

Derleme / Review Article



Kıbrıs'taki sağlık sistemi reformu: Denemeler ve iyileştirmeler

Cyprus' health system reform: Trials and tribulations

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ÖZET

Kıbrıs, son 25 yıl boyunca bu görev için harcanan önemli mali kaynaklara, 2001 Ulusal Sağlık Sigortası Kanunu'nun (USSK) kabulüne ve Sağlık Sigortası Organizasyonu'nun (SSO) kurulmasına rağmen, sağlık reformlarını hayata geçirmeye çalışmakta başarısız olmuştur. Bu makale, önerilen sağlık sektöründeki reformların uygulanmamasının nedenlerini ortaya koymayı ve engellerin üstesinden gelmenin olası yollarını önermeyi amaçlamaktadır. Yazarlar, Cumhuriyet Başkanları ve Sağlık Bakanları, başlıca kurucu figürler ve sendikalar ve işveren temsilcileri, sağlıkta baskı grupları, sağlık çalışanları gibi politikacılar ile yarı yapılandırılmış görüşmeler yoluyla bu soruna niteliksel bir yaklaşımda bulunmayı seçmişlerdir. Buna ek olarak, veriler Kıbrıs Sağlık Bakanlığı kayıtlarından alınmıştır.

Bu çalışmanın sonuçları, Kıbrıs'ta hükümet veya devlet mekanizmasının önerilen Ulusal Sağlık Sigortası Kanunu'nun uygulanabilir olduğuna inanmadığını ve dolayısıyla Kıbrıs'taki Ulusal Sağlık Sisteminin uygulanmasıyla çıkarları tehdit altındaki paydaşlarla çatıştığını ortaya koymaktadır. Sigorta şirketleri ve yüksek gelirli doktorlar, hükümetler üzerinde Ulusal Sağlık Sigortası Programı'nın uygulanmasını durdurmak için baskı uygulamaktadır. Vergi kaçakçılığı, Sağlık Sigortası Organizasyonu'nun teknik uzmanlığının eksikliği ve inceleme döneminde gerçekleşen üç büyük olay, yani Avrupa Birliği'ne giriş, Avrupa Ekonomik Alanı (AEA) ve mali kriz, tüm girişimlere son vermiştir. Gerekli fonlar sağlanmış olmasına rağmen altyapı geliştirilememiştir. Sonuç olarak, devlet hastanesi özerkliği kurma planı, reformları uygulamak için yapılan tüm girişimlere son verilmiştir.

ABSTRACT

For the past 25 years, Cyprus has been unsuccessfully trying to implement healthcare reforms, despite the significant financial resources spent on this task, the enactment of the 2001 Law of the National Health Insurance Scheme (NHIS) and the establishment of the Health Insurance Organization (HIO) with the mission to implement a National Health Insurance Scheme in the country. This paper aims to trace the causes of failure to implement proposed reforms in the healthcare sector, and suggest possible ways to overcome the barriers. The authors have chosen to take a qualitative approach to this investigation through semi-structured interviews with politicians such as Presidents of the Republic and Ministers of Health, main constituent figures and representatives of trade unions and employers, pressure groups in healthcare, health workers. In addition, the data were drawn from the records of the Cyprus Ministry of Health.

The results of this study reveal that no government or state mechanism in Cyprus has believed in the viability of the proposed NHIS and thus has been in conflict with stakeholders whose interests have been threatened by the implementation of the National Health System in Cyprus. Insurance companies and doctors with high income, exercise pressure on governments to withhold the implementation of the National Health Insurance Scheme. Tax evasion, the lack of technical expertise by the HIO and the three major events that took place during the review period, namely the accession to the European Union, the European Economic Area (EEA) and the financial crisis, put an end to all attempts to implement the reforms. Although the necessary funds were made available, no infrastructure was developed. As a result, the plan to establish state hospital autonomy was proclaimed the most important barrier to the implementation of the reforms.

INTRODUCTION

The health system of Cyprus is facing many problems and this is confirmed by studies carried out by foreign experts for the Ministry of Health. In 2001, the law on the introduction of a national health insurance system passed in Cyprus. Despite the efforts made,

including the establishment of the Health Insurance Organization (HIO), the appointment of the NHIS Implementation Team, the recruitment of foreign experts to help implement the NHIS, no steps have been taken to improve the system. On the contrary, the system is getting worse, and the daily media coverage of the issue are the best to attest.

The most significant and most straightforward conclusion of this study is the insecurity and fear of failure that accompanies the introduction of the National Health Insurance Scheme (NHIS) in Cyprus, and it is what forced all five presidents of the Republic in recent years to pause the reforms. The role of the HIO Board of Directors and the absence of a Project Management Team have been important factors alongside the approach looking to avoid conflict with stakeholders, tax evasion in the private sector, and weakness of the state mechanism. Under these conditions, the project is not feasible. That is why new ideas are being made, such as the autonomy and accreditation of public hospitals and the reorganization of the Ministry of Health to take place before any attempts to introduce NHIS. A study on the operation of the private sector would help us to better understand the problem.

With all the above in mind, the authors decided to dedicate the PhD degree dissertation (from which this article is derived) to the study of the reasons why the reforms were not implemented, despite the passing of the law. The study includes a literature review, qualitative research among major contributors, a focus group, and a study of unpublished studies/writings on the topic, available at the Ministry of Health. The answer is not simple. It is complex and multidimensional resembling health systems.

LITERATURE REVIEW AND DISCUSSION

The literature review shows that in 5 of the 12 analysis studies, the factor 'cost' is considered a major cause of delay in the implementation of the NHIS [1] [2] [3] [4] [5]. Specifically, the government's concerns about the cost of health reforms are proclaimed as a reason for the continued postponement of the implementation of these reforms over time. In the same perspective, the current economic crisis appears to play a significant role in further delaying the implementation of the NHIS, as the burden of the factor 'cost' has heavily increased, as it appears in 6 of the 12 studies reviewed [6][1] [2][7] [4] [5].

Subsequently, the country is bound by a Memorandum of Understanding, imposing financial constraints and specific obligations with regard to the structure and operation of the health sector, among other things, which creates additional problems to the implementation of the NHIS, as it is explained in 4 of the 12 studies [8] [9] [10] [11]. More specifically, in 3 of the studies [8] [9] [10], it is stated that some proposals of the Troika and the Memorandum work against the universal coverage of the population, which is the main objective of the NHIS, whereas in the most

recent study reviewed [11], it is specifically mentioned that the implementation of the NHIS remains on hold on account of the Troika's request for an updated study on its implementation, according to a statement by Deputy Minister of Health, Mr Constantinos Petrides. According to 3 of the 12 publications reviewed [1] [4][5], one of the main reasons underlying the delay in the implementation of the NHIS is the fact that the introduction of a new health system involves competitive procedures, which are particularly time consuming to an often unpredictable extent.

Apart from the above factors, which have contributed to the delay in the implementation of the NHIS, particularly in light of the economic crisis, the studies elaborate on more, mainly administrative, causes for the existing situation. One such factor, as developed in 2 studies, is the excessive development of the private healthcare and insurance sector [12] [2]. More specifically, it is mentioned that the development of the private sector has created conflicting interests with regards to implementing healthcare reforms, so the NHIS, being a radical change in the health system is expected to face strong resistance. In addition, it is stated that citizens conclude that there is insufficient pressure on the government to adopt a universal health plan, due to the relatively low cost of private healthcare [12].

On the other hand, not only does the private sector create barriers to the implementation of the NHIS, but the public health sector is also criticized in 2 of the reviewed articles [12] [13]. The first study [12] points to the obsolete way of running/administering the hospitals and the strange functional structure of the Ministry of Health of Cyprus as important issues in delaying the implementation of the NHIS, while the most recent study [13] states that the reorganization of public hospitals has not evolved as expected, as consensus is sought between the main stakeholders. In addition, a more recent study [2] pointed out the deadlocks in the implementation of the NHIS on occasion of the resignation of the Head of the HIO in March 2011, and the significant postponements in the appointment of a new Head.

Finally, in 3 of the reviewed articles [13] [2] [5], another group of factors contributing to the delay in implementing the new health system is the delay in implementing the individual prerequisites for the launch of the NHIS. These factors include the reorganization of public hospitals, the introduction of an information system and delays in price standardization for different therapies.

OVERVIEW OF THE PERCEIVED REFORMS FAILURE

From the very outset, the qualitative research showed that the causes of failure could be grouped in five axes.

- (a) Political,
- (b) Financial,
- (c) Social,
- (d) Pressure and interest groups, and
- (e) Administrative environment

The political axis is dominated by uncertainty and the fear of failure which forced all the three Presidents of the Republic, still alive and interviewed for the purposes of this study, not to push forward the implementation of NHIS. The four governments who succeeded one another and were responsible for the implementation of the reforms come from all political parties, a proof that the failure to implement the reforms was not related to any political ideologies, since basically all the political parties governed the island. The analysis showed that the governments do not believe in the viability of the NHIS and thus avoid coming into conflict with the stakeholders involved. For this, competent technocrats and “mighty” ministers are needed. Ministers are dependent on and adapt to the demands of those who control them and those to whom they answer.

On the economic front, tax evasion by the different stakeholders, is a major cause and explains why the private sector does not agree with the implementation of the NHIS. The private-sector physicians especially those with very high incomes, private insurance companies, clinical laboratories, pharmaceutical companies and independent pharmacists are those who stand to lose the most from the proposed reforms. None of them wants the new structures, the transparency with regards to income declarations and medical operations, as well as the power of monopsony given to the HIO. In fact, there was no economic barrier to the implementation of NHIS. “When we started studying it, we were at a stage of the economic miracle, we could have applied it then” (Moyses, SEK). Neither did the implementation need money that were not available. What one finds is the prevailing fear whether such a great project will succeed or fail.

Another parameter, the employers, who ex position exert great pressure on individual rulers, “in public, they want it, but in private they say that their own contribution will increase the production cost” with all the consequences it implies. Finally, private insurance companies have exercised and continue to exert unbearable pressure on the present government,

but also on the former, to adopt the multi-insurance system.

After the financial crisis, the conditions are truly difficult. The per capita income has shrunk to a large extent, therefore access to health services, and especially for patients with chronic diseases, is greatly unequal. Today, the system is funded by the patients themselves. The State contributes to health up to only 45% of the total expenditure, which is considered regressive, anachronistic and dangerous for the family budget.

The involvement of the society and organized groups has not been able to help promote the goal. The blue collar workers' trade unions, which represent the majority of the citizens, did not exercise any influence at all for the promotion of the NHIS. They have their own medical funds, and although they unconditionally support the NHIS, they have not, besides blasting excitements, exerted the expected pressure on political developments. Agricultural organizations with serious political influence have also not tried to overtly support the pro-health plan forces.

Each year, pensioners' trade unions through their confederation declare themselves in favour of the health plan without yet using any other of their events to put pressure on decision-makers. On the other end, the employers' organizations and the official medical association publicly accept the NHIS, but in the background they fight it, realising that their financial interests will be affected. The employers' side considered and considers that a negative position would not be socially understood or accepted and takes a positive stance when participating as a member of the Board of Directors in the HIO, but claims labour costs elsewhere.

Today, the medical sector reacts on the one hand but at the same time also “pushes” for the implementation of such a system. But what prevails is that the medical sector does not collaborate to implement reforms. Government officials are comfortable with the status of permanence that a civil servant position offers to them and individuals are satisfied with a status quo that allows them to offer services without any control. Private doctors are afraid that they will lose part of their revenue, that their fees for specific medical operations will be reduced with the introduction of NHIS.

In the 17-year period from the passing of the law to date, three major historical events have significantly influenced the progress achieved with regards to the implementation of the NHIS. The Cyprus accession to the European Union in 2004 and the struggle to keep the economy at Maastricht levels. In 2007, Cyprus

joined the EMU making a gigantic effort to meet the criteria. Over the next four years, Cyprus faces the economic crisis which has significantly delayed the consolidation of all resources and forces working for the NHIS.

The social axis in the NHIS issue is confused, often disorganized and has not exercised the required influence to promote the NHIS. On the axis of the Pressure and Interest Groups, the financial interests of a part of health care providers are enormous, just like the pressures they exert in every direction to avoid the introduction of the NHIS.

A group of interests that unfold every time reforms are being promoted are the health workers' interests. A large portion of doctors do not want to have the NHIS because what they are earning today is enough and convenient. The "losers" from the NHIS, whose interests are affected, are private sector "big doctors", clinical laboratories, pharmaceutical companies, all those who do not want transparency in incomes and medical acts. The "big doctors" influence the decisions of the political party they support, forcing them, in one way or another, to block the reforms.

In the negotiations, PASYDY's official statement was... "No sir, we are public employees, we have free medical care from our employer and we are not discussing the reforms". The Pancyprian Association of Private Doctors clearly and openly speaks for the introduction of a multi-insurance system. They do so because they do not want the monopsony and reforms.

The opposition expressed by employers' organizations (OEB, CCCI) is ideologically related to the interests of their members, who in this case are pharmacists, pharmaceutical industries, clinical laboratories, private clinics and hospitals. All of them, acting under the umbrella of their organizations express in one way or another opposition to changes likely to affect their interests.

Assessing the impact of the interests and pressures on the implementation of the NHIS, it is clear that the interests are numerous and play at different levels. More people stand to lose from the introduction of the NHIS and fewer stand to earn, besides the citizens for whom NHIS should be implemented. That is why the pressures are more directed against the introduction of the NHIS.

It is generally accepted that health services in Cyprus do not meet the citizens' needs for health care. The major problems that the system faces are summarized in the archaic structure of the Ministry of Health, the vertical separation of the public and the private sector,

the centralization in the management of health services and the large inequalities in access to and provision of health services. In addition, lack of specialized staff in the areas of management culture, administration and health finance, worsen even more the present status. The results of the survey clearly show that very few people perceive the importance of the administrative environment as one of the key pillars with the most important role in the implementation of health reforms.

The focus group, consisting of doctors from various specialisations who will work in the Primary Healthcare (PHC), has come to more or less the same conclusions that we got from the interviews. However, they have given special emphasis on issues such as the fear of failure. The Cypriot culture which the present system satisfies, there is great resistance to change and a lack of coordination between the Ministry of Health and HIO. They recognize that the issue is complex and complicated, that bureaucracy has played its role as well as bad planning. They also highlight the lack of qualified people on issues such as health economics, health services, and the lack of statistical data.

CONCLUSIONS AND SUGGESTED ACTIONS

The weakness of the state mechanism and the administrative system in general will be a constant impediment to the progress of the project. Pressure and interest groups that oppose to the reforms have a strong influence on decision-makers and block the reforms. Large funds were spent on reorganizing the Ministry of Health and hospitals without producing the slightest outcome. No infrastructure project was implemented and there was no adequate coordination between the Ministry of Health and the HIO. For no reason, the training of family doctors with the University of Surrey which was the only related infrastructure project stopped. The Finance Ministers "have distanced themselves from the project" and have ceased to participate and support the task of implementing the NHIS. Private insurers have exerted unbearable pressure on the current government to introduce the multi-insurance system. The latest modifications to the NHIS law (September 2017) will have a major impact on the cost of the NHIS because it basically removes the referral & gate keeping, which is the backbone of NHIS.

Following autonomy, public hospitals may face unpleasant situations and even be forced to close, if there is no proper reform and if the free competition which they will face with the introduction of the NHIS is not taken into consideration. With the introduction of the NHIS, public doctors working in the PHC should

be able to merge with private individuals; otherwise they run the risk of under-functioning. The health sector is trapped. Every five years, the government changes and promises are made as to solving the problems through the introduction of the NHIS; all problems that may arise in the health sector are moved to the calendar with the tag to be solved by the NHIS. The current state of affairs cannot continue because the system is deteriorating and the needs of citizens are not met. Inevitably, if there are no fundamental changes and soon, the social web will react with unpredictable political costs and consequences. There has never been any kind of accountability for anyone with regards to any omission or inaction after the decision to implement the NHIS Law.

Since 2001, 10 ministers have passed through the Ministry of Health and have remained in this position for an average of 18 months each. Health reforms, long due for implementation is timeless, continuous and vital to society, complex and multidimensional. All public announcements seem to point to the need to create a Project Management Team, which, based on its experience and knowledge, will co-ordinate and promote the reforms, until the NHIS is fully implemented. This group, due to the gravity of the project, is considered the largest since the Declaration of the Republic of Cyprus and will be accountable to the Council of Ministers. At the same time, it will undertake the responsibility of proposing immediate measures to improve the current health system, always aiming at the implementation of the NHIS.

Public hospitals are collapsing because their funding has been sharply reduced. Lack of staff, equipment, consumables, endless waiting lists for laboratory tests and surgery are some of the major problems they face. Immediate treatment of weaknesses with microsurgical interventions is needed to solve the urgent problems and to improve the long-standing problems in the medium term. The **accreditation** of public hospitals would be the solution to the problems they face, since in order to be accredited they should meet all the criteria set by the accreditation body. Successful accreditation means that hospitals can easily withstand the competition with private hospitals.

The issue of primary healthcare should be discussed from the beginning. The training courses should restart for all the doctors who will contract with the HIO.

An initial reconsideration of the NHIS will be necessary to know the total cost of the new system, after the changes made to the legislation. Otherwise, it is like driving a Boeing 717 without a navigation rudder. The State should realize that it will contribute at least

20% more than its current expenditure on health in order for the NHIS to work. Few really know what the NHIS is. Therefore, the Ministry of Health should create a Promotion Team which will be responsible for explaining the NHIS to all organized groups and the general public, as well as the advantages/disadvantages it entails. The Ministry of Health itself should be immediately reorganized on the basis of the suggestions made by the experts, available in the various studies carried out on the matter.

In the absence of directives and regulations, the private sector provides the system with more health services than the public sector, while there is no quality control of the services offered. The workload is not recorded and large amounts are not reported in income tax. Also, there are networks that refer patients to specific clinical laboratories and radiotherapy centres resulting in induced demand for services. A study on how the private sector works would be most beneficial in improving the quality of the services offered and suppressing tax evasion. Also, an audit by the Auditor General about the money spent on the preparation of the infrastructure and the operation of the NHIS would specify the reasons why the projects were not promoted in order not to repeat mistakes.

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