & Peck, 1991; Zvolský *et al.* 1993).

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