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ANNOUNCEMENT

HIGHER BUDGET FOR NEW METHODS, MEDICINES AND INCREASED SCOPE OF HEALTHCARE SERVICES

In 2 years, the budget HIFM higher by 2 billion and 900 million denars

The Health Insurance Fund of Macedonia starts the year 2017 with the historically highest budget of the institution in the amount of 26 billion and 947 million denars. This budget is by 1 billion and 370 million denars higher than the budget early in 2016, which is an increase of 5.4%. This budget of almost 27 billion denars is nearly twice as high compared to the budget in 2000 when the Fund was formed and the budget was 12 billion 500 million denars.

The Health Insurance Fund continued with the practice of transparent distribution of the budget, due to the fact that in the past two months we held negotiations with all public healthcare institutions and we methodologically allocated the budget for 2017.

The funds use several parameters to distribute the budget, as follows:

1. Analysis of the implementation of the budgets in the past year 2016;
2. Data from negotiations with healthcare institutions;
3. Plan of the type and scope of healthcare services, the latest methods and new healthcare services for 2017 proposed by Public Healthcare Institutions (PHI);
4. Sustainability of the Public Healthcare Institutions.

The general allocation of the budget for 2017 is the following:

| Expenditures | Funds in 2017 in 000 MKD |
|------------------------------------|-----------------------------|
| Healthcare services | 23.477.527 |
| Fees for maternity and sick leaves | 2.900.000 |
| Administrative expenses of HIFM | 569.527 |
| TOTAL | 26.947.054 |

Percentage-wise, the allocation of the budget for 2017 is the following: PHI will get 53.14% of the PHI budget, Private Healthcare Institutions will get 30.57%, compensation for maternity and sick leaves 10.76%, orthopedic aids 1.67%, 1.48% for medical treatment abroad, 2.11% for operations of the Fund (capital investments and software).



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Within the budget increase for 2017 by 1 billion 370 million denars vs. the initial budget for 2016, 1 billion 50 million denars is the increase in healthcare services, and 325 million denars is for higher compensation for maternity and sick leaves. This year we expect the trend of higher number of maternity leaves to continue. Financially, the funds for timely payment of maternity leaves are affected by increase in the duration of payment for maternity leaves for twins from 12 to 15 months.

From the healthcare services compared to 2016, the highest increase is for PHI or 566 million denars which constitutes an increase of 4.1% including the increase made in late 2016. For private healthcare institutions, there is an increase of 160 million denars for higher subsidies for family physicians and dentists. For prescription medicine, following the 80 million denars in additional budgets provided in 2016, additional 200 million denars have been allocated, and extra 50 million denars have been allocated for dialysis therapies.

In the last two years, the budgets of public healthcare institutions are higher by nearly 1 billion 500 million denars, specifically 973 million denars were added in 2016, and in 2017 we provided fresh inflow of 458 million denars. The budget increase to 1 billion 370 million denars (919 million MKD) is allocated for more prescription medicines and better availability of medicines in pharmacies, as well as the funds provided for family physicians and dentists for higher value of subsidies, higher compensation for maternity leaves, *in vitro* treatments as well as treatments abroad.

By providing additional 458 million denars for the public healthcare institutions in 2017 we are going to provide a serious boost and support for the public healthcare institutions. The increased funds have been divided into several segments, as follows:

- New healthcare services with the introduction of new treatment methods.
- Increasing the type and scope of current healthcare services.
- Financial sustainability of Healthcare Institutions and the need for financing their operations.
- New employments for specialized staff (transformations and recruitment from private healthcare institutions).
- Higher salaries for certain categories of healthcare workers.

The increase in the budgets of Public Healthcare Institutions is stimulating and incentivizing with the goal of having a higher scope of healthcare services, while providing higher-quality healthcare services. The increase in the funding depends on the increase in the number of surgical interventions in clinics and general hospitals, to reduce the transfer of patients between Skopje clinics. The clinics have to provide new healthcare services and new methods of operation, while increasing the type and scope of the current healthcare services.

Some of the increases in the funding of public healthcare institutions are given below:

1. University Clinic (UC) for radiotherapy and oncology with 608.4 million denars, or 32 million denars higher budget than in 2016. The additional budget is intended for purchasing modern therapies and procurement of new drugs through a conditional budget to be defined by the end of the month.



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2. UC for hematology with 275.4 million denars, or 28 million denars higher budget than 2016. The extra funds are intended for procurement of new drugs through a conditional budget to be defined by the end of this month.
3. UC for state cardio – surgery with 79 million denars, or 20 million denars higher budget than 2016. The increase is intended for higher scope of healthcare services, i.e. higher number of patients expected in 2017.
4. UC for cardiology with 360.4 million denars, or 18 million denars more than the 2016 budget. The additional funds are allocated for new methods financed through a conditional budget for patients that cannot be subjected to cardio – surgical interventions and healthcare interventions are used as replacement for surgeries (TAVI, TEVAR, EVAR) as well as ablation for atrial fibrillation.
5. UC for ophthalmic diseases with 104.4 million denars, or 15 million denars higher budget than 2016. The increase is provided through a conditional budget for new methods, corneal transplants and eye surgery.
6. City General Hospital *8 Septemvri* with 869.9 million denars, or 15 million denars higher budget than in 2016. The extra funds are allocated for new methods planned in line with the negotiations with the hospital and the HIFM program.
7. UC for infectious diseases and fibril conditions with 179.7 million denars, or 10 million denars more than in 2016. The additional budget is intended for modern therapy for hepatitis C.
8. The institute for pulmonary diseases in children *Kozle* with 125.9 million denars, i.e. 10 million denars more compared to 2016. The increase is intended for procurement of modern orthopedic aids for giving therapy to children with cystic fibrosis, as well as for new neonatal screenings for hidden diseases in babies.
9. UC for gynecology and obstetrics is supported with additional 418.9 million denars, or 10 million denars more than in 2016. The higher funds are intended for more patients (deliveries) and higher invoice to the Fund from the funds they receive.
10. Special hospital for gynecology and obstetrics *Mother Theresa Cair* with 139.1 million denars or 10 million denars more. The increase is intended for higher number of patients.
11. Clinic hospitals – Bitola with 611.2 million denars; Tetovo with 470.7 million denars and Stip with 348.1 million denars, where each received 10 million denars intended for more surgical interventions to stimulate surgeries of hernia, appendicitis, and gallbladder, to encourage better regional development of surgery.

The fund shall remain true to its efforts to improve overall the healthcare services as well as to advance the rights of the insured arising from the Law on Healthcare Insurance.