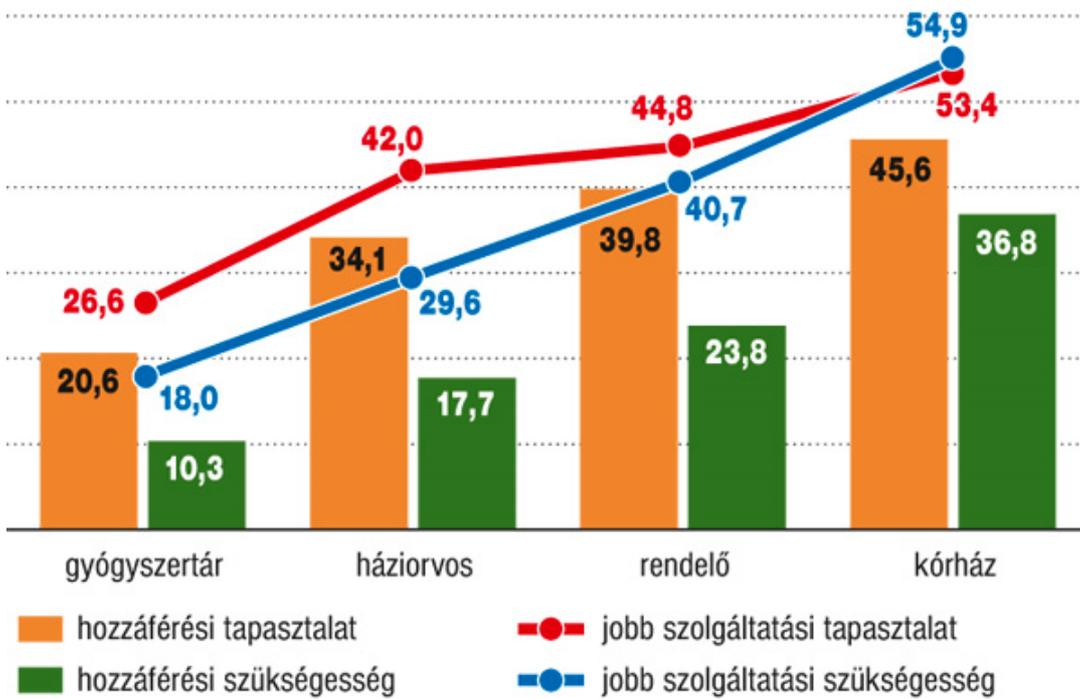


## Gratuities Given In Hope of Receiving Better Care

According to the recent survey of the Association of Hungarian Voluntary Health Funds (MÖESZ), the amount of private funds contributing to maintaining the Hungarian health care system correspond to one-third of financing provided by the National Health Insurance Fund (OEP) – a rate that is higher than previously thought.

### A hálapénz adásával kapcsolatos várakozások

(az érvényes választ adók százalékában)



VG-GRAFIKA

Forrás: Patika Egészségpénztár

A hálapénz adásával kapcsolatos várakozások	Expectations relating to gratuities
(az érvényes választ adók százalékában)	(in percentage of valid respondents)
gyógyszertár	pharmacy
házi orvos	general practitioner
rendelő	medical practice
kórház	hospital
jobb szolgáltatási tapasztalat	more positive experience of services
hozzáférési tapasztalat	access related experience
hozzáférési szükségesség	need for access
jobb szolgáltatási szükségesség	need for better services
Forrás: Patika Egészségpénztár	Source: Patika Health Fund

To ensure credibility, the association conducted the survey in respect of the year 2009, because this is the last year in relation to which reliable data are available on the basis of market research carried out by the Hungarian State Treasury, the Hungarian Financial Supervisory Authority (PSZÁF) and the MÖESZ. We established that health care spending in Hungary amounted to HUF 1,855 billion in 2009, where state financing (OEP) accounted for 76 per cent of total expenditure, equalling HUF 1,419 billion, while the remainder (HUF 436 billion) was provided by private sources.

The financing of the Hungarian health care system is based on four pillars: the OEP, voluntary health funds, commercial insurers and household co-payment.

Let us take a closer look at these. The state health insurance fund, the National Health Insurance Fund, functions as the first pillar of the health care financing in Hungary, based on a payment and service obligation extending to all citizens and on the solidarity of the interested parties. Participation in the state health insurance scheme is mandatory; contribution revenues are collected on the basis of an insurance requirement guaranteed by law. Considering that access to health care services constitutes a fundamental right of citizens, the state guarantees the financing of the OEP's services, and they have the right to non-repayable funds from the state for the cover of insufficient services (deficit).

Voluntary health funds operate in accordance with Act XCVI of 1993. The health fund aims to complement the existing social insurance services and to finance new medical procedures not included in the former services. The tax exempt supplementary health insurance services essentially serve curative purposes, while the taxed lifestyle improvement services serve preventive ones. Voluntary health funds are the second largest financing institutions of health care in Hungary after the OEP; they provided services to their members in the value of HUF 50 billion in 2009.

Claims payments under independent supplementary sickness and life insurance policies offered by private insurers provide additional funds in the health care system. The predominantly lump sum insurance products (hospital daily fees, sick pay, dread diseases) do not cover all groups of insurance holders. The PSZÁF publishes statistics only in relation to independent sickness insurance (50 thousand policies, HUF 8 billion in premium revenue, HUF 2.5 billion in claims payments), but not in respect of life insurance supplementary products. Nevertheless, our estimate is supported by several sources, that payments amounting HUF 10 billion were made in 2009 in this sector.

Household co-payments, i.e. direct household contributions paid on-the-spot at OEP service providers, are most difficult to measure. Co-payments may cover charges payable for medication in pharmacies, the purchase of medical devices provided with social insurance support and contributions paid at thermal baths. We estimated this amount to equal HUF 300 billion by calculating the volume of co-payments related to the appropriate expenditure side of the OEP. Gratuities belong to the co-payment category. We estimated the HUF 76 billion value for 2009 by adjusting it to inflation on the basis of the Patika Fund-Corvinus study conducted in 2008.

The results of the Patika-Corvinus study serve as a basis for interpreting the role of private funds in the Hungarian health care system. As the key conclusion drawn in the survey, patients reported that they provide gratuities because in their experience, in most cases they receive better care in state-financed health care institutions (more attention, no waiting, better conditions). This experience becomes part of a vicious circle, and the provision of gratuities becomes inevitable in similar future cases. In this respect hospital patients are endangered in particular, because every second patient provides gratuities in this belief ([www.patikapenztar.hu](http://www.patikapenztar.hu)).

Based on the approach applied by the study, the role of private funds acquires a new meaning in Hungarian health care: Private funds ensure access to state services, simultaneously evening out any market imbalances.

This claim becomes apparent when matching the marketing mix elements of services (customer, price, product, sales channels, employees, advertising, process, tangible elements) with specific concepts of Hungarian health care.

Gratuities play a major role in increasing the effectiveness of sales channels, e.g. if they target the recommendation of a physician. Savings in voluntary funds can support access to products of higher quality. The burden-bearing capacity of households plays a role in setting the prices of state health care, which can be bolstered by the claims payments of private insurers and even by voluntary funds. Comfort is one of the most tangible elements of a state hospital, which can be developed through hospital hotel service products.

The examples are endless, but all claims substantiate the assumption that private funds in health care create a balance in an economic sense, and support the balancing point that is so important in the operation of the systems involved.

On the basis of the above, we can understand why the eradication of gratuities from the system is so great a challenge, and why it is possible only through external obligations (e.g. top-up of the loss of HUF 76 billion from other sources, taxation of gratuities).

The author is president of the Association of Hungarian Voluntary Health Funds.