KEY QUESTIONS REGARDING THE UNINSURED PERSONS IN BULGARIA

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Abstract

The paper is devoted to the analysis of some of the key issues concerning the persons without health insurance in Bulgaria. These questions always generate a strong response in society. Many publications and discussions are dedicated to the current solidarity model of health insurance in Bulgaria. Specifically, this paper analyzes the profile, causes and problems related to the uninsured persons in the country. These are important issues for debate that need to be addressed.

Keywords: *Uninsured persons, Health insurance, Solidarity model, Bulgaria, Problems regarding uninsured persons*

1. INTRODUCTION

According to the current legislation in the Republic of Bulgaria, there is a solidarity model of health insurance system in the country. This is, in practice, a public system in which every Bulgarian citizen who is over 18 years of age and has not acquired the right to a pension, regardless of whether he/she works or not, participates in it with regular contributions, depending on his/her income and enjoys medical assistance and healthcare he/she needs. "The model is a system in which every citizen of society is obliged on a joint basis to participate with regular contributions related to the person's income, but not to the amount of healthcare that the person receives when necessary."[1]

According to the Law on Health Insurance (LHI), in Bulgaria "health insurance is the activity of collecting health insurance contributions and premiums, managing the collected funds and spending them for the purchase of health activities, services and payment of goods provided for in this law, in the national framework contracts (NFCs) and in the insurance contracts. Health insurance is compulsory and voluntary."[2]

Compulsory health insurance is an activity of managing and spending the funds from mandatory health insurance contributions for the purchase of health activities, which is carried out by the National Health Insurance Fund (NHIF) and its territorial divisions – Regional Health Insurance Funds (RHIF). Compulsory health insurance provides a package of health activities guaranteed by the NHIF budget.[3] The collection of funds from the compulsory health insurance contributions, which are determined by law, is carried out by the National Revenue Agency (NRA)[4].

As defined in Art. 5, para. 3 of the Law on Health Insurance[5], one of the principles of compulsory health insurance is the solidarity of the insured persons in the use of the collected funds.

According to the National Health Insurance Fund (NHIF), solidarity in Bulgaria is based on redistribution "from the healthy to the sick, from the rich to the poor, from the young to the elderly".

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[1] Ministry of Finance of the Republic Bulgaria, *Financing and management of health care. Theoretical foundations, problems and trends*, Microeconomic Analysis Department, Budget Directorate, Sofia, p. 8. [in Bulgarian]
[2] Op. cit.
[3] Art. 2. (Amended - SG No. 101 of 2009, in force from 18.12.2009), para. 1. (Amended - SG No. 48 of 2015) of the Law on Health Insurance, Promulgated, State Gazette, No. 70 of 19.06.1998, reflected the denomination of 05.07.1999, <https://lex.bg/laws/ldoc/2134412800> [in Bulgarian]
[4] National Revenue Agency, 2024, "Health insurance", <https://nra.bg/wps/portal/nra/osiguryavane/zdravno-osiguryavane> [in Bulgarian]
[5] Law on Health Insurance, Promulgated, State Gazette, No. 70 of 19.06.1998, reflected the denomination of 05.07.1999, <https://lex.bg/laws/ldoc/2134412800> [in Bulgarian]

As defined in Art. 3. of the LHI, voluntary health insurance is a risk-taking activity related to the financial provision of certain health services and goods against the payment of premiums, based on insurance contracts.[6]

According to data from the Ministry of Finance of the Republic of Bulgaria, over 700,000 people who are subject to compulsory health insurance in Bulgaria have their rights suspended due to non-payment of their due personal health insurance contributions. The reasons for this are varied, but the result is a financial deficit in the system.

This current paper analyzes the profile, causes and problems related with the uninsured persons in Bulgaria. These questions always generate a strong response in society. Many publications and discussions are dedicated to the active solidarity model of health insurance in Bulgaria.

The structure of the paper is as follows: Section 2 is devoted to the specific features of the health insurance systems. Section 3 describes the profile, causes and problems related to the persons without health insurance in Bulgaria. Finally, the paper ends with summarizing the results from the study.

2. SPECIFIC FEATURES OF THE HEALTH INSURANCE SYSTEMS

Healthcare systems are organized and financed in different ways across the EU member states, but universal access to quality healthcare, at an affordable cost to both individuals and society at large, is widely regarded as a basic need.[7] This is one of the common values and principles of EU healthcare systems.

Both in Bulgaria and globally, there is a trend of constant and stable growth in the volume and value of health services due to the aging of the population, economic crises, adverse events (shocks), epidemics/pandemics and other factors.

The basis for the construction of the health insurance systems of the European Union (EU) member states are the formed historical, political, cultural, socio-economic and political facts.[8]

In the early 1990s, the countries of Central and Eastern Europe undertook radical changes in their healthcare systems. In the spirit of this trend, albeit a little later, Bulgaria transformed its health system from the Semashko model (with state public funding)[9] to a system of mandatory social health insurance (a health insurance model typical of many countries in Western Europe).[10] A series of laws were passed: the Law on Health Insurance[11], the Law on Medical Institutions[12], the Law on the State Organizations of Doctors and Doctors of Dental Medicine[13], etc. At the next stage, the need to unify the Bulgarian legislation with the European legislation required legislative changes regarding the activity of the health insurance companies.

[6] Art. 3. (Amended - SG No. 101 of 2009, in force from 18.12.2009, Amended - SG No. 60 of 2012, in force from 07.08.2012) of the Law on Health Insurance, Promulgated, State Gazette, No. 70 of 19.06.1998, reflected the denomination of 05.07.1999, <https://lex.bg/laws/ldoc/2134412800> [in Bulgarian]

[7] European Commission, 2022, "Healthcare expenditures statistics", November <https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Healthcare_expenditure_statistics#Healthcare_expenditure>

[8] Stamenov, K 2013, *Economic aspects of medicine policy of four psychiatric hospitals in the conditions of financial crisis*, Abstract of PhD dissertation, Medical University of Sofia, Faculty of Public Health, Department of Healthcare Economics, Sofia, p. 9. [in Bulgarian]

[9] While during the centralized planned economy in Bulgaria, the state healthcare model operated, in the USA, for example, in 1960s over 68% of the U.S. population was estimated to have some form of private health insurance: an astronomical growth from the 1940 numbers. (Subharwal, N 2023, "The History of Health Insurance: Past, Present, and Future", *Insurance Journal*, January 25, 2023 <https://www.insurancejournal.com/blogs/agentsync/2023/01/25/703832.htm>)

[10] Prodanova, Y 2017, "What types of health insurance are there?", 29.05.2017, Clinica.bg, <https://clinica.bg/2308-kakvi-modeli-na-zdravno-osigurqvane-ima> [in Bulgarian]

[11] Law on Health Insurance, Promulgated, State Gazette, No. 70 of 19.06.1998, reflected the denomination of 05.07.1999, <https://lex.bg/laws/ldoc/2134412800> [in Bulgarian]

[12] Law on Medical Institutions, Promulgated, State Gazette, No. 62 of 9.07.1999, reflected the denomination of 05.07.1999, <https://lex.bg/laws/ldoc/2134670848> [in Bulgarian]

[13] Law on the State Organizations of Doctors and Doctors of Dental Medicine, (Title Amended - SG No. 76 of 2005, in force from 01.01.2007), <https://lex.bg/bg/laws/ldoc/2134419457> [in Bulgarian]

According to Ninov & Ninova (2023): "The health insurance market as we see it today is the result of several processes, but three of them are particularly important: the process of relicensing social health insurance companies; the attempt to involve insurance companies as an active party within the social health insurance model operating in Bulgaria and the COVID-19 pandemic. These processes can be defined as key "catalysts" for health insurance market development."[14]

The sources of financing the healthcare system in Bulgaria are divided into two main groups – public and private funds. Most often, a combination of the two sources is observed in a different ratio due to the fact that the state, through the institutions responsible for healthcare, necessarily retains its role and commitment to develop the system, financing it with public funds.

The sources of financing the healthcare system (separated into two main groups – public and private funds) are the following[15]:

1. Taxes;
2. Funds from the social health insurance system – social health insurance (SHI) contributions;
3. Funds from private health insurance funds;
4. Personal funds of citizens – direct or out-of-pocket (OOP) payments.

Private health insurance is offered by private insurance companies and covers on a voluntary basis those wishing to insure themselves. Employer-provided insurance refers to private health insurance, but many professionals tend to separate it into a separate type of health insurance.[16] Private health insurance includes voluntary health insurance (VHI) premiums, corporate payments, donations, as well as external funding.

Most often there are combinations of the above four separate sources of funding in different ratios. "The reason is that the state necessarily retains its role in healthcare financing, even to a limited extent in some systems. The share of each funding source gives an idea of the competitive structure of the system and defines the main types of healthcare models that are applied in the world"[17].

As T. Hristova (2021) says, "health insurance in Bulgaria is a complex system of connections, dependencies and mechanisms. One of the main mechanisms that predetermines the state of the health insurance system is the model of its financing."[18]

Bulgaria has a mixed public–private health care financing system. The health insurance system is based on a compulsory social health insurance scheme, such as voluntary health insurance (VHI) plays a minor role. As Dimova et al. (2022) argue VHI accounts for a minimal share of health financing.[19]

"In the social health insurance system, the National Health Insurance Fund (NHIF), through its branches of 28 Regional Health Insurance Funds, is the only purchaser of health services. State health policy is guided by the Council of Ministers, and the Ministry of Health is responsible for the overall management of the health system. This includes the elaboration of health legislation, the coordination and control of the various subordinate bodies, and the planning and regulation of health service providers. At the

[14] Ninov N, Ninova, V (2023), "The Effect of the COVID-19 Pandemic on the Health Insurance Market in Bulgaria: Empirical Analysis of Market Concentration", *Optimizing Energy Efficiency During a Global Energy Crisis*, IGI Global Publishing, <DOI: 10.4018/979-8-3693-0400-6.ch011>

[15] Ministry of Finance of the Republic Bulgaria, *Financing and management of health care. Theoretical foundations, problems and trends*, Microeconomic Analysis Department, Budget Directorate, Sofia, p. 8. [in Bulgarian]

[16] Angelov, V 2018, *Health insurance in Bulgaria – development, attitudes, satisfaction and evaluations*, Abstract of PhD dissertation, Medical University – Varna, Faculty of Public Health, Department of Social Medicine and Healthcare Organization, Varna, p. 9. [in Bulgarian]

[17] Ministry of Finance of the Republic Bulgaria, *Financing and management of health care. Theoretical foundations, problems and trends*, Microeconomic Analysis Department, Budget Directorate, Sofia, p. 8. [in Bulgarian]

[18] Hristova, T 2021, *Financing of health insurance in Bulgaria – problems, trends and directions for improvement*, Abstract of PhD dissertation, University of National and World Economy (UNWE), Finance and Accounting Faculty, Finance Department, Sofia, p. 4. [in Bulgarian]

[19] Dimova A, Rohova M, Koeva S, Atanasova E, Koeva-Dimitrova L, Kostadinova T, Spranger A, Polin K 2022, *Bulgaria: Health System Summary, 2022*. WHO Regional Office for Europe on behalf of the European Observatory on Health Systems and Policies, Copenhagen, p. 4, <https://iris.who.int/bitstream/handle/10665/365286/9789289059299-eng.pdf?sequence=1>

regional level, public health policy is organized by the Regional Health Inspectorates (RHI), which are the local bodies of the Ministry of Health."[20]

According to K. Stamenov (2013), regarding the source of funding, healthcare systems are classified into four types[21]:

1. State public health care system (so-called egalitarian system);
2. Liberal system (predominant private sector);
3. Health insurance system (so-called social health insurance);
4. Mixed system.

In the first type – the state public healthcare system – "the access to health services is determined by the health needs of the population and the humane motives of the health system and its specialists. Financing is done from the state budget. This type of health care has been built in Sweden, Denmark, Spain, Great Britain, Canada, etc. The system has the ability to offer an almost uncontrollably large number of health services. In addition, the system allows patients to seek medical care when there is insufficient available health care need. Doctors do not always take into account the actual costs of medical treatment of patients. The salary of medical labor is not particularly high. The weaknesses in this health care system are directly related to the lack of good management in the health sector."[22]

With the beginning of the planned changes in the Bulgarian health insurance system in the late 90s, the understanding of reducing the role of the state in the management, regulation and control of the emerging health market became necessary.[23]

According to K. Stamenov (2013), in second type system – the liberal system – "the access to health services is determined by the possibility and willingness to pay for them. Responsibility for the quality of services is supported by the profit motive. An example of such healthcare system is the USA. The system provides a lot of freedom to doctors, which is beneficial to them, and therefore there is an oversupply of health services. In order to maintain the level of profitability, access to the medical profession is difficult and limited."[24]

The third type – the health insurance system or the so-called social health insurance – is well developed in Germany, Italy, France, Austria and other countries.[25] Social health insurance is the dominant model for providing healthcare services in the European countries.[26] The compulsory health insurance scheme provides a basic package of healthcare services guaranteed by the state through the NHIF. Bulgaria's social health insurance delivers services through a mix of public and private providers. Voluntary health insurance (VHI) plays a negligible role.[27]

[20] OECD/European Observatory on Health Systems and Policies, 2021, *Bulgaria: Country Health Profile 2021, State of Health in the EU*, OECD Publishing, Paris/European Observatory on Health, Systems and Policies, Brussels, p. 8.
[21] Stamenov, K 2013, *Economic aspects of medicine policy of four psychiatric hospitals in the conditions of financial crisis*, Abstract of PhD dissertation, Medical University of Sofia, Faculty of Public Health, Department of Healthcare Economics, Sofia, p. 8. [in Bulgarian]
[22] Op. cit., pp. 7-8.
[23] Hristova, T 2021, *Financing of health insurance in Bulgaria – problems, trends and directions for improvement*, Abstract of PhD dissertation, University of National and World Economy (UNWE), Finance and Accounting Faculty, Finance Department, Sofia, p. 5. [in Bulgarian]
[24] Op. cit., p. 8.
[25] Stamenov, K 2013, *Economic aspects of medicine policy of four psychiatric hospitals in the conditions of financial crisis*, Abstract of PhD dissertation, Medical University of Sofia, Faculty of Public Health, Department of Healthcare Economics, Sofia, p. 8. [in Bulgarian]
[26] Ministry of Finance of the Republic Bulgaria, *Financing and management of health care. Theoretical foundations, problems and trends*, Microeconomic Analysis Department, Budget Directorate, Sofia, p. 7. [in Bulgarian]
[27] OECD/European Observatory on Health Systems and Policies (2023), *Bulgaria: Country Health Profile 2023, State of Health in the EU*, OECD Publishing, Paris <https://doi.org/10.1787/8d90f882-en>

The goal of the social health insurance system is to greatly minimize the cost of healthcare at the micro level, but it encounters a serious difficulty due to the inability to control the high costs at the macro level, which is related to the inability to control the quantities of healthcare services offered.[28]

However, the social health insurance has certain objective imperfections, some of which are the following[29]:

- Pro-inflationary nature: health contributions are not tied to the real cost of the health services delivered, with a tendency to objectively increase the price over time. The overuse of health services also contributes to the constant increase in prices and hence the healthcare expenditure.
- Induced demand: it is realized due to information asymmetry in the market of health services between patient and doctor, between insurance institution and patient, as a result of which the leading position of medical service providers in determining the volume of market consumption is strengthened.
- Payment for the delivery of the health service is not related to the quality of the service, as a consequence of the financial mechanism of equalization of consumption.

According to K. Stamenov (2013), the most widespread is the fourth type of system – the mixed one. The ways in which mixing of the systems is done are the following[30]:

1. Mixing a system with combined principles;
2. Mixing of two independently acting systems, in which neither one of them does not have a dominant role;
3. Mixing one system with a dominant role and another system with a secondary role.

Most often, different states most implement mixed systems of the third sub-type, where the private system dominates.

Healthcare has one of the highest shares in both the amount of public expenditure and as a share of gross domestic product (GDP) for the EU countries. "About 75-76% of the total healthcare costs are financed from public sources, which is a result of the social health insurance systems operating in these countries. In the countries of Eastern Europe and Greece, the share of public expenditure on healthcare is lower than that of the countries in Central and Western Europe, which is due both to the lower level of development of the health insurance systems in these countries, and to more the low well-being of their economies."[31]

A large number of experts in the field of healthcare believe that the current financing model of healthcare system in Bulgaria contains many shortcomings and this creates a need for its improvement. The reasons for these shortcomings are of a different nature. Mainly, they are associated with the existing demographic and economic trends.[32]

According to Eurostat, "over the last four decades, the number of deaths in the EU oscillated between 4.18 and 4.37 million until 2011, when the number started to increase, reaching 4.69 million in 2018 and 4.65 million in 2019. Then, with the outbreak of the COVID-19 pandemic, in 2020 a total of 5.18

[28] Stamenov, K 2013, *Economic aspects of medicine policy of four psychiatric hospitals in the conditions of financial crisis*, Abstract of PhD dissertation, Medical University of Sofia, Faculty of Public Health, Department of Healthcare Economics, Sofia, p. 8. [in Bulgarian]
[29] Ministry of Finance of the Republic Bulgaria, *Financing and management of health care. Theoretical foundations, problems and trends*, Microeconomic Analysis Department, Budget Directorate, Sofia, p. 8. [in Bulgarian]
[30] Stamenov, K 2013, *Economic aspects of medicine policy of four psychiatric hospitals in the conditions of financial crisis*, Abstract of PhD dissertation, Medical University of Sofia, Faculty of Public Health, Department of Healthcare Economics, Sofia, p. 8. [in Bulgarian]
[31] Ministry of Finance of the Republic Bulgaria, *Financing and management of health care. Theoretical foundations, problems and trends*, Microeconomic Analysis Department, Budget Directorate, Sofia, p. 9. [in Bulgarian]
[32] Hristova, T 2021, *Financing of health insurance in Bulgaria – problems, trends and directions for improvement*, Abstract of PhD dissertation, University of National and World Economy (UNWE), Finance and Accounting Faculty, Finance Department, Sofia, p. 4. [in Bulgarian]

million of deaths was recorded in the EU, increasing to 5.30 million in 2021. In 2022, 5.15 million persons died in the EU, showing a decrease of 2.6 % in one year. In the EU the crude death rate, which is the number of deaths per 1 000 persons, increased from 10.4 in 2019 to 11.6 in 2020, to 11.9 in 2021, and was estimated at 11.5 in 2022."[33]

For 2023 the life expectancy in the EU was estimated at 81.5 years (80.6 years for 2022, and 80.1 years for 2021, compared with the pre-pandemic level in 2019)[34], according to Eurostat data. Unfortunately, the lowest life expectancy was recorded for Bulgaria (75.8 years), Latvia (75.9 years) and Romania (76.6 years).[35]

In Bulgaria, the population is decreasing rapidly. It is indisputable that the demographic trends in Bulgaria have a negative impact on the development of the healthcare sector.

During the COVID-19 pandemic Bulgaria had reported the highest mortality rate in the EU. For example, in 2020 Bulgaria had 1,787 deaths per 100,000 inhabitants, followed by Romania with 1,622 and Hungary with 1,513, according to Eurostat data.[36] Also, Bulgaria had the highest share of deaths due to diseases of the circulatory system was observed in Bulgaria (61%) among the EU members in 2020.[37]

According to the OECD/European Observatory on Health Systems and Policies (2021), smoking, unhealthy eating habits, alcohol consumption and low physical activity account for almost half of all deaths in Bulgaria. [38] Smoking among adults and adolescents has the highest prevalence in the EU.

Almost half of the deaths in Bulgaria are related to behavioral risk factors – unhealthy diet, high levels of smoking and use of alcohol. Environmental factors are also responsible for a significant number of deaths. Air pollution is one of the causes of deaths from diseases of the circulatory system, respiratory diseases and some types of cancer.[39]

The insufficient results of some prevention and health promotion policies, combined with relatively low funding for public health, are among the reasons for the high levels of preventable mortality with good prevention in Bulgaria. The number of deaths preventable through good treatment in Bulgaria is one of the highest in the EU, which reflects the difficulties in providing efficient and timely treatment in the most suitable conditions.[40]

"Hospital care is delivered by public and private providers. Most ambulatory care facilities, including most primary care providers, are registered under the Commercial Act, although municipality and state-hospital-owned outpatient facilities also deliver specialised medical services. General practitioners (GPs) are independent practitioners under the NHIF, operating in individual or group practices, and are gatekeepers to publicly-financed specialised care."[41] Medical specialists are unevenly distributed on the territory of Bulgaria, and in some care sectors there is a shortage.

The dynamics of the death rate in Bulgaria from 2012 to 2023 (in deaths per 1,000 inhabitants) is presented in Figure 1. The death rate in Bulgaria has a smooth upward linear trend during the period 2012-2023. As can be seen, during the three years of the COVID-19 pandemic (2020-2022) Bulgaria recorded a significant higher death rate than the preceding years.

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[33] Eurostat, 2024, "Eurostat Statistics Explained, Mortality and Life Expectancy Statistics", March, <https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Mortality_and_life_expectancy_statistics>
[34] Op. cit.
[35] Eurostat, 2024, "EU life expectancy estimated at 81.5 years in 2023", 3 May 2024, <https://ec.europa.eu/eurostat/web/products-eurostat-news/w/DDN-20240503-2>
[36] BNR, 2023, "Bulgaria has the highest mortality rate in the EU: Eurostat", 3/7/23, <https://bnr.bg/en/post/101789772/bulgaria-has-the-highest-mortality-rate-in-the-eu-eurostat>
[37] Op. cit.
[38] OECD/European Observatory on Health Systems and Policies, 2021, *Bulgaria: Country Health Profile 2021, State of Health in the EU*, OECD Publishing, Paris/European Observatory on Health, Systems and Policies, Brussels, p. 3.
[39] Op. cit., p. 7.
[40] Op. cit., p. 22.
[41] OECD/European Observatory on Health Systems and Policies (2023), *Bulgaria: Country Health Profile 2023, State of Health in the EU*, OECD Publishing, Paris, p. 9, <https://doi.org/10.1787/8d90f882-en>

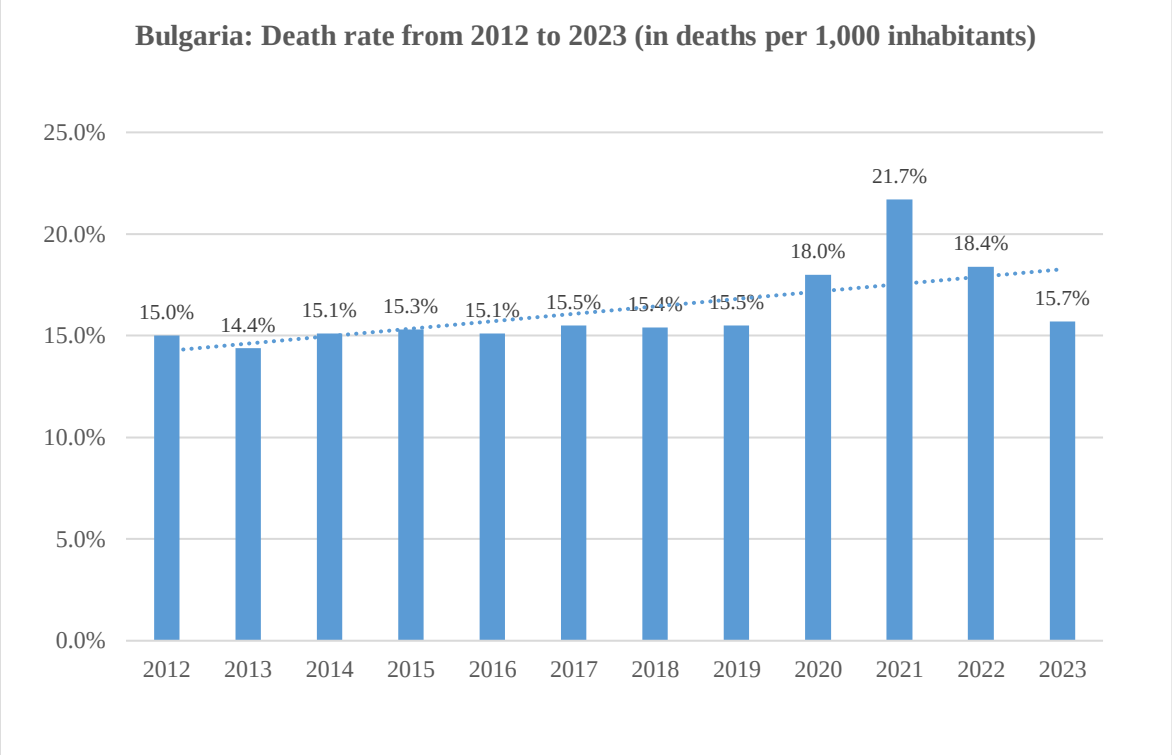

Fig. 1. Bulgaria: Death rate from 2012 to 2023 (in deaths per 1,000 inhabitants)

Source: National Statistical Institute (NSI), Statista, own estimations.

On the other hand, Bulgaria has the lowest share in the EU of spending on social protection and healthcare (as a share of GDP). The average level of spending on social protection and healthcare, measured as a share of GDP, was 8.1% in 2022, according to Eurostat data.[42] The figure reflects a decrease of 0.4 percentage points compared to the level of these expenditures in 2021. Healthcare expenditure in Bulgaria was equivalent to 8.5% in 2020.[43]

Almost all EU countries recorded a fall in their spending on social protection and healthcare in 2022 on an annual basis. The most significant decrease in healthcare costs in the EU was registered in Bulgaria (-1.1 percentage points).[44]

Healthcare expenditure per capita is constantly increasing, but is the lowest among the corresponding expenditures in the EU countries. The state's share of healthcare funding in Bulgaria increased significantly and reached its highest level in nearly two decades.

However, direct payments from patients in Bulgaria are very large. At around 38% of total healthcare expenditure, it is the highest in the EU and is mainly due to the rising cost of pharmaceutical and medicinal products and health services.[45] According to the OECD (2023), the "out-of-pocket payments are the highest in the EU"[46].

[42] 24 hours, 2023, "Eurostat: Bulgaria with the lowest share in the EU of spending on social protection and healthcare in 2022", 27.11.2023, <https://www.24chasa.bg/biznes/article/16352528> [in Bulgarian]
[43] European Commission, 2022, "Healthcare expenditures statistics", November <https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Healthcare_expenditure_statistics#Healthcare_expenditure>
[44] European Commission, 2022, "Healthcare expenditures statistics", November <https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Healthcare_expenditure_statistics#Healthcare_expenditure>
[45] OECD/European Observatory on Health Systems and Policies, 2021, *Bulgaria: Country Health Profile 2021, State of Health in the EU*, OECD Publishing, Paris/European Observatory on Health, Systems and Policies, Brussels, p. 22.
[46] [46] OECD/European Observatory on Health Systems and Policies (2023), *Bulgaria: Country Health Profile 2023, State of Health in the EU*, OECD Publishing, Paris, p. 9, <https://doi.org/10.1787/8d90f882-en>

According to Dimova et al. (2022): This is the result of cost-sharing for most services covered by the social health insurance (SHI) benefits package and direct payments for services and medicines. Although some medicines for chronic disease treatment are paid fully or partially by the NHIF, pharmaceuticals accounted for two thirds of all out-of-pocket (OOP) spending, with negative ramifications for access. Direct payments occur in three cases: 1/ for services/goods not included in the basic package at prices set by individual providers, 2/ for services/goods that are included but where patients go outside the standard public patient pathway, and 3/ for uninsured individuals.[47]

The heavy reliance on out-of-pocket payments from patients has a disproportionate impact on the low-income population, as evidenced by the catastrophic healthcare expenditure levels of Bulgarian households, most of which are concentrated in the lowest income quintile.[48]

In addition to the negative impact of direct payments on access to health services, other main challenges related to accessibility are gaps in health insurance coverage (about 15% of the population in Bulgaria do not have health insurance), limits on referrals for diagnostic tests and specialized medical care, as well as and regional differences in the availability of health personnel and medical facilities.[49]

3. PROFILE, CAUSES AND PROBLEMS RELATED TO THE UNINSURED PERSONS IN BULGARIA

The main principle is to ensure equality in the use of medical assistance. Access to medical care is a fundamental requirement of European social security systems. Within the healthcare package guaranteed by the NHIF, all citizens have equal rights to access medical care.[50]

Persons with compulsory health insurance who are insured in the NHIF in Bulgaria are the following[51]:

1. All Bulgarian citizens who are not also citizens of another country;
2. Bulgarian citizens who are also citizens of another country and permanently live on the territory of the Republic of Bulgaria – for more than 183 days during the calendar year they are on the territory of Bulgaria;
3. Foreign citizens or persons without citizenship (stateless persons) who are permitted long-term or permanent residence in the Republic of Bulgaria, unless otherwise stipulated in an international treaty to which the Republic of Bulgaria is a party[52];
4. Persons granted refugee status, humanitarian status or granted the right to asylum;

[47] Dimova A, Rohova M, Koeva S, Atanasova E, Koeva-Dimitrova L, Kostadinova T, Spranger A, Polin K 2022, *Bulgaria: Health System Summary, 2022*. WHO Regional Office for Europe on behalf of the European Observatory on Health Systems and Policies, Copenhagen, p. 6, <https://iris.who.int/bitstream/handle/10665/365286/9789289059299-eng.pdf?sequence=1>
[48] OECD/European Observatory on Health Systems and Policies, 2021, *Bulgaria: Country Health Profile 2021, State of Health in the EU*, OECD Publishing, Paris/European Observatory on Health, Systems and Policies, Brussels, p. 22.
[49] Op. cit, p. 22.
[50] National Health Insurance Fund, 2024, "About NHIF", <https://www.nhif.bg/en/about>
[51] National Revenue Agency, 2024, "Health insurance", <https://nra.bg/wps/portal/nra/osiguryavane/zdravno-osiguryavane> [in Bulgarian]
[52] According to Art. 23 of the Law on Foreigners in the Republic of Bulgaria, foreigners reside in Bulgaria:

- short-term - up to 90 days within each 180-day period from the date of entry into the country;
- long-term - with a permitted term of up to one year, except in the cases provided for in the same law;
- long-term - with a permitted initial term of 5 years and the possibility of renewal after an application is submitted;
- permanent - with an indefinite period allowed.

(Law on Foreigners in the Republic of Bulgaria, Reflected the denomination from 07/05/1999, Promulgated, State Gazette, No. 153 of December 23, 1998, <https://lex.bg/laws/ldoc/2134455296>, [in Bulgarian])
No health insurance contribution is due for foreign citizens who are staying in the country for a short or long term. They pay the cost of the medical care provided to them, unless an international treaty is in force for them, to which the Republic of Bulgaria is a party, on the basis of Art. 39, para. 5 of the LHI.
Pursuant to Art. 34, para. 1, item 2 of the LHI, the obligation to provide insurance for individuals arises from the date of obtaining a long-term or permanent residence permit.

5. Persons granted temporary protection and persons with dual Bulgarian and foreign citizenship who are not insured under the LHI. They should pay the cost of the medical care provided to them, unless: 1. an international treaty is in force for them, to which the Republic of Bulgaria is a party or 2. arrive from a country from which foreigners have been granted temporary protection.
6. Foreign citizens who have been issued a residence and work permit of the "EU Blue Card" type;
7. Foreign students and PhD students accepted for study in higher education institutions and scientific organizations in Bulgaria in accordance with the decrees of the Council of Ministers for the implementation of educational activities among Bulgarians abroad and for accepting citizens of the Republic of Macedonia as students in the state higher education institutions of Bulgaria (No. 103 of 1993 and No. 228 of 1997);
8. Persons to whom the legislation of the Republic of Bulgaria applies, according to the rules for coordination of social security systems.[53]

Pursuant to §1, item 13 of the Additional Provisions of the LHI, "insured person" is an individual insured under the terms and conditions of the LHI.[54] The status of "insured person" is acquired compulsorily by virtue of the law. In the most general case, Bulgarian citizenship is the basis for acquiring this quality and has no connection with entering into employment.

Citizens of another country can also acquire the status of "insured person" for the purposes of compulsory health insurance, but only if the conditions stipulated in the LHI.

Pursuant to §1, item 18 of the Additional Provisions of the LHI, "self-insured person" is a natural person who pays a full health insurance contribution or premium for himself/herself.[55]

Insured/self-insured are persons for whom health insurance contributions are paid and who, under certain conditions, receive relevant benefits.

According to §1, item 14 of the Additional Provisions of the LHI "insurer" is the National Health Insurance Fund (NHIF) or an insurer under Art. 83, para. 1 of the LHI.

Pursuant to §1, item 15 of the LHI, "insured" is a natural or legal person who pays in whole or in part a health insurance contribution or premium for a third party. Insured persons in the sense of the LHI are the following[56]:

- Natural or legal persons who make health insurance contributions for other persons;
- Employers/contractors who pay health insurance contributions to workers/employees/contractors working in the enterprise.

State authorities are also responsible for civil servants and persons under Art. 40, para. 3 of the LHI.

The circle of persons subject to compulsory health insurance in the NHIF is defined in Art. 33 of the LHI.

[53] See also: Regulation (EEC) No. 1408/71 of the Council of 14 June 1971 on the application of social security schemes to employed persons, self-employed persons and their families moving within the Community, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A31971R1408>; Regulation (EEC) No. 574/72 of 21 March 1972 fixing the procedure for implementing Regulation (EEC) No. 1408/71 on the application of social security schemes to employed persons and their families moving within the Community, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A31972R0574>; Regulation (EC) No. 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems (Text with relevance for the EEA and for Switzerland), <https://eur-lex.europa.eu/eli/reg/2004/883/oj>; Regulation (EC) No. 987/2009 of the European Parliament and of the Council of 16 September 2009 laying down the procedure for implementing Regulation (EC) No. 883/2004 on the coordination of social security systems (Text with relevance for the EEA and for Switzerland), <https://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX%3A32009R0987>.

[54] Sheet II. 2 of the Manual on complusory social and health insurance and guaranteed claims of workers and employees in case of bankruptcy of the employer – 2024 (National Revenue Agency, 2024, "Manual on complusory social and health insurance and guaranteed claims of workers and employees in case of bankruptcy of the employer – 2024", <https://nra.bg/wps/portal/nra/zakonodatelstvo/zakonodatelstvo_priority/ed573fc1-b387-41e0-aa1c-3ca50bb0cd3f>)

[55] Op. cit.

[56] Op. cit.

The persons who are not necessarily insured according to the LHI are the following:

- Bulgarian citizens who are also citizens of another country and permanently live outside Bulgaria – for more than 183 days during the calendar year they are outside the territory of Bulgaria;
- Persons who, according to the rules for coordination of social security systems, are subject to health insurance in another member state of the EU.[57]

"To achieve a higher level of responsibility for their health, insured citizens pay a fee when using medical services. The user fee, fixed at the LHI, is minimal and does not depend on the value of the services consumed. For each visit to the doctor or the doctor of dental medicine, as well as for daily hospital treatment, but not more than 10 days a year, the insured pay the doctor, the dentist or the medical institution the amounts determined by a decree of the Council of Ministers."[58] The health insurance contribution is the amount that a natural or legal person pays for mandatory health insurance, formed as a percentage of the insurance income determined in the LHI.

In recent years, there has been a sustained increase in demand for health and medical services, with predictions that this will continue to grow, both nationally and globally. For example, in all member countries of the Organization for Economic Co-operation and Development (OECD), the demand for health services over the last 40 years has increased at a rate that is 2 percentage points greater than the GDP growth rate (i.e. of the rate of economic growth) of these countries.[59] Some groups of citizens are exempted from paying this fee.[60]

There is already talk about the so-called "healthcare inflation", i.e. inflationary increase in the prices of health services and products, and this inflation in many countries is already higher than the core inflation indices. This leads to the problem of increasing pressure that healthcare exerts on public spending and the state budget, and the need for more funds and savings. Even if healthcare expenditure remains at a constant level in real terms, more funds or savings will be needed to pay for health services.

There are no official data regarding the number, profile and social status of the uninsured patients in Bulgaria. Also, there is a lack of official data on the strategies that these Bulgarian citizens apply for their health.

In view of the implementation of one of the main functions of the National Revenue Agency (NRA) in collecting state public receivables, also in view of the need to measure the real values of unpaid health insurances and the increased public interest in the subject, an analysis was prepared in 2014 for the health uninsured persons in Bulgaria from the "Risk Management" Directorate at the NRA.

The only publicly available data is from a written answer given by the Ministry of Finance of the Republic of Bulgaria (2019), according to which over 700,000 persons who are subject to compulsory health insurance in Bulgaria have their rights suspended due to non-payment of their personal health insurance contributions.[61] The reasons for this are varied, but the result is a financial deficit in the system.

[57] For more information, see sheet II. 2 of the Manual on complusory social and health insurance and guaranteed claims of workers and employees in case of bankruptcy of the employer – 2024 (National Revenue Agency, 2024, "Manual on complusory social and health insurance and guaranteed claims of workers and employees in case of bankruptcy of the employer – 2024", <https://nra.bg/wps/portal/nra/zakonodatelstvo/zakonodatelstvo_priority/ed573fc1-b387-41e0-aa1c-3ca50bb0cd3f>) [in Bulgarian]

[58] National Health Insurance Fund, 2024, "About NHIF", <https://www.nhif.bg/en/about>

[59] Sneader, K et al., 2010, *From austerity to prosperity: Seven priorities for the long term*, McKinsey & Company, London, McKinsey Global Institute, November, p. 53.

[60] Individual groups of citizens are exempted from paying this fee: persons with diseases identified by an National Framework Contract (NFC) list; as well as under aged, minors and unemployed family members (spouse; children up to 18 years of age; if they continue their education up to 26 years of age and if they are incapacitated or permanently disabled - regardless of age); victims of / or on the occasion of the defence of the country; war veterans, disabled soldiers; persons detained or imprisoned; the socially disadvantaged who receive benefits under the Rules for Implementation of the Law on Social Assistance; residents of centres; medical professionals, as well as pregnant women and women in childbirth up to 45 days after birth, patients with malignancies and health insured persons suffering from diseases with over 71% reduced working capacity. (National Health Insurance Fund, 2024, "About NHIF", <https://www.nhif.bg/en/about>)

[61] Ministry of Finance of the Republic of Bulgaria, 2019, "Written answer to a question regarding: Number of persons without health insurance", 28.02.2019, <https://www.minfin.bg/bg/wreply/2019-02/10627> [in Bulgarian]

In 2017, a full assessment of the current characteristics and the effect of treatment of the analyzed risk "Non-declaration and non-payment of health contributions by the obliged persons in Bulgaria" was carried out. According to this assessment, the Bulgarian citizens who are subject to compulsory health insurance in the country, but are not insured at the end of 2017, are about 719,000 people.[62]

Dimova et al. (2022) cite data by the NHIF, according to which 14.8% of the population (over 1 million people) was uninsured in 2019.[63]

On 02.06.2020, we submitted a written request to the NHIF to obtain information on uninsured patients in Bulgaria – their number, the reasons why they do not pay their health insurance contributions and how they damage the system and in particular the hospitals where they are treated.

In particular, the information we requested related to:

- Approximate number of uninsured persons in Bulgaria;
- What amount is paid to a given medical facility if such a patient is hospitalized there;
- Other information.

On 15.06.2020, we received the following written response from the NHIF, which however did not contain any information about the uninsured patients in Bulgaria. The answer we received from the NHIF was as follows:

"Dear Mr. Pramatarov,

If you wish, you can submit an application for access to public information. The sample application can be downloaded from the website of the NHIF (section "For citizens" - menu "Patients' rights and obligations" – "Access to public information").

The application is submitted in person or by post – at the Central Office of the NHIF every working day from 9.00 a.m. to 5.00 p.m. or at the Regional Health Insurance Funds (RHIF) by place of residence. The applications submitted to the RHIF are sent to the Central Office of the NHIF for consideration.

You can also send your inquiry electronically to the address: ZDOI-NHIF@nhif.bg."[64]

Another inquiry to the NHIF on the same issue by another sender was made on 15.03.2024. This inquiry was about the number of insured persons aged 18-65 and the total number of insured persons, respectively, and the number of uninsured persons between the ages of 18-65. To this inquiry, the NHIF replied as follows: "The collection and administration of the funds from the mandatory health insurance contributions, which are determined by law (Law on Health Insurance), are carried out by the National Revenue Agency (NRA) – www.nra.bg. This is the institution in whose competences are the issues related to the payment of due amounts for health insurance and is responsible for the health insurance status of citizens in Bulgaria."[65]

As can be seen, in none of the inquiries, the NHIF does not give a precise and clear answer as to the number of people without health insurance in Bulgaria. The only official information on the matter is based on the response of the Ministry of Finance Finance of the Republic of Bulgaria (2019)[66].

The dynamics of the number of persons without health insurance in Bulgaria from 2010 to 2017 (in thousand persons) is presented in Figure 2. The number of persons without health insurance in Bulgaria has a smooth downward linear trend during the period 2010-2017.

[62] Op. cit.
[63] Dimova A, Rohova M, Koeva S, Atanasova E, Koeva-Dimitrova L, Kostadinova T, Spranger A, Polin K 2022, *Bulgaria: Health System Summary, 2022*. WHO Regional Office for Europe on behalf of the European Observatory on Health Systems and Policies, Copenhagen, p. 7, <https://iris.who.int/bitstream/handle/10665/365286/9789289059299-eng.pdf?sequence=1>
[64] National Health Insurance Fund, 2024, "Questions and answers. Information for uninsured patients", 15.06.2020, <https://www.nhif.bg/bg/online/answers/get_file/38714> [in Bulgarian]
[65] National Health Insurance Fund, 2024, "Questions and answers. Number of uninsured persons for 2023", 19.03.2024, <https://www.nhif.bg/bg/online/answers/50541> [in Bulgarian]
[66] Ministry of Finance of the Republic of Bulgaria, 2019, "Written answer to a question regarding: Number of persons without health insurance", 28.02.2019, <https://www.minfin.bg/bg/wreply/2019-02/10627> [in Bulgarian]

The lack of current and relevant official data regarding the number, profile, social status and motives of the uninsured patients in Bulgaria creates the following difficulties:

- Difficulties in the formation of measures to collect the overdue obligations;
- Difficulties in re-attraction to the system of the dropouts from it;
- Difficulties to support the persons who really have no chance to restore their health insurance rights due to low incomes.

Especially serious are those problems in collecting arrears and in re-attracting patients who have dropped out of the health insurance system, and in providing healthcare assistance to patients who have no chance to recover their rights due to low income.

Very often, hospital and other healthcare workers are faced with the challenge of identifying which patients do not have or have lost their health insurance rights and/or cannot pay for their treatment.

All persons who are not health insured and belong to the groups of unemployed and/or financially disadvantaged are practically deprived of access to all levels of outpatient medical care, the only exception being emergency care.

In 2009, the "Open Society" Institute – Sofia published a very thorough study entitled "Health Insured People and health insurance in Bulgaria. Report" [67]. About 100 interviewers from all over the country took part in gathering information. 1,204 effective interviews were conducted. A total of 3,339 addresses were visited. The target group of the study was the uninsured persons over 18 years of age. The cities/regions in the study were: Burgas, Blagoevgrad, Varna, Veliko Tarnovo, Vidin, Vratsa, Gabrovo, Dobrich, Kardjali, Kyustendil, Lovech, Montana, Pazardjik, Pernik, Pleven, Plovdiv, Razgrad, Ruse, Silistra, Sliven, Smolyan, Sofia-city, Sofia-region, Stara Zagora, Targovishte, Haskovo, Shumen and Yambol.

According to the socio-demographic study carried out by the "Open Society" Institute – Sofia (2009)[68], the following characteristics of people without health insurance in Bulgaria were identified[69]:

- The socio-demographic distribution of the examined in the study uninsured persons in Bulgaria who indicated that they were not health insured shows that they are more likely to be young people with low or secondary education, coming from low-income households, with an increased presence of representatives of the Roma ethnic group.[70]
- The predominant share (about 74% of the interviewed persons who do not have health insurance) are ethnic Bulgarians, about 10% - Turks, and about 14% - Roma. There is a higher probability for Roma for one person to be uninsured than for others ethnic groups.[71]

[67] "Open Society" Institute – Sofia, 2009, *Health Insured People and health insurance in Bulgaria. Report*, <https://osis.bg/wp-content/uploads/2018/04/OSI_Publication_Public_health_6.pdf> [in Bulgarian]
[68] The fieldwork of the study "Health Insured People and health insurance in Bulgaria. Report" was conducted in the period August 6-25, 2007. The method of information registration is a semi-standardized face-to-face interview in the respondent's home. According to the regulatory documents, those without health insurance from the state persons are:
- unemployed without the right to compensation, who are not insured from the unemployment fund;
- socially weak persons without the right to social assistance;
- all students over 26 years of age;
- farmers who do not pay insurance contributions on half of the minimum monthly income – Bulgarian lev (BGN) 100 (at a fixed exchange rate of the BGN to the euro: 1 euro = 1.95583 BGN);
- all workers and employees from the gray economy, who are not employed.
For detailed information about the study, see "Open Society" Institute – Sofia, 2009, *Health Insured People and health insurance in Bulgaria. Report*, <https://osis.bg/wp-content/uploads/2018/04/OSI_Publication_Public_health_6.pdf> [in Bulgarian]
[69] "Open Society" Institute – Sofia, 2009, *Health Insured People and health insurance in Bulgaria. Report*, pp. 8-9, <https://osis.bg/wp-content/uploads/2018/04/OSI_Publication_Public_health_6.pdf> [in Bulgarian]
[70] Op. cit., p. 8.
[71] Op. cit., p. 14.

- About half of uninsured persons, about 60% of uninsured Turks, over 80% of uninsured Roma and only around 21% of Bulgarians without health insurance are in a severe form of poverty, from which the individual has no resource to get out on his/her own.[72]
- In general, the persons without health insurance – the subject of the study are: slightly more men than women – 51% to 49%, but this it can hardly be interpreted as related to specific occupations that are not covered by health insurance.[73]
- Almost a third of the interviewed persons who do not have health insurance are under 30 years old (about 31%), and only about 21% are over 50 years old.[74] Young people are more likely to accept work without an employment contract, and that there are likely to be more young people living abroad, students who have reached the age of 26 or have temporarily interrupted their studies. On the other hand, this age group is presumed to be in better health, most likely rarer it has to visit doctors and health facilities, and this demotivates young people to have health insurance at any cost.
- Around 25% of the persons who indicate that they do not have health insurance have primary or lower, or basic education, the most, about 56%, have completed high school, and only about 11% have a higher education (regardless of whether word for bachelor's or master's degree).[75]
- Of all the persons surveyed, around 31% indicated that they had been working on an employment contract for the last 3 months, respectively 17% of them indicated that they did not have health insurance.[76] They started working relatively recently and their rights have not been restored due to the presence of old obligations.
- Regarding the financial conditions of the household in which lives the examined uninsured person, it is found that more than half respondents self-identified as poor, nearly 1/3 – neither as poor nor as rich, and only 5.6% believe that they belong to rich households.[77] The data that individuals indicate about the average monthly net income of the household in which they live show that for around 6% of respondents it is over BGN 1,000, for around 25% of respondents it is over BGN 400. 1/5 of the respondents who do not have health insurance did not wish to indicate their household income. Unsurprisingly, the majority of respondents are of ethnic origin from very low income households.
- In general, the uninsured persons do not understand character of the solidarity system. They do not agree to pay anything, which they do not use. The percentage of wealthy households (5.6%) confirms the hypothesis that not only financial problems lead to exclusion and self-exclusion from the health insurance system.[78]
- In recent years, many Bulgarian citizens reside permanently or for certain periods abroad for work. They owe health insurance in Bulgaria if they have not taken the specified measures. According to the "Open Society" Institute – Sofia's research (2009), uninsured persons are informed, that there is a legal obligation to pay health insurance contributions and the most common sources of information about this duty are the media and general practitioners (GPs).[79]
- It is interesting to note that around 61% of the uninsured respondents indicated that they had a general practitioner, and about 38% indicated that they did not.[80] In addition, 84% of those without health insurance had not visited their general practitioner in the past 12 months, and about 94% had not visited a hospital during the same time period.[81]

[72] Op. cit., p. 8.
[73] Op. cit., p. 14.
[74] Op. cit., p. 14.
[75] Op. cit., p. 14.
[76] Op. cit., p. 15.
[77] Op. cit., p. 15.
[78] "Open Society" Institute – Sofia, 2009, *Health Insured People and health insurance in Bulgaria. Report*, p. 8, <https://osis.bg/wp-content/uploads/2018/04/OSI_Publication_Public_health_6.pdf> [in Bulgarian]
[79] Op. cit., p. 17.
[80] Op. cit., p. 18.
[81] Op. cit., p. 22.

- Nearly 1/3 of survey respondents in the study declared that they had never had health insurance and only about 5% have not been insured since the last 6 months.[82] In addition, new individuals are constantly dropping out of the system. There is hypothesis that there is a "turnover" among the uninsured persons. The question is to what extent the system is "fast" enough to register these persons.
- For nearly 60% of people without health insurance, the main reason they are uninsured is because they are unemployed. For some of these people, "unemployed" means not only the "administrative" definition, but also the fact that a person is not working or to work something "on the black" in the gray (shadow) economy.[83]
- About 13% of respondents in the survey answered that the main reason for not having health insurance is that they will have to pay anyway when they need healthcare, i.e. this is not about their personal choice, but rather a compulsion imposed by circumstances. People who would be willing to pay for medical care were around 3% of those asked.[84]
- A significant share of the uninsured respondents did not contact the social assistance services to settle the issue of their health insurance contributions because they believe that they are not informed and do not know their rights (about 42%). It was found that there is one group of people who simply do not trust the system (about 19%).[85]
- Uninsured persons do not submit applications-declarations for the use of health social assistance. Uninsured persons do not benefit from the social measures taken by the state.
- At the same time, the system for the protection of disadvantaged persons in unequal social position due to the regulated high criteria for access to the use of health social assistance makes emergency medical care the only available healthcare for a significant proportion of these vulnerable groups of citizens. A complete revision of the health insurance system for these persons is necessary in Bulgaria.[86]
- The cost of healthcare has been increasing over the years, and the financial burden is shifted not to the public ones funds, as in developed European countries, but to households. This necessitates a complete reassessment of health insurance model and the tax formula in order to increase the amount of public funds for healthcare and containment the amount of individual payments.

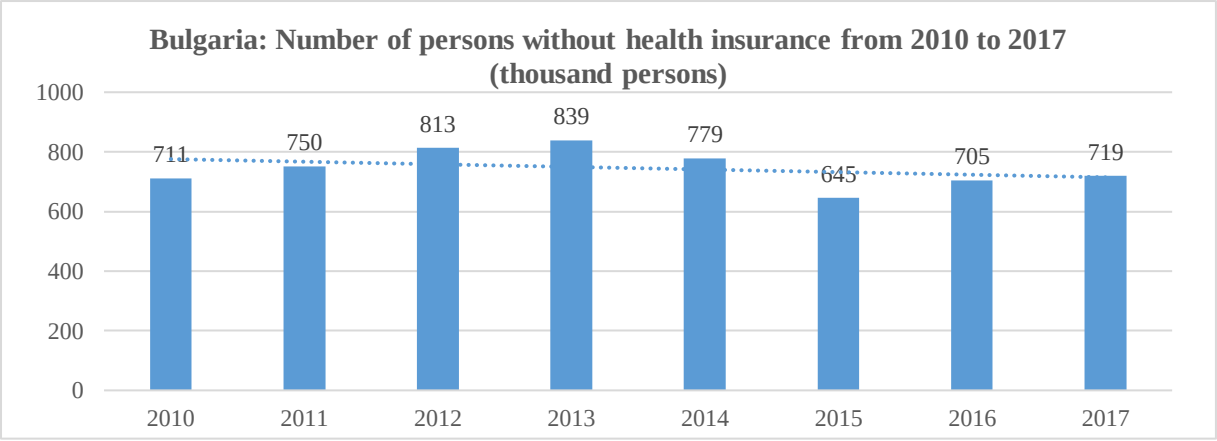

Fig. 2. Bulgaria: Number of persons without health insurance from 2010 to 2017 (thousand persons)

Source: Ministry of Finance of the Republic of Bulgaria, own estimations.

[82] Op. cit., p. 18.
[83] Op. cit., p. 18.
[84] Op. cit., p. 18.
[85] Op. cit., p. 20.
[86] Op. cit., p. 9.

Dimova et al. (2022) share similar opinions, according to which: "A substantial proportion of the population is uninsured and pays OOP for medical services, unless accessing free emergency health care. The uninsured are mainly citizens living abroad, long-term unemployed people, individuals who choose not to pay into the SHI system, and those without a valid identity card. This latter condition is a requirement for SHI registration and particularly affects the Roma population, homeless, and undocumented migrants."[87]

The key problems related to the uninsured persons in Bulgaria, which can be highlighted, are the following:

1. There is no exact number of persons without health insurance in Bulgaria, as there are two large groups of Bulgarian citizens that are difficult to cover in the statistics, namely those residing abroad for more than 183 days per year (students, seasonal workers, etc.) and the self-employed individuals (registered self-employed and/or artisans, seasonal workers in Bulgaria, sole traders, owners or partners in commercial companies, registered farmers or tobacco producers, etc.).

In recent years, many Bulgarian citizens reside permanently or for certain periods abroad in order to work. It is known that they owe health insurance in Bulgaria if they have not taken the specified measures. It is not clear how well informed these individuals are and how much action they take before they leave.

The first group of uninsured persons, due to ignorance or lack of interest, do not inform the National Revenue Agency (NRA) through an application-declaration that they are staying abroad for such a long period. In the NRA and National Health Insurance Fund (NHIF) systems, these persons are not only uninsured, but also with liabilities. If they declare that they do not reside in Bulgaria during the specified period, they will have no obligations, but will only have their health insurance rights suspended, subject to the foreign country in which they reside.

Accordingly, when these persons return to Bulgaria, they do not immediately and automatically restore their health insurance rights, and if they do, it is at a later stage or, most often, out of necessity, when they have to use a health service. How many these people are, no one knows.

The second group is self-employed persons and sole traders, as well as students who are over 26 years old and who are part-time/distance learning. The state, at the expense of the state budget, covers the health insurance of all students who are studying in a regular form of education in state higher education institutions in the country or abroad until they reach the age of 26. The state does not cover the health insurance contributions for students who are studying part-time/distance learning, as it is assumed here that these students are working.

Students who are in full-time education but have reached the age of 26 and those who are not in full-time education, regardless of their age, must pay their own health insurance contributions if they are not otherwise insured under the LHI.

As regards health contributions for individuals in the period between finishing school and starting university, the situation is as follows: for the period between finishing secondary education and starting higher education, if individuals are not otherwise insured, they must pay themselves their own health insurance contributions.

According to the NRA website, more than 70% of students in the first year of full-time education, who are Bulgarian citizens, have a gap in health insurance for the period of finishing secondary school and starting higher education for one, two or three months.[88] In the most common case, the problem comes from the fact that students finish their secondary education at the end of June and start their studies in

[87] Dimova A, Rohova M, Koeva S, Atanasova E, Koeva-Dimitrova L, Kostadinova T, Spranger A, Polin K 2022, *Bulgaria: Health System Summary, 2022*. WHO Regional Office for Europe on behalf of the European Observatory on Health Systems and Policies, Copenhagen, p. 6, <https://iris.who.int/bitstream/handle/10665/365286/9789289059299-eng.pdf?sequence=1>

[88] National Revenue Agency, 2024, "Restoration of health insurance rights", <https://nra.bg/wps/portal/nra/osiguryavane/zdravno-osiguryavane/vuzstanovqvzne-na-zdravno-osiguritelni-prava>; National Revenue Agency, 2024, "Students", <https://nra.bg/wps/portal/nra/osiguryavane/zdravno-osiguryavane/studenti> [in Bulgarian]

September or October. Students are insured at the expense of the state budget until the age of 22 if they study regular secondary education. After completing secondary education, in the range of July – September, they are not insured at the expense of the state budget, because they are neither already pupils nor still students. During this period, prospective students, if not otherwise insured, must pay their own health insurance contributions.

Regarding the unemployed, the state provides health insurance to the unemployed while they receive unemployment benefits, after which the unemployed pay their own health insurance contributions. I.e. the health insurance contributions of the unemployed are at the expense of the state budget for the time they receive unemployment compensation from the Labor Bureau. After the benefit period has expired and in cases where they do not receive it, the unemployed must pay their own health insurance contributions.[89]

Regarding the long-term unemployed – it is clear that they have to pay their own health insurance contributions.

2. The health insurance rights of citizens who are insured at their own expense (exercising registered self-employed and/or artisans according to registration; sole traders, owners or partners in commercial companies; registered farmers or tobacco producers; the persons insured in accordance with Art. 40, para. 5. of the LHI, etc.) are suspended if more than 3 monthly health insurance contributions have not been paid for a period of 36 months. The period is counted until the beginning of the month preceding the month in which the person received medical assistance paid by the NHIF.

When health insurance rights are interrupted, i.e. for the last 36 months, more than 3 health insurance contributions are missing, in order to restore the rights, all health insurance obligations for the last 60 months must be paid. The restoration of the health insurance rights of persons who have had such rights interrupted is done by paying a lump sum of the missed contributions for the last 5 years. Similar to the collection of unpaid tax liabilities, the statute of limitations is 3 years, the statute of limitations for health insurance contributions is 5 years.

3. If the person manages to prove that he/she is poor and has no income, does not have more than BGN 500 in a bank, does not receive rent or annuity, does not have shares/bonds or other financial instruments, does not receive dividends/interests, has not sold property before the last year, etc., he/she may apply for the state to pay for the treatment of the person after he/she is already in the hospital, declaring the above circumstances. Here, the thin point is that the Directorates of Social Assistance are obliged to respond within 30 days, and at the same time, these Directorates do not have the capacity to check whether the data the persons declare is true.

4. Several state institutions are involved in the problems with the uninsured persons in Bulgaria – the Ministry of Finance through the NRA, the Ministry of Labor and Social Assistance through the Directorates of Social Assistance, the Ministry of Health through the NHIF and other institutions such as the Ministry of the Interior through the Chief Directorate "Border Police", the Ministry of Regional Development and Public Works through the Chief Directorate "Civil Registration and Administrative Service", etc. This makes it difficult to coordinate between the institutions regarding the number of uninsured persons and the measures to be taken in relation to them.

According to the "Open Society" Institute – Sofia's research (2009), a significant share of the uninsured persons did not contact the social assistance services to settle the issue of their health insurance contributions because they believe that they are not informed and do not know their rights (about 42%).[90] There is one group of people in Bulgaria who simply do not trust the health insurance system (about 19%).

[89] National Revenue Agency, 2024, "Unemployed", <https://nra.bg/wps/portal/nra/osiguryavane/zdravno-osiguryavane/bezrabotni> [in Bulgarian]
[90] "Open Society" Institute – Sofia, 2009, *Health Insured People and health insurance in Bulgaria. Report*, p. 21, <https://osis.bg/wp-content/uploads/2018/04/OSI_Publication_Public_health_6.pdf> [in Bulgarian]

4. CONCLUSIONS

Bulgaria's population is aging and people more often suffer from several chronic diseases at the same time. This leads to a greater demand for healthcare services and an increase in the tax burden. The costs of innovative technologies and medicines are growing and also becoming a burden on public finances.

The current financing model of healthcare system in Bulgaria contains shortcomings and this creates a need for its improvement. One of the main reasons for these shortcomings are associated with many existing demographic and economic trends. It is indisputable that the demographic trends in Bulgaria have a negative impact on the development of the healthcare sector. The death rate in Bulgaria has a smooth upward linear trend during the period 2012-2023. During the three years of the COVID-19 pandemic (2020-2022) Bulgaria recorded a significant higher death rate than the preceding years. On the other hand, Bulgaria has the lowest share in the EU of spending on social protection and healthcare related to GDP. Access to healthcare is not evenly distributed throughout the country and leads to situations of inequality in terms of healthcare throughout society.

More and more attention is being paid to the healthcare inflation, i.e. inflationary increase in the prices of health services and products. The overuse of health services also contributes to the constant increase in prices and hence the healthcare expenditure. Healthcare inflation in many countries is already higher than the core inflation indices. It leads to the problem of increasing pressure that healthcare exerts on public spending and the state budget, and the need for more funds and savings. Even if healthcare expenditure remains at a constant level in real terms, more funds or savings will be needed to pay for health services.

The main conclusions of the study of the uninsured persons in Bulgaria are the following:

- The exact current number of people without health insurance in Bulgaria is not known. There are two large groups of Bulgarian citizens that are difficult to be covered in the statistics, namely those residing abroad for more than 183 days per year and the self-employed individuals and sole traders.
- The first group of uninsured persons, due to ignorance or lack of interest, do not inform the NRA that they are staying abroad for such a long period. They are not only uninsured, but also with liabilities in the NRA and NHIF systems. If they declare that they do not reside in Bulgaria during a specified period, they will have no obligations, but will only have their health insurance rights suspended. When these persons return to Bulgaria, they do not immediately restore their health insurance rights, and if they do, it is at a later stage or, most often, out of necessity, when they have to use a health service. How many these people are, no one knows.
- The second group is self-employed persons and sole traders, as well as students who are over 26 years old and who are part-time/distance learning. More than 70% of students in the first year of full-time education, who are Bulgarian citizens, have a gap in health insurance for the period of finishing secondary school and starting higher education for one, two or three months.
- There are no official data regarding the number, profile and social status of the uninsured patients in Bulgaria. Also, there is a lack of official data on the strategies that these Bulgarian citizens apply for their health. This creates difficulties in implementing measures to collect the overdue obligations, in re-attraction to the system of the dropouts from it and to support the persons who really have no chance to restore their health insurance rights due to low incomes.
- Uninsured persons in Bulgaria are more likely to be young people with low or secondary education, coming from low-income households, with an increased presence of representatives of the Roma ethnic group. The majority of uninsured persons in Bulgaria are of ethnic origin from very low-income households. Interestingly, not only households with low incomes, but also wealthy households confirms the hypothesis that not only financial problems lead to exclusion and self-exclusion from the health insurance system in Bulgaria.
- In general, the uninsured persons do not understand character of the solidarity system. They do not agree to pay anything, which they do not use. Many people say that the main reason for not having health insurance is that they will have to pay anyway when they need healthcare.

- Direct payments from patients in Bulgaria are very large – about at 38% of total healthcare expenditure, it is the highest in the EU and is mainly due to the rising cost of medicinal products and services. The heavy reliance on out-of-pocket payments from patients has a disproportionate impact on the low-income population in Bulgaria.
- The share of persons who had never had health insurance in Bulgaria is high. Also, there is a significant share of uninsured persons who did not contact the social assistance services to settle the issue of their health insurance contributions because they believe that they are not informed and do not know their rights. In general, the uninsured persons are informed that there is a legal obligation to pay health insurance contributions mostly by the media and by their general practitioners.
- For a large percentage of people without health insurance in Bulgaria, the main reason they are uninsured is because they are unemployed. For some of these people, "unemployed" means not only the "administrative" definition, but also the fact that a person is not working or to work something "on the black" in the gray economy. Regarding the unemployed, the state provides health insurance to the unemployed while they receive unemployment benefits, after which the unemployed pay their own health insurance contributions. Long-term unemployed have to pay their own health insurance contributions.
- The system for protecting disadvantaged persons in unequal social position due to the regulated high criteria for access to the use of health social assistance makes emergency medical care the only available healthcare for a significant proportion of these vulnerable groups of citizens in Bulgaria.
- Several different regulators are concerned with the problems of the uninsured. This makes communication between them difficult and slow, creating uncertainty about how to implement a comprehensive unified approach and strategy to address the problems of the uninsured. It is recommended to work on how to limit the administrative complexity in this regard. Also, it is recommended to improve communication between the individual institutions dealing with uninsured persons in Bulgaria. Since it involves multiple institutions and their divisions, the measures that are implemented in relation to persons without health insurance are not sufficiently timely and adequate.
- The healthcare model in Bulgaria has some imperfections – the evidence is the deteriorating indicators of public health. There are divergent opinions in the debate about reforming the system. Opinions for greater pluralism and partnership between the state and the private sector dominate. Greater liberalization is necessary, as well as strengthened competition. Most experts share that it is necessary to limit the role of the state to defining the regulatory framework and implementing control functions and to demonopolize the NHIF.

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