Ministry of Finance releases full package of empirical analyses underpinning recently adopted Council of Ministers' decision on provider fees, volumes and methodologies for costing and reimbursement of healthcare services contracted under the National Health Insurance Institute mandate

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On December 11, 2010 the Ministry of Finance published the results from its work on determining the new provider payment fees, anticipated volumes and methodologies for costing and reimbursement of healthcare services contracted under the National Health Insurance Institute (NHII) universal coverage mandate, in accordance with articles № 55 a, b and c of the Bulgarian Health Insurance Act.

The empirical provider cost and patient volume data used to update existing provider payment fee policies was analyzed using state-of-the-art econometric models for healthcare services costing. As part of the conducted empirical work a combination of sensitivity analysis, benchmarking, expert assessment, ex-ante and ex-post analyses, as well as statistical models based on normalizations (via the cumulative distribution function of the standard normal distribution) of relative deviations of reimbursement levels from actual average costs (obtained from hospital and provider-level financial statements) were used.

Methodologies for costing and payment of inpatient and outpatient services were developed in accordance with European best practices for reimbursement level determination. In addition, for the first time, an attempt was made to link health care service payment to performance by introducing quality of care and process indicators. Finally, the analysis outlined the outstanding problems and inefficiencies stemming from the previously existing historic allocation of financial resources in the healthcare system.

The procedure for determining the new reimbursement levels for NHIF-provided healthcare services began with the above-described empirical costing carried out by the Ministry of Finance. The process further comprised developing forecasts for patient volumes for each service (based on historic NHIF data), and proposing a set of new reimbursement policies and rules, both for in- and out-patient services. These technical proposals were next vetted by elected national consultants in each medical specialty. The work of the Consultation Board (a specially-created body comprising representatives of physicians', dentists' and nurses' professional associations, representatives of patients' organizations, as well as the Vice Minister of Finance, Vice Minister of Labor and Social Policy, Vice Minister of Health, and the experts who conducted the analyses) concluded the third stage of the process. The full-text in-patient and out-patient service analyzes published on the website of the Ministry of Finance reflect the evolution of new provider payment fees, anticipated volumes and methodologies for costing and reimbursement through each stage of this process.

The thus designed and agreed reimbursement levels volumes and rules reflect the healthcare policies of the government and its commitment to reforming the healthcare sector. For 2011 the reimbursement rate revaluation led to an increase of more than 1.3 mln being earmarked for for preventive care and 4.9 mln BGN - for chronic illness treatment and monitoring, as compared to 2010 reimbursement rates and volumes. This amounts to a total increase of 6.2 mln BGN for primary health care services in 2011, as compared to 2010. In practice thismeans that there will be an average monthly increase of 114 leva per GP, not taking into account an additional 9 mln BGN pegged for ensuring 24-hour access to primary healthcare for every insured person.

Within specialist care services a 6.8 mln BGN increase of funds designated for primary and secondary visits reimbursement was achieved, whereby the resources for preventive care and chronic illness treatment were increased by more than 1 mln BGN (equivalent to a monthly increase of around 70 leva per specialist).

In inpatient care a 6% decrease in the number of hospitalizations is foreseen, as compared to 2009 levels. This assumption is based on the obligation of the National Health Insurance Fund to contract only with providers that comply with the adopted medical standards.

The above-described new provider payment fees, anticipated volumes and methodologies for costing and reimbursement of healthcare services contracted under the NHII for 2011 were officially adopted through a Decree of the Council of Ministers (№ 304 dated December 17, 2010).