



International Association for the
Study of Insurance Economics

Études et Dossiers

Extract from

Études et Dossiers No. 357

6th Geneva Association
Health and Ageing Conference

“Health and Long-Term Care Insurance in
Eastern and Central European Countries”

26-27 November 2009
Warsaw

This document is free to download from The Geneva Association website, www.genevaassociation.org

January 2010

Working Paper Series of
The Geneva Association

© Association Internationale pour l'Etude de l'Economie de l'Assurance

The Geneva Association - General Secretariat - 53, route de Malagnou - CH-1208 Geneva
Tel.: +41-22-707 66 00 - Fax: +41-22-736 75 36 - secretariat@genevaassociation.org - www.genevaassociation.org

The Geneva Association Working Paper Series “Études et Dossiers” appear at irregular intervals about 10 – 12 times per year. Distribution is limited.

The “Études et Dossiers” are the working paper series of The Geneva Association. These documents present intermediary or final results of conference proceedings, special reports and research done by The Geneva Association. Where they contain work in progress or summaries of conference presentations, the material must not be cited without the express consent of the author in question.

This document is free to download from The Geneva Association website, please visit: www.genevaassociation.org

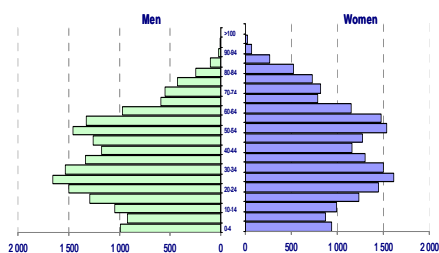
Layout & Distribution: Valéria Kozakova

Polish Health Care System in Transition - Insurance Perspective

Piotr Kuszewski and Paweł Kalbarczyk

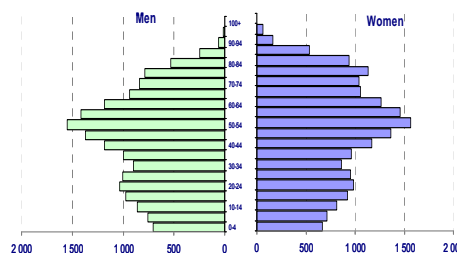
Population structure - the challenge is just around the corner

Polish population pyramid in 2009 (figures in thousands)



Source: GUS

Polish population pyramid in 2035 (figures in thousands)



Source: GUS

- Unfavourable change in the proportion between professionally active and non-active part of the society
- Increased share of senior citizens with higher probability of chronic diseases

Example from the USA

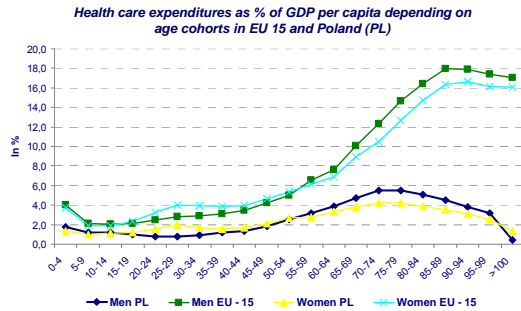
If a 65-year-old couple retired in 2006 lived until 95 years, they would need US\$550,000 for Medicare

Source: Himmelstein, David U., Elizabeth Warren, Deborah Thorne and Steffie Woolhandler, "Illness and Injury as Contributors to Bankruptcy," Health Affairs Web Exclusive, W15-63, February 2, 2005 / in Healthcare 2015 and U.S. health plans, IBM Global Business Services 2006

Demographic change implies the need for major change in health care financing system.

Health care expenditures in the function of age

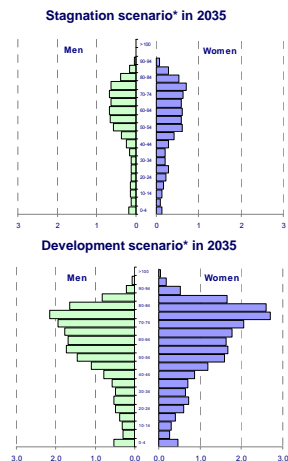
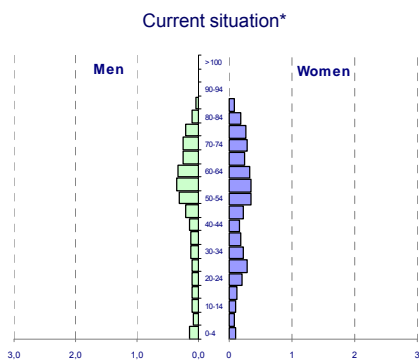
- Polish society elderly age cohorts consume much less funds expressed in GDP% than their peer groups in EU – 15 countries
- The same situation holds true in the case of the long-term care



Source: The impact of ageing on public expenditure: projections for the EU25 Member States on pensions, health care, long-term care, education and unemployment transfers (2004-2050). Special Report No 1/2006, Economic Policy Committee and the European Commission (DG ECFIN), 2006

Polish expenditures will probably follow the EU – 15 pattern in the future.

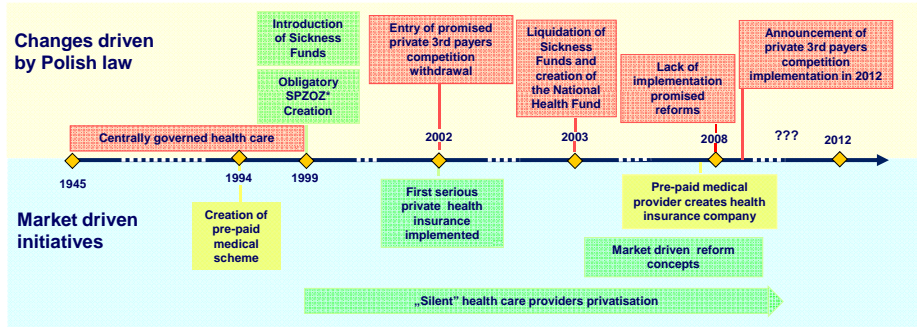
Ageing of the Polish population will translate into major health consumption increase



* Expenditures on health care expressed in bn EUR in age cohorts for 2035 separate GDP forecasts have been prepared

Till 2035 the spending on health care for senior citizens can multiply by 10.
How to face this problem?

Short history of Polish health care system transformation since 1945

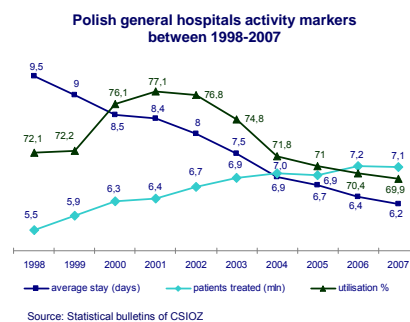


After 10 years of transformation the progress is modest. The reform had ambitious goals and plan but ultimately it has lost its initial logic. The private sector and consumers will force further changes.

* SPZOZ – Self-dependent Medical Entity

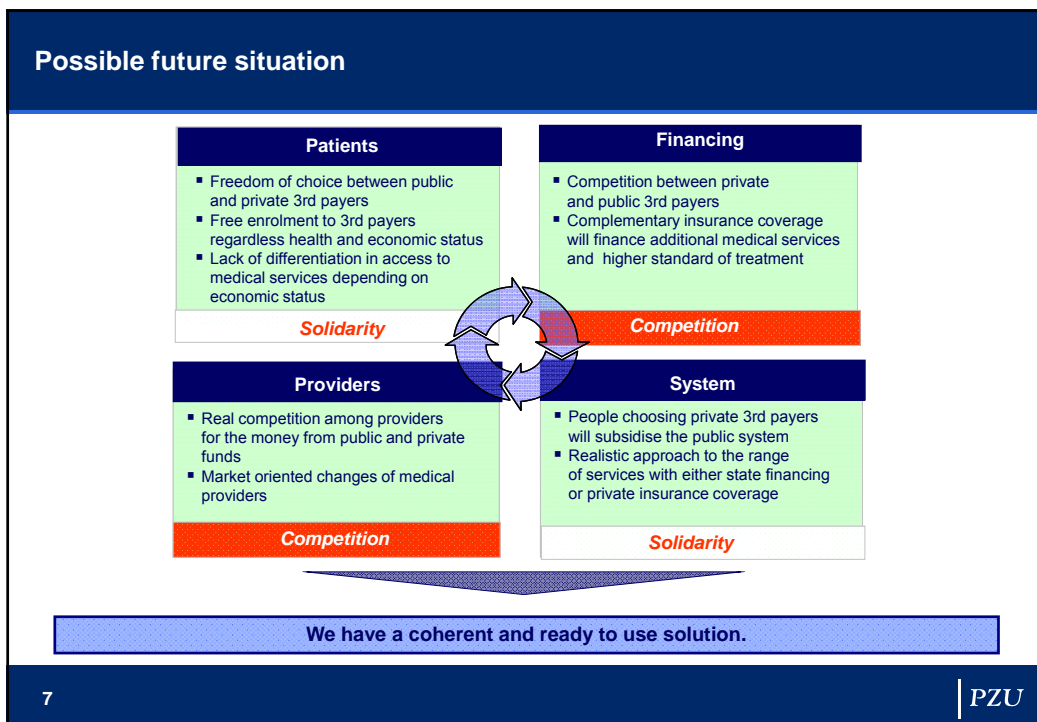
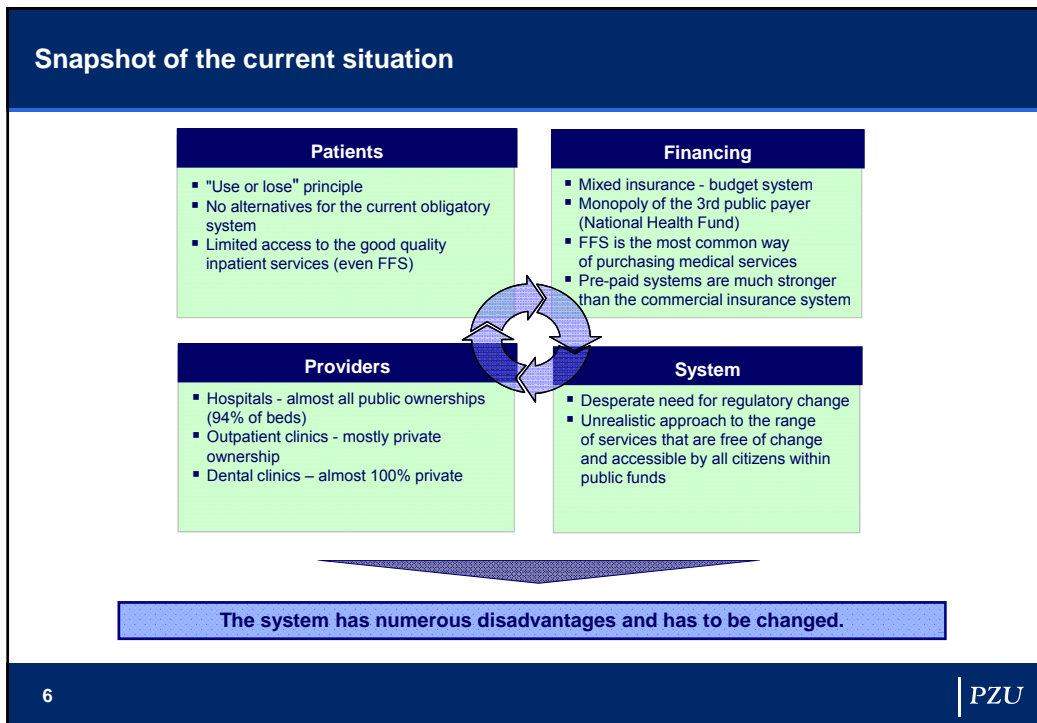
Hospitals response to the payment system reform

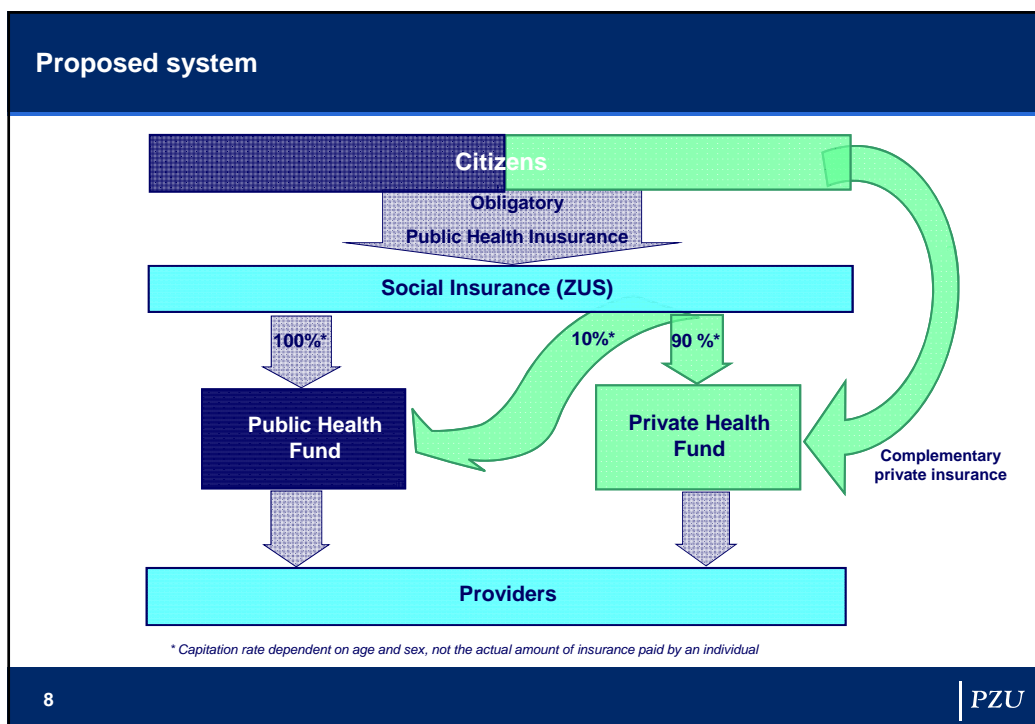
- Based on admission fee hospital payment system:
 - decreased the average hospital length of stay
 - increased the patients admissions number
- Lack of hospital restructuring process:
 - aggravated beds utilisation ratio
 - caused the permanent hospital indebtedness stable for last 4 years (around 10 bln PLN)
- Only a small number of hospitals is non-public (about 6% of all beds number in general hospitals in 2007*)



Payment system reform has significantly improved Polish hospitals efficiency and capacity but lack of political will and courage slows down hospitals restructuring process.

* without psychiatric hospitals





Conclusions

- Due to the demographic and social changes the Polish health care system will collapse without deep reformed
- The remedy for this situation is not a rocket science especially if there are some obvious solutions
- We have to take the necessary steps now regardless of election time table

The right side of the slide features a vertical stack of four photographs. From top to bottom: a family of five smiling outdoors; a close-up of an elderly woman with glasses; a young child wearing a winter hat and smiling; and a doctor in a white coat talking to a patient in a clinical setting.

9 | PZU