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ON THE CRISES THAT AFFECTED FINANCIAL SITUATION IN THE FIELD OF HEALTH CARE IN THE REPUBLIC OF MOLDOVA, IN RECENT DECADES

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***Abstract.** The large-scale transformations in the health care system have been conditioned by the important changes in the provision of health services and their organization in recent decades. The Republic of Moldova suffered enormously from the internal political, global financial and pandemic crises from 2008-2021. Thus, the purpose of this study is a pertinent one, especially in the current context of financially constrained health care system. However, despite of the recent economic downturns, many countries have raised health spending dramatically. The analysis carried out reveals that, in the last decade, the stipulated objectives have remained the same, despite periods of instability. Current study investigates the level of raising of health care expenditures, the structure and the impact of the political, financial and pandemic crisis on health care system. The methods used in the evaluation, such as the review of relevant documents, the collection and analysis of data, contributed to the identification of aspects that have an impact on the performance of the healthcare system in the Republic of Moldova. Therefore, each country must perceive that the provision of health care is important for improving a population's health, which in turn can lead to more productivity, better economic performance, and then more fiscal resources.*

Keywords: health system, expenditures, financial, political, pandemic, crisis

JEL Classification: I10, I11, I13, I15, I18

Introduction

The healthcare system from the Republic of Moldova has undergone large-scale transformations following internal political, financial, pandemic and, more recently, refugee crises. Their impact conditioned important changes in the provision of health services and their organization. In this context, the article does not present an analysis of the shortcomings that are manifested in the field of health protection, but the directions in which action must be taken are highlighted and suggested, in order to improve the level of the healthcare system in the Republic of Moldova [1].

The interpretation of the information presented in this article, which is based on a careful study of the situation of the sanitary system in the Republic of Moldova, will lead to a series of conclusions, because it is revealed that the sanitary system has not benefited for years in a row from that increased attention that a priority activity must have it. The study highlights that health was, remains and especially will be an absolute priority, so as to ensure the security and health of the population within a well-founded and financed health system.

The political crisis

The political class placed a special emphasis on the health field, this fact being probably determined by the problematic situation in this sector. The legislative framework, namely the Law on compulsory healthcare insurance and the Law on the size, manner and terms of payment of compulsory healthcare insurance premiums, adopted in 1998 and 2002, respectively, revolutionized the Health system in Republic of Moldova. These two laws constituted the foundation of a viable system that could maintain itself and develop.

But after more than two decades, such a promising reform has remained overshadowed by the narrow interest of politicians – funding is not based on clear economic criteria, the patient's need is neglected. In a constant political instability, Health financing decisions are made according to political expediency and electoral interest. A study by the Center for Health Policy and Analysis, which focused on the development of the health system in the more than 20 years since the introduction of health insurance, shows that a series of legislative changes and political inconsistencies have generated an inequitable and unavailable medical system for every citizen, especially for the poorest, a system that covers a small part of people's real health needs and fragile state services that give way to the private offer - more expensive, but safer [10].

In general, political instability is a serious problem for the development, modernization and implementation of reforms in the field of health, because the focus of politics in the Republic of Moldova is oriented towards political fights, scandals, etc. Respectively, this instability is an impediment in the activity of the health system in the country. Moreover, external partners do not know how to react to the political situation in the Republic of Moldova, and some projects could be put on hold or canceled. So, it is clear that during a period of political instability, momentum is lost, but the real possibilities also become smaller.

Therefore, the political crisis seems to generate particularly deep problems in the health system. According to the study, this has become the most problematic factor in the development of the health system, precisely because of the influence it has. This situation amplifies the instability of health financing decisions, which are made in political interest and do not take into account the needs of the people or the reality of the system, but also of the legislative and normative framework in the field.

The economic-financial crisis

The economic crisis is a phrase that appears more and more in the debates of economic and political analysts in most states of the world, especially where its consequences make their presence felt [8]. The health system has always been a sensitive subject in the Republic of Moldova because for years it has been underfunded and influenced by poor, if not corrupt, management. This resulted in a much weakened system, unable to cope with current requirements.

However, once the economic situation in the country worsened, the pressure on the system increased even more. The medical system, as it is currently structured, is highly centralized, with most important decisions being taken at the level of the Ministry of Health. The allocation of resources is still done in a discretionary way without being based on criteria accepted at the national or international level. In fact, in the absence of these differentiating

criteria on the basis of which decisions can be made, it is impossible to provide a basis for decision-making.

An attempt to decentralize the activity of the Ministry of Health was the creation of the health insurance system with the aim of clarifying the role of the National Medical Insurance Company (NMIC). However, this attempt failed, and in the end the NMIC was subordinated to the Ministry of Health and the Ministry of Public Finance.

Financing has always been a major problem for the health system. This started with the period before 1990, when this sector was considered unproductive and therefore had a low priority. Thus, for a long time, the financing was not only below the European average, but also below the average of the former communist countries. Later, the situation improved, but without major changes (figure 1).

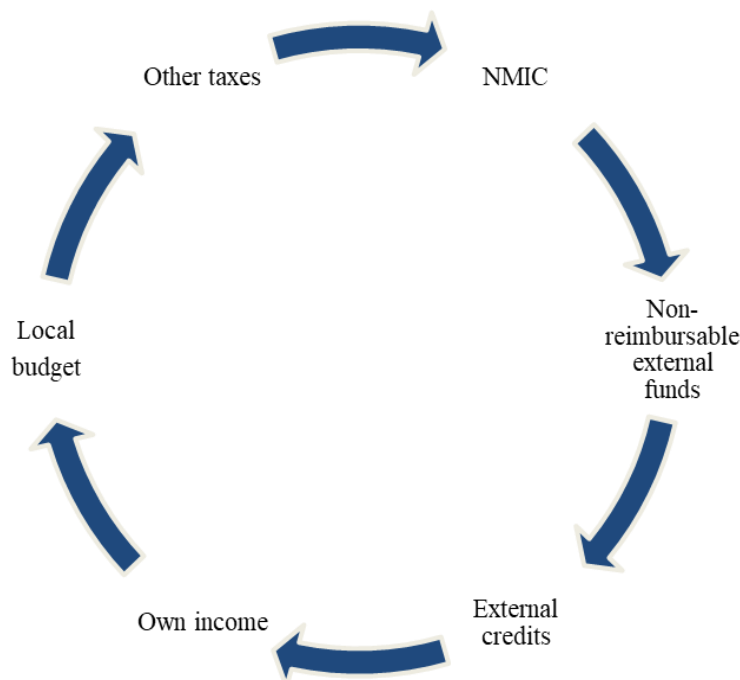


Figure 1. Financing at the level of the Ministry of Health

Source: Developed by the authors based on the processed information

The imbalances of an economic crisis are so complex that the generation of a problem attracts a series of other problems with the respective effects. The health system is one of the systems that were directly affected and which, in turn, produced negative effects on the human resource, the main element for activating a healthy economy [9]. People are the key to the health system, and yet there is no clearly formulated human resources policy, which creates problems with staff motivation and retention, ultimately leading to serious imbalances.

The impact that the economic decline of 2008 had on health was reflected in most of the countries of Central and Eastern Europe. The states had to endure the measures to restore the economic balance, having to juggle new budget formulas. Thus, the health problems of European citizens have worsened, requiring the rapid finding of economic solutions, which, on the other hand, can produce imbalances at the budgetary level, forming a vicious circle [9].

In Central and Eastern Europe, the health system has always been a sensitive subject. Funding has always been a major problem for it, as even before 1990, this sector was perceived as unproductive and therefore had a low priority. Thus, for a long time, financing was below the European average and below the average of former communist countries. Poorly funded and with very few effective regulations, it has become an extremely weakened system, unable to face new challenges or even current requirements. Moreover, a possible crisis in this field is predicted, already marked by the massive migration of medical personnel, which causes effects such as overcrowding and fatigue of the remaining doctors, as well as an increase in the number of malpractice cases [9].

Thus, among the recent problems encountered by the medical system, the insufficient funding of the system has been reported, this being the main problem for many years now, the improvement of the procurement system, the redefinition of the basic package, the problem of informal payments (which can be solved through - a substantial increase in doctors' salaries, possibly), the investment in communication and in the computerization of the system [9].

Another problem is the continued use of an implementation system based on warnings, sanctions and obligation, in contrast to other approaches that implement IT systems offering incentives, ample communication and total transparency [9].

In the health budget, both salary and funding reductions were made as a result of the economic crisis in: Hungary, Estonia, Greece, Latvia, Romania, the Republic of Moldova as well as in Italy, Portugal, Spain, but the impact it is considered higher in Central and Eastern European countries. In Bulgaria and Latvia, the budget was reduced by 20% [9]. Thus, another first problem is given by the salary level. At the international level, practice is in favor of the idea that an acceptable salary for a doctor should be about three times higher than the average salary at the level of the economy.

It was found that the reductions were triggered, rather, by the increase in the unemployment rate which considerably decreased the contributions to the state budget in Bulgaria, Estonia, Hungary, Romania, while, in other countries, social insurance expenditures were increased, to as well as the incomes of socially assisted persons. The budget was increased in Austria, France, Denmark. Latvia received a State Budget grant for health from the World Bank. Decisions to cut or increase the Health Budget appear depending on political guidelines and national technical considerations. Greece and Portugal had to implement such reductions as a result of the conditions imposed by the European Community for the application of support policies [9].

Therefore, the economic and financial crisis has exposed the structural cracks in our society and the huge inequalities that affect the most vulnerable the most, and the recovery must be based on several key principles. At the central level, there are no systems aimed at quality assurance, patient safety and risk management, and despite the fact that patient safety and the quality of the medical act should be constantly monitored, they usually take second place.

The pandemic crisis

For the first time in human history, a health crisis has shut down the economies of countries globally and painfully demonstrated how interdependent the economy and health are.

In the Republic of Moldova, we quickly felt the impact of the pandemic. Unfortunately, our health system has been in transition for many years, with many problems and shortcomings, both material and human. The COVID-19 pandemic has once again demonstrated the need for resilient health systems that can quickly adapt to new realities. Also, the pandemic has repeatedly demonstrated the importance of human resources for the health system. In health emergencies, the life and health of the patients depend on the qualification of the medical staff. Now, all over the world, public attention is turning to health systems, which are a key element of national security. An element that must be developed and strengthened permanently. This is one of the biggest challenges, faced and faced not only by the Republic of Moldova, but also by other countries that are in the process of transition.

This pandemic was a test of endurance for all of us and a test of professionalism, when we were practically fighting an "enemy" that we did not know until the end. In fact, COVID-19 was that test that showed us all the shortcomings of the system, all the critical points and problems that need to be solved. First of all, health must become a priority on the agenda of the political class. Secondly, the vision for the development of the health system must be adopted through a consensus, so that, in the coming years, the much needed reforms, regardless of the government, are implemented. Thirdly, the appreciation and support of medical personnel should not only be during the pandemic, here it is about decent salaries for medical personnel and normal working conditions. Fourthly, equipping and equipping hospital institutions so that medical workers can do their duty – to save lives (figure 2).

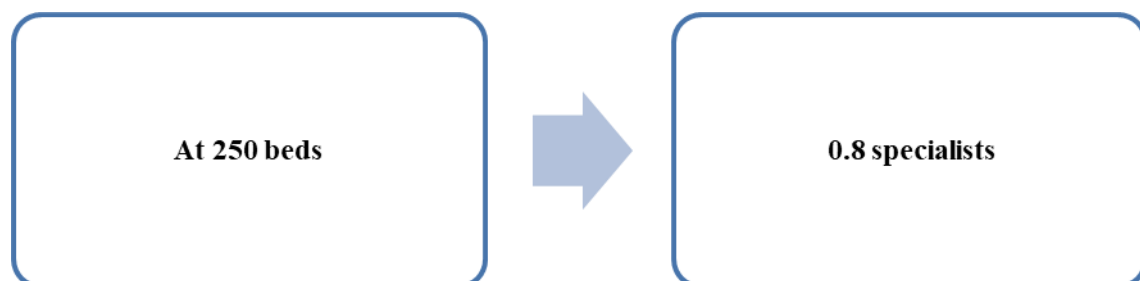


Figure 2. The number of infection control specialists

Source: Developed by the authors based on the processed information

There is a general shortage of medical personnel, especially in rural areas. Young professionals are leaving the country because they are not motivated by the working conditions and salaries. The number of family doctors is decreasing every year. The COVID-19 preparedness and response plan highlights the specific shortage of doctors and nurses specializing in epidemiology and infection prevention and control. Overall, 71.6% of hospitals have no epidemiologists and there are only 0.8 infection control specialists (including 0.3 infection control physicians) per 250 beds [4].

Impact on other health services: Initially, clinical case management of COVID-19 took place only in designated hospitals, with other hospitals continuing to provide ordinary medical care. However, as the pandemic progressed, hospital capacity for other services was reduced and

ordinary health services were suspended to avoid personal contact and focus resources on the pandemic. This has caused delays and even lack of care for a large part of the population [4].

In the Republic of Moldova, after the outbreak of the pandemic, the situation, in general, became serious, the medical staff being physically and mentally exhausted, and the number of those infected increasing. At the same time, with the worsening of the epidemiological situation, the pressure on the medical system, on the hospital institutions also increases. But, let's not forget that, even if COVID was one of the major priorities for all health systems in the world, no one canceled emergency interventions, cardiovascular diseases, chronic diseases, etc. Basically, we found ourselves in a situation when health systems, regardless of their condition, had to withstand and cope with this overload, because the life and health of patients is the most valuable thing for a society [3].

The complex effect of the pandemic on the health system will continue to affect it in the post-pandemic period. On the one hand, financial management rules have been relaxed, and if this is not reversed, it could affect the long-term resilience of the system. On the other hand, certain measures introduced during the response—such as disease surveillance, public-private partnerships, and telemedicine—have the potential to strengthen the system in the long term. The difficulties (or complete lack) of contact between doctor and patient, delays in diagnosis and lack of access to treatment, all highlight the need for the digitization of health services and the introduction of telemedicine (figure 3) [4].

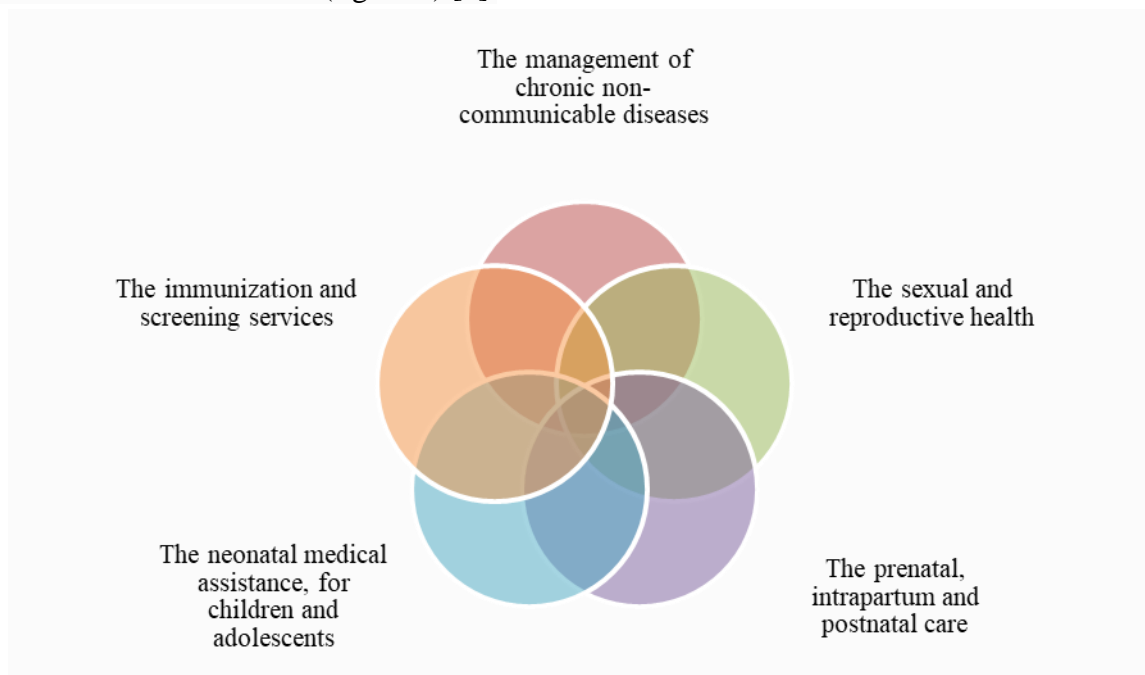


Figure 3. The most affected areas of healthcare

Source: Developed by the authors based on the processed information

The duration of isolation induced by the state of emergency also had a negative effect on mental health. This has particularly affected young people, women, people with disabilities, people living with HIV and survivors of domestic violence. Women's psychological and mental health is affected at higher rates than men's (49%) due to the disproportionate impact of restrictive

measures leading to increased unpaid care work, efforts to maintain paid employment and exposure increased domestic violence. The prison population is particularly vulnerable to the spread of COVID-19 due to the high density of prison occupancy [4].

Disruption of health care was more severe in rural areas where access to health services is more limited [5]. This is partly due to the lack of medical personnel, the lack of adaptation to the new situation and the reduction or suspension of services due to the fear of contamination [6]. In addition, the isolation measures have reduced transport services that facilitate access to medical services. More than half of the women surveyed who reported a need for sexual and reproductive health services reported difficulty accessing those services. Older people, most of whom are older women, lack the financial resources they need to access medical care [4].

Economic difficulties and travel restrictions have also made it difficult for vulnerable groups to purchase medicines, even those paid for by the Government. Despite increased allocations for the compulsory health insurance system, the financial protection of the population has deteriorated over time.¹¹ While access to health services has improved, increasing people's use of medical services, it has also increased exposing them to out-of-pocket payments, especially for drugs. In the context of the COVID-19 pandemic, special attention must be paid to expanding the range of essential outpatient drugs covered by the National Medical Insurance Company (NMIC) and, at the same time, introducing co-payment exemptions for poor households and ordinary healthcare users, including the elderly, to avoid catastrophic health expenditures [4].

Therefore, the challenges arising from the health emergency have deepened the more serious systemic and structural problems affecting the health system, such as overstretched, outdated and costly health infrastructure, reduced technical capacity and shortage of health professionals, especially in rural areas. Private providers and NGOs played only a minor role in the response to the pandemic. This virus has fundamentally changed our way of life and put both the medical and social systems and the country's economy under major pressure.

The refugee crisis

In the context of the situation in Ukraine, the medical system, weakened by the pandemic, is facing the refugee crisis.

Thus, the Government of the Republic of Moldova has mobilized medical teams at the border crossing points that ensure medical consultation of Ukrainian citizens, testing for COVID-19 of those who show specific clinical signs and transporting them to hospital institutions for complex treatment, completely free of charge. For this purpose, temporary accommodation and triage centers provided with medicines, medical equipment and disinfectant were opened and reorganized. The World Health Organization supports the efforts of the Republic of Moldova, providing triage centers with the necessary supplies. The efforts of the authorities were joined by the "Nicolae Testemițanu" State University of Medicine and Pharmacy, whose clinic provides primary and emergency medical assistance to all refugees who apply. The effort was also supported by private medical institutions that are ready to provide free medical and dental care to the refugees and supplies, as did the Synevo Laboratory that donated masks, disinfectant, etc.

The conflict in the neighboring country affects not only the health and well-being of its own people, but also the medical system in Moldova, it is not only about the overwork of the medical staff, but also the stocks of medicines (the majority being produced and imported from Ukraine). For this purpose, the Ministry of Health and the Medicines and Medical Devices Agency made an assessment of the provision of medical institutions with medicines and other consumables. The result was – essential medicines will be procured through simplified procedures, thus the risk of running out of medicines will be minimized, even in the situation where medical assistance is also provided to refugees [2].

Therefore, we live in a world that faces numerous challenges – from ongoing political instability to the devastating effect of the situation in Ukraine. The shock of the situation triggered in the neighboring country only revealed the systemic fragility of the world economy and our society, with all the inequalities that characterize them. The results of turbulence are difficult to quantify, but methods are proposed to smooth them out.

Conclusions

From the backstage of politics to the academic platforms, the whole world is discussing crises: a political crisis, an economic-financial crisis, a pandemic crisis and a refugee crisis. Ultimately, these are all symptoms of the same problem: the unsustainable way we produce and consume.

The health problem has been aggravated by the problems existing before any crisis, therefore, it is imperative to work on the health system so that it reaches the best possible state. Thus, we envisage the perspective of a further analysis regarding the stage in which the healthcare system in the Republic of Moldova was before the outbreak of the mentioned crises. Other countries around the world also faced some shortcomings, but in our country these shortcomings were capital. It follows that never in the financing and evolution strategy of our health system, the possibility of a crisis was considered. Therefore, neither the preparations nor the existing situation at the zero moment of the outbreak of a crisis were even close to the requirements that were imposed.

At the same time, it is remarkable that, in the economic and social development programs of the Republic of Moldova, health must remain, but the fact that it is an absolute national priority must be emphasized. From this perspective, it is necessary that the allocations from the government funds, as well as from the community funds allocated to the Republic of Moldova, establish projects, initiate investments in endowments according to the needs of the population. There is no need to specify more than that, health will have to remain the absolute priority of the economy of the Republic of Moldova for long periods of time, if you want for a perpetual period.

Therefore, we conclude that the health system in Romania must be reanalyzed, reconsidered and, as a consequence, ensure the best possible conditions for bringing it up to the level of the conditions imposed by the 21st century. The measures taken by the governments are very necessary, but, considering that the population continues its dynamic path from a socio-economic point of view, they are not quite sufficient, nor can they be, if there is no coordination clearer and the rules are not respected and verified with the responsibility of long-term results.

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