ECONOMIC CONDITIONS DETERMINING STATE OF PUBLIC HEALTH

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Abstract
The Public health is a part of the social policy of the state, and it is based on the state's economy.

The purpose of this article is to make a brief overview of some of the key indicators, affecting the state of the Public health.

Macroeconomic situation in Bulgaria is characterized by a gradual economic recovery and growth in gross domestic product, relatively low inflation and conservative fiscal policy.

Social and demographic situation, the labor market and income levels are factors that also influence the health care system in different directions.

Key words: *Public health, Macroeconomic situation, Social and demographic situation*

Healthcare is a complex system that incorporates management activities, financing and delivery of health services aimed at improving the health status of the population. The modern health care system is based on the principles of solidarity, right of choice and efficiency in using the resources of the system and is characterised by both social and economic inherent features.

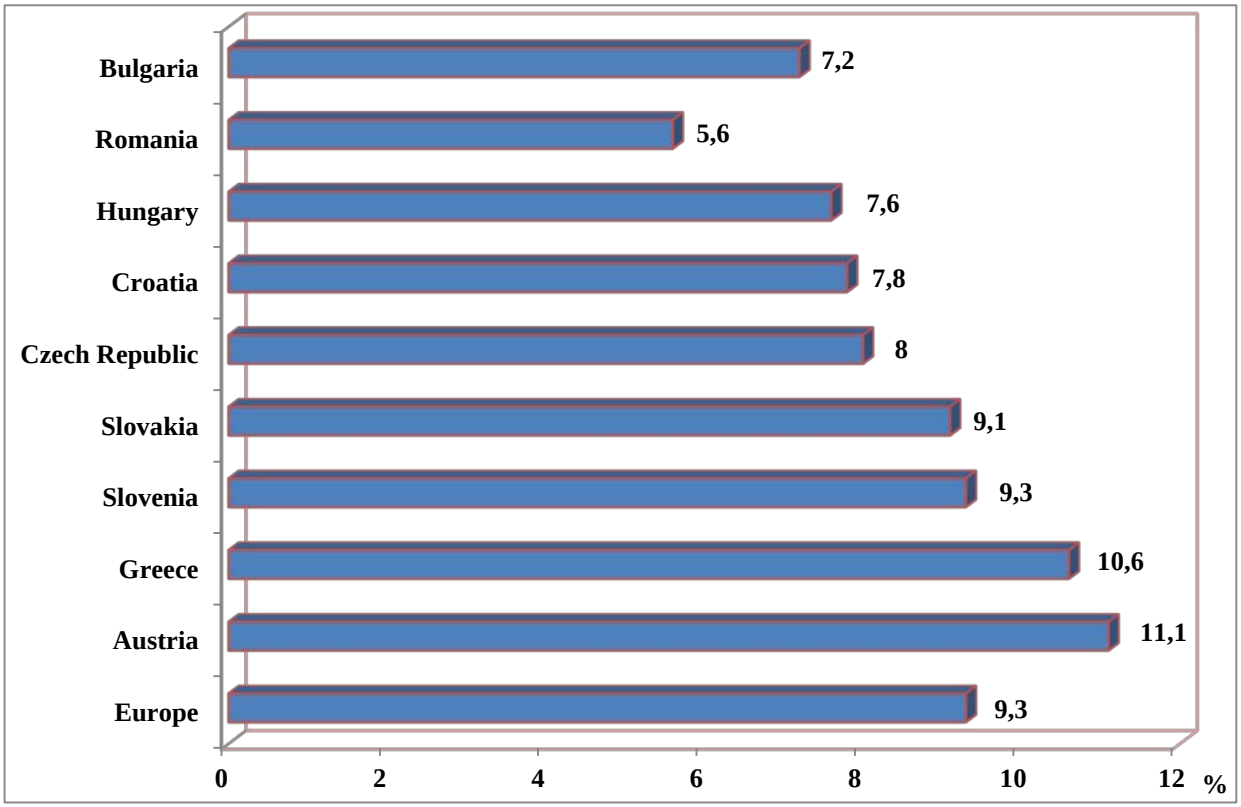
Health system is influenced by a number of factors – socio-economic development of the country, availability of resources, regulations, etc.

In recent years, Bulgaria has maintained a macroeconomic and financial stability which is a prerequisite for successfully combating the negative effects of the global financial and economic crisis.

The volume of medical services offered in Europe is expanding, which is accompanied by an increase in the share of healthcare expenditures as a percentage of gross domestic product (GDP) of the countries. In the countries of Eastern Europe, the share of public healthcare expenditures is relatively lower than that of the Central and Western Europe. This is due both to the lower level of development of health insurance systems and the lower economic welfare in these countries. In terms of total healthcare expenditures, Bulgaria ranks low on the continent given the fact that it has the lowest gross domestic product in the European Union.

Figure 1 shows both public and private healthcare expenditures.

Figure 1. Total expenditures for healthcare as percentage of GDP (2009)



Source: World health organizations – World health statistics 2012

The share of public expenditures in total healthcare expenditures in Bulgaria is around 55.4% (2009 data), while the average for the European region is almost 75%.

In Bulgaria, $454 per capita is allocated for healthcare, of which public expenditures amount to $300 and the personal household expenses - $150. In developed countries, public expenditures have greater share than personal patients' expenditures – the ratio is 80:20. In Bulgaria the ratio is 61:39. While the average level of public healthcare expenditures per capita for the European Union is 6.7%, for Bulgaria it is about 4.7%. Moreover, in Bulgaria, the state covers a very small part of the final drugs value which is borne by the patients. As a result, Bulgaria is among the countries where the personal patients' expenditures for drugs are among the highest in Europe – 56% of the total drug costs.

Public funds for healthcare per capita in 2011 were about BGN 440. This is considerably less than the funds allocated in the developed countries and certainly not enough to provide modern health care.

Underfunding of healthcare has many implications such as ineffective treatment, leading to more expensive complications; more absenteeism from economic activity, and sometimes long-term disability, etc.

The macroeconomic environment in Bulgaria is characterized by a gradual economic recovery and GDP growth, relatively low inflation, conservative fiscal policy. According to the National Statistical Institute (NSI) since early 2010 there has been a slowdown of the decline in the Bulgarian economy.

The period 2008-2012 is characterized by dynamic economic processes both in the country and internationally. In its second year of EU membership, the Bulgarian economy continued its rapid pace of economic development, resulting in GDP increase by 6.2% compared to 2007.

GDP growth was 1.7% for the entire 2011. The stable macroeconomic environment, the improving business conditions in the country, the changes in tax laws, the high rate of return on investment and

the lending activity of the commercial banks support the investment activity in the country. As a result, the labour market is developing dynamically with a fall in unemployment to a very low level (about 5% for the second half of 2008) and double-digit growth rate of income (13% in real terms compared to 2007) that stimulates the growth of consumption.

The social and demographic environment is characterized by a sharp decline in living standards, expansion of poverty, higher unemployment rate and expanding processes of social exclusion of minorities.

The poverty is one of the reasons for the limited access to health services. The difficult access to health services of the groups that are at the highest risk of social exclusion leads to worsening of their general health status and increased mortality among them. One of the serious shortcomings of the Bulgarian healthcare system is the existing imbalance in the distribution of health facilities in the country. In certain regions of the country there is a concentration of hospitals, oversupply of services, insufficient use of medical equipment and duplication of activities.

According to the World Health Organization, the Bulgarian patient makes the highest personal contributions for healthcare compared to other EU countries. Bulgarians pay nearly 50% of the cost of medical services with money from their pocket. This is extremely high compared to the other European countries where this percentage is around 20-25%. This fact, as well as the extremely low incomes poses serious problems for the citizens' access to health services. One of the main problems in the Bulgarian healthcare system over the past few years has been linked to the illegal payments that not only violate the fundamental principles and values of the modern Bulgarian society, but also increase the social burden for the population.

The general welfare of the state is an important factor that depends on the whole economic development of the country. Bulgaria is one of the poorest countries in the European Union and has limited resources, therefore the health spending in nominal volume is not possible to be higher. In terms of health insurance, the attitudes of the society and the state to health as a priority play a major role. The 8% health insurance contribution appears to be acceptable for the Bulgarian population. However, a key problem is the collection of contributions, where the inability of the state to deal with it becomes evident. In order to have money in healthcare, measures should be taken to motivate the uninsured to restore their rights (since their number is great – ranging from 1 to 1.5 million people) and believe in the system and in particular that part of them that keep distrust within the purpose and mechanisms of the system.

The demographic situation in Bulgaria in recent years has been characterized by persisting trend of decreasing population and its ageing and the associated low birth rate, increasing mortality, negative population growth and negative net international migration, formed mainly by young people.

The changes in population number and structure, and the trends in the demographic processes exert a strong influence on the economic, health, social and educational systems of society.

The analysis of the negative natural growth parameters shows that the objective demographic process of reducing the number of children is to continue in the coming years.

In 2012, the absolute number of births reduced. The general birth rate factor reduced to 9.5‰, reaching its highest value for the last years in 2009 – 10.7‰.

The general mortality rate of the population in 2012 was 15.0‰.

Bulgaria has one of the highest standardized mortality ratios for all causes. The standardized mortality ratio per 100 000 people in Bulgaria exceeds the EU average by 17 causes. Bulgaria occupies the first five places according to the standardized mortality ratio for:

- Neoplasms;

- Diseases of the circulatory system;

- Other diseases of the heart;

- Cerebrovascular disease;

- Certain conditions originating in the perinatal period.

The standardized mortality ratio for diseases of the circulatory system remains twice as high compared to the EU.

The infant mortality rate was 7.8‰ in 2012 which is by 0.7‰ lower than that in 2011. The achieved level of infant mortality is the lowest in the demographic development of the country. Despite the positive trend in the reduction of infant mortality in the country, it is still higher than in the European countries. The overall infant mortality rate in the European Union is twice as low – 4.1‰.

The absolute number of population growth in the country in 2012 was minus 40 160 people, which shows the preservation of the trend of increasing negative population growth of the country, that began in 1990. The population decrease, as measured by the rate of population growth was minus 5.5‰.

In the healthcare system, hospitals utilize the greatest resource – about 50% of the National Health Insurance Fund expenditures; therefore, most attention should be paid to the optimization of this subsystem as there are many factors to the inefficient use of resources, and there are significant opportunities to reduce hospital activity at the expense of primary cares. An important point in the management of hospitals is to increase the income of doctors in the system in order to avoid shortage of personnel and to motivate professionals to offer high quality health services. The lack of adequate remuneration of medical labour forces many professionals to work in several places simultaneously. This prevents many physicians to maintain their qualification at the desired level. Another serious problem is the low pay of nurses. The number of nurses compared to the number of doctors who are involved in the healthcare system in Bulgaria is considerably less than in most European countries.

The main factors favouring the decision to migration among medical personnel are:

Low-paid labour; imbalanced payment to the individual medical professionals; difficulties in professional and career development; lack of optimal working conditions – inability to practice high technology medicine, work in stressful environment; the reduction in the number of one type of specialists results in shortage of other specialist (e.g. the shortage of anaesthesiologists hinders the work of surgeons, the shortage of nurses is a prerequisite for doctors to leave, etc.).

The problem of health personnel migration has economic, professional and emotional consequences and is also inherent in other countries in Europe.

The ongoing process of population ageing has emerged as one of the most serious demographic problems. It is indicated by the increase of the population average age indicator. The changes in the population structure by main groups show an increase in the proportion of the population aged over 65 years compared to that of all other ages. The number of elderly people in recent years is steadily rising, which combined with the smaller working population and the higher share of people entering retirement will place additional strains both on the social and the healthcare system, resulting in increased morbidity of the population aged over 65. The problems in this area are associated with long-term planning of additional financial resources to ensure the proper functioning of the system.

CONCLUSION

The overall analysis of the results for the demographic processes development shows that still the major problems for the demographic development of the country are the sustained higher mortality rate and the relatively low average life expectancy in comparison with other European countries, as well as the negative international migration balance.

As noted in the Bulgarian National Health Strategy 2014-2020, the increased health spending relating to the ageing population and the continued developments of new diagnostic and therapeutic technology, the increased requirements for improving patients' quality of life cares, necessitate the introduction of approaches to deal with the shortage of financial resources for healthcare. Health is a durable product and can be considered capital, as it increases the number of healthy days and thus the

ability to work and earn better. Therefore, public health should be seen as an investment in future economic growth, while health expenditure can be seen as an investment that pays off by added years of healthy life for patients and by direct economic outcomes leading to improving the welfare of the population in general.

To reduce the negative impact of the economic and demographic changes on the healthcare system, adequate funding is required for promotion, prevention, education of healthy lifestyles and quality medical care and health technology, which is an important factor for successful future employment and professional development, and for the early diagnosis and treatment of diseases. Of great importance is the introduction of mechanisms to allow proper planning of financial resources to meet the growing health needs of the population based on actual costing of medical activities.

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