

Note for the press  
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Tallinn and Copenhagen

## **Finding solutions to finance Estonia's health system**

Health system financial sustainability has always been a central health policy issue, but the recent financial and economic crisis has forced it to the top of the policy agenda the world over. Today, 5 March 2010, health experts will discuss the issue at a conference in Tallinn and map out future solutions to health financing in Estonia. WHO Regional Director Zsuzsanna Jakab and Minister of Social Affairs Hanno Pevkur will address the conference.

The report "Responding to the challenge of financial sustainability in Estonia's health system", to be launched during the conference, brings together the views and values of Estonian stakeholders, recent data on health financing and the macroeconomic context, and new revenue and expenditure projections from now until 2030.

The report is the result of a year-long process of stakeholder consultations and expert analysis commissioned by the Ministry of Social Affairs in 2009, in partnership with the Estonian Health Insurance Fund (EHIF) and WHO Europe.

The report includes the following recommendations for strengthening financing policy to meet health system objectives:

- broaden the health sector's public revenue base so that employment-based finance is supported by other forms of tax revenue;
- improve financial protection of the population by limiting out-of-pocket payments for health care;
- continue fine-tuning resource allocation and purchasing mechanisms to ensure value for money; and
- maintain strong governance of the health system to ensure transparency and accountability.

Zsuzsanna Jakab, WHO Regional Director, says "The report launched today in Estonia provides a good example of forward thinking and how to move from values to action. Working with the Ministry and Estonian Health Insurance Fund, we have analyzed current health financing arrangements, identified relevant trends and prepared a list of options for policy-makers to adjust the system to meet future needs."

Jarno Habicht, head of the WHO Country Office in Estonia, says "We are privileged to work with Estonia on such an important topic. The report proposes solutions for the future which we hope will provide the basis for discussion and decisions to improve public health and health care even further. Investing in public health and healthy ageing, developing further free and responsive primary care, and agreeing on hospital infrastructure are essential elements in managing future cost pressures."

Sarah Thomson, lead author of the report, says “Keeping the key elements of the health financing system in place, but broadening the revenue base by increasing allocations from public sources in a transparent and stable way, is vital. The Estonian health system performs well in comparative terms, but the projections and other analysis emphasize the importance of making political decisions now rather than later to sustain the health system’s performance.”

Hannes Danilov, the head of the management board of the Estonian Health Insurance Fund, says “The report confirms that our health system financing mechanism performs fairly well compared to similar countries. Still, there is room for improvement as in all health systems, and we need to ensure continuous development. In the near future we need to find additional revenue sources as the population is ageing, and this will lead to increased demand for access to health services, pharmaceuticals and technologies.”

“As the costs of new technologies and pharmaceuticals are rising, and at the same time the population is ageing, we can see that current health insurance resources are limited. It is clear that our health system needs further restructuring and additional resources in order to be sustainable,” said Mr Pevkur, Minister of Social Affairs. “The hospital development plan is currently under review and we are actively developing the e-health system that will help use limited resources more effectively. The report launched today supports these initiatives and suggests more ideas to build health care for people based on analyses and prognoses,” Pevkur adds.

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