

Can people afford to pay for health care?

New evidence on financial protection in Bulgaria

This report is the first comprehensive analysis of financial protection in the health system in Bulgaria. It covers the period from 2005 to the present day.

Drawing on microdata from household budget surveys carried out by the State Statistical Office, the report's key findings are as follows.

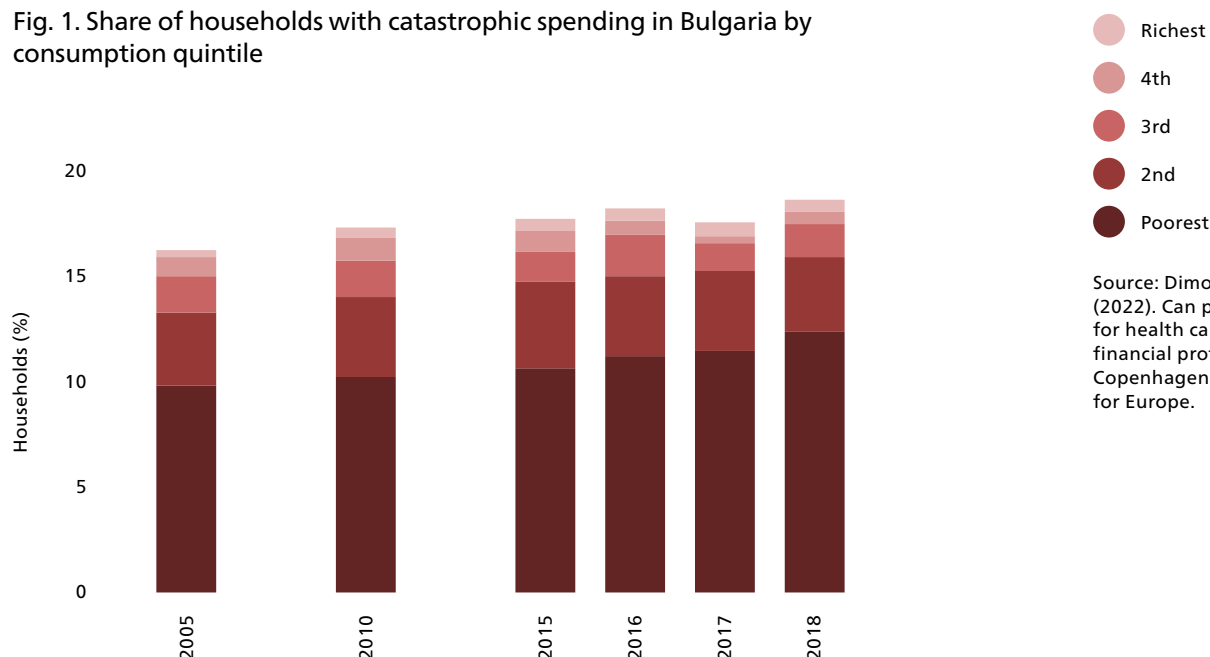
In 2018 about 8% of households in Bulgaria were impoverished or further impoverished after out-of-pocket payments. 19% of households experienced catastrophic health spending.

The people most likely to experience catastrophic health spending are those in the poorest quintile, older people and households in rural areas.

The incidence of catastrophic health spending has grown over time, pushed up by a large increase in the poorest quintile (Fig.1).

On average, the health services most likely to lead to catastrophic health spending are outpatient medicines, medical products and inpatient care (Fig. 2). In the poorest households, financial hardship is almost entirely driven by outpatient medicines.

Fig. 1. Share of households with catastrophic spending in Bulgaria by consumption quintile



Source: Dimova & García-Ramírez (2022). Can people afford to pay for health care? New evidence on financial protection in Bulgaria. Copenhagen: WHO Regional Office for Europe.

How does Bulgaria compare to other countries?

The incidence of catastrophic out-of-pocket payments in Bulgaria is higher than in many European Union (EU) countries (Fig. 3). In 2019 out-of-pocket payments accounted for 39% of current spending on health, the second-highest share in the EU.

Catastrophic health spending in Bulgaria is heavily driven by household spending on outpatient medicines – more so than in many other countries in Europe (Fig. 4).

What undermines financial protection in Bulgaria?

There are significant gaps in health coverage.

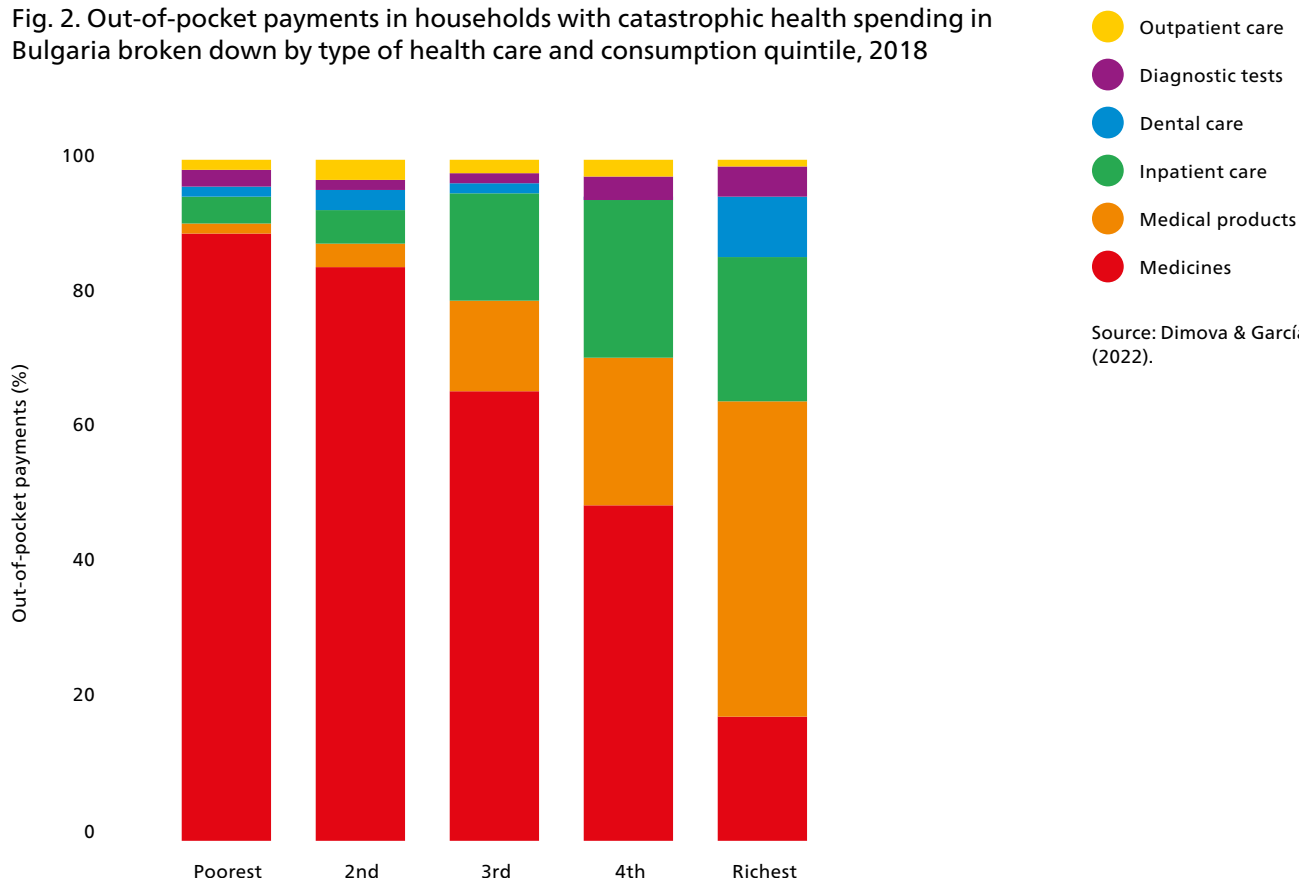
A relatively large share of the population (15%) is uninsured and only has access to a few publicly financed health services. This is because access to NHIF benefits is based on payment of contributions; the Government pays contributions only for people in extreme poverty and many people living below the poverty line cannot afford to pay contributions.

A complex system of user charges (co-payments), involving heavy percentage co-payments (in which people pay a share of the price) for outpatient prescriptions, fails to provide sufficient protection for poorer people and people with chronic conditions. There are no exemptions for more than half of NHIF-financed prescriptions that incur a percentage co-payment of 50% or more of the reference price.

Medicine prices have fallen in response to efforts to control prices introduced in 2011 and 2013 but remain high compared to other EU countries.

As a share of GDP, public spending on health is low compared to most EU and western Balkan countries. In 2019 public spending on health accounted for 4% of GDP (compared to an EU average of 6%). Although it has increased in recent years, it has not grown as fast as out-of-pocket payments.

Fig. 2. Out-of-pocket payments in households with catastrophic health spending in Bulgaria broken down by type of health care and consumption quintile, 2018



Source: Dimova & García-Ramírez (2022).

Fig. 3. Incidence of catastrophic health spending and the out-of-pocket share of total spending on health in Europe, latest year available

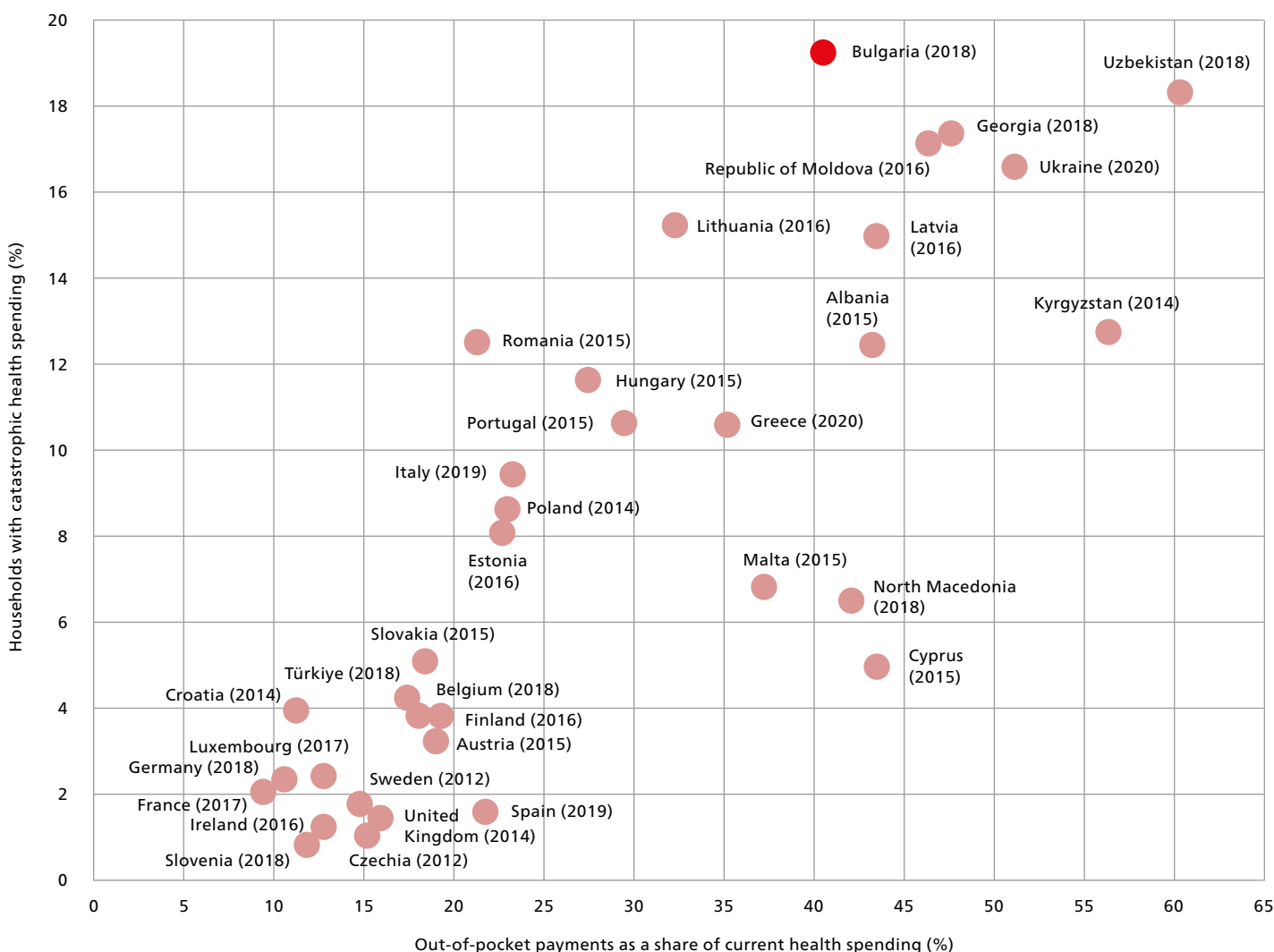
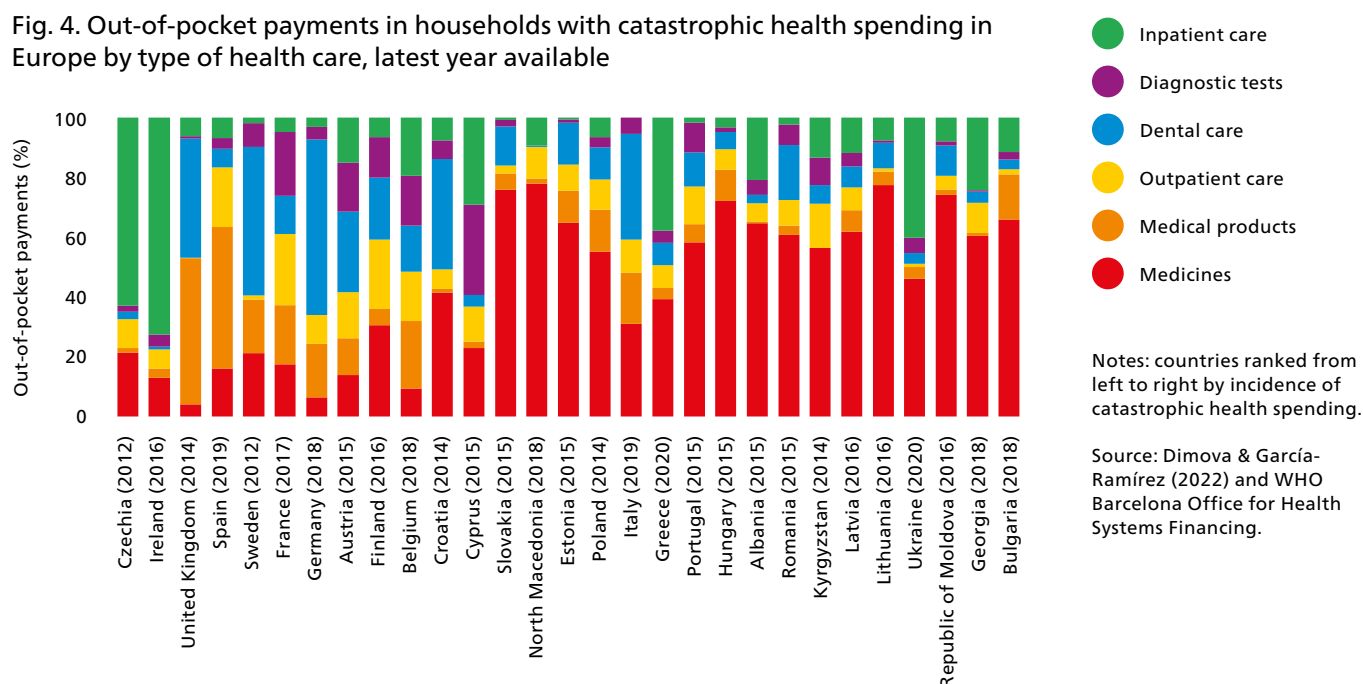


Fig. 4. Out-of-pocket payments in households with catastrophic health spending in Europe by type of health care, latest year available



How can Bulgaria improve access and financial protection?

To reduce unmet need and financial hardship, the Government should focus on improving the affordability of outpatient medicines and strengthening protection from out-of-pocket payments for poorer households and people with chronic conditions.

This can be done in the following ways.

Ensure the NHIF covers the whole population. As a first step, the Government can begin to pay SHI contributions for people living below the poverty line who are not entitled to social support. The Government should also review the cost of penalizing non-payment of SHI contributions by restricting access to health care.

Strengthen co-payment policy by introducing exemptions for poorer households and people with chronic conditions and an annual income-based cap on all co-payments.

Improve the way in which the NHIF purchases outpatient medicines: continuing to reduce medicine prices and ensuring that health care providers and pharmacies have incentives to prescribe and dispense the cheapest alternatives.

Increase government budget transfers to the NHIF in the coming years, ensuring careful use of additional resources to meet equity and efficiency goals.

Monitoring financial protection in Europe

This study is part of a series of country reports generating new evidence on financial protection in health systems in Europe. Financial protection is central to universal health coverage and a core dimension of health system performance. The goals of universal health coverage are to ensure that everyone can use the quality health services they need without experiencing financial hardship.

The Sustainable Development Goals call on all countries to monitor financial protection as a key indicator of universal health coverage. WHO's European Programme of Work, 2020–2025 (United Action for Better Health in Europe) includes moving towards universal health coverage as the first of three core priorities for Europe.

WHO Barcelona Office for Health Systems Financing

The WHO Barcelona Office is a centre of excellence in health financing for universal health coverage. The Office works with Member States across WHO's European Region to promote evidence-informed policy making. It is also the home for WHO training courses on health financing and health systems strengthening for better health outcomes.

A key part of the work of the Office is to assess country and regional progress towards universal health coverage by monitoring financial protection. The Office also provides tailored technical assistance to countries to reduce unmet need and financial hardship by identifying and addressing gaps in coverage.

Established in 1999, the office is supported by the Government of the Autonomous Community of Catalonia, Spain. It is part of the Division of Country Health Policies and Systems of the WHO Regional Office for Europe.

WHO Regional Office for Europe

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