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PROBLEMS IN “ALBANIAN HEALTH MARKET

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Abstract

In respect of actual healthcare situation in Albania, mostly referring to the low level of healthcare services as well as to broad issues pertaining to the public health sector, we have obtained a specific topic not yet delivered from the Albanian researchers of the field, aiming that we can modestly help in the clarification of the situation as it has been often camouflaged in the needs of political powers. According to the researches made on this topic it seems to be the actual healthcare trend of developments in Europe and not only... Due to the latest context we believe that in order to bring a fair approach in the albanian situation the integration of medical and economic sciences is a must. Thus, the paper considers evidences regarding the legal framework from the healthcare sector in Albania and compares them with the respective demand and legal framework in European Community aiming as a final goal the exploration of opportunities which can bring a better perspective in the country. For the previously mentioned reasons we have interviewed specialists of the field such as: well-known doctors, experienced administrators in public hospitals and ordinary staff as they face every day different issues. On behalf of the research made the paper concludes:

- on policies and strategies needed to improve the services in the healthcare public sector;
- on the expansion of the financial resource base and increase funding for public health;
- on strengthening the managerial capacity of healthcare institutions through the implementation of contemporary models in health management in order to establish the patient in the bottom of the Albanian healthcare system.

Considerations and conclusions.



Multidisciplinary Summer Conference

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1. Introduction

The real state of the healthcare market in Albania

Today in Albania, the healthcare system is diverse and complex. The main two pillars that support these services are public healthcare and private healthcare. Besides traditional public hospitals which are located around the country in the form of a network, private hospitals or private health centres have also spread rapidly. Also, an important factor in meeting the needs of patients is the private services offered by specialized doctors. Subject or not to taxes, they are rendering a big services to the people.

Today, what comes to the attention is the poor quality of services in public hospitals and the high cost of services offered by private hospitals. What dominates the healthcare market is the poor civil culture and the lack of knowledge by patients. In general, when people face an illness and an urgent need to receive treatment, they are not capable of choosing as to where they should go to seek this treatment. They are not even capable of knowing the difference between the quality of healthcare services that they are obliged to buy. Many things, starting with the diagnosis, treatment in a given hospital, the purchase of medication relate to the spiritual, cultural and professional formation of the doctor.

Patients or consumers, as we may call them, are mainly after good quality. In front of this situation, namely cost of medication and services, doctors are completely indifferent. In such market, it's necessary to introduce health institutions which must protect consumer and in our case, the patient. The role of UMSH must be strengthened.

The Doctor's Order has often pointed out problems which have not always been heard.

Liberalization of health services has increased the number of services from the private sector. At the same time, the monitoring and control of services in this sector by state institutions has been made more difficult and complicated. According to specialists that analyze cases when the health of patients is damaged or deaths reported by the media, these hospitals often offer poor quality services and at a very high cost. The inspections made by institutions are poor and easily corrupted.

We believe that alongside the unstoppable growth of the private health sector, a consolidated public hospital service must also see a growth. In spite of the efforts, funding for the public health sector continues to be low as opposed to consumer needs.

Constant specialization of professional doctors and the introduction in these hospitals of new medical technologies is important.

In the recent years, with the rapid growth of electronics and telecommunications, telemedicine has also grown, giving way to direct and specialized consults in many European countries. “...Such service enables patients to receive health care, diagnosis, treatment and healthcare education....”¹

According to the national registration centre, the following are registered on a national level:

-43 public hospitals in the main cities of Albania

-5 hospital centres

-66 medical centres

Meanwhile, private hospitals are mainly located in the city and suburbs of Tirana. In the second group, we encounter investments made by Albanian private businesses, foreign businesses and a mixture of both.

Again, according to the national registration centre at the Ministry of Health, the following are registered:

-10 private hospitals

-111 medical cabinets

-229 diagnostic laboratories

-563 dental clinics

-1650 drug stores

We must stress that the abovementioned information belong to the latest statistics of August 2014.

2. Several problems of the management and funding of healthcare sector in Albania

a. Strengthening of managerial capacities of healthcare institutions by creating contemporary models of the healthcare management.

First of all, we must define management and define what managerial capacities of institutions are and if we can create in the Albanian health environment, contemporary models of health management.

“...The term, management, refers to the process of delivering tasks in an efficient and effective way, through and with other persons....”²

¹Ministry of Health, (2004) Long term Strategy of the Development of the Albanian Health Sector. Chapter “Health Services”, Tirana, p. 32.

²Hysa B.(2004)“Basic principles of the economy of health”,SHBLU, Tirana, p. 271.



Multidisciplinary Summer Conference

ISSN: 177-413, Volume II, June 2016

As we can see in this definition, there are three comprising elements. They are the process, efficiency and effectiveness. From this definition, we understand that the term “process” represents the whole of the main activities, while efficiency and effectiveness “...relate to what we do and how we do it...”³

It's easily understandable that the more effective and efficient we perform tasks, the more we increase productivity and minimize costs.

Efficiency is an indispensable element, but not an adequate one. Besides this, we must also deliver the tasks or objectives that we have set to ourselves. At the moment when an individual or organization has met its goals and objectives, then we can say that they have been effective in their work.

So, we can briefly rephrase:

Management-Is the process of delivering tasks in an effective and efficient way, through and with other people.⁴

Efficiency-relates to delivering tasks in an accurate way. It refers to the relation between inputs and outputs.

Effectiveness-relates to delivering the right task to meet the goals.

We made these short descriptions in order to define and better understand the term “management” and “manager”, convinced that good management of tasks by a professional manager has its significant impact in the family, society, economy, business and culture.

Equally important is also the management of tasks in the healthcare sector, that the citizens of this country have a daily need for it.

By making an observation, it has been noticed that professionals have seldom appointed as heads of hospitals and health institutions. In general, militants of the party in power have been appointed in these posts. Under these circumstances, the need to specialize managers of health service and their appointment as heads of these sectors, still remains today an unsolved mission. Management must not be left in the hands of specialists, who for professional obligations or tasks stemming from politics, cannot handle the process of the management of the health service in general. Management must not even be done by militants, which often receive political orders.

³Stephen P. R. &DeCenco D.(2010) “Management Foundations, Concepts and Basic applications”,JET PRESS publication, Tirana, p. 34.

⁴Stephen P. R. &DeCenco D.(2010) “Management Foundations, Concepts and Basic applications”,JET PRESS publication, Tirana, p. 37.



Multidisciplinary Summer Conference

ISSN: 177-413, Volume II, June 2016

To have a better grasp of the relation of efficiency and effectiveness in the management of the work, let us go back to the authors Robbins and De Cenzo, who have drafted the scheme of efficiency and effectiveness.⁵

Efficiency and effectiveness

Ways Conclusions

Efficiency Effectiveness

To be successful in management, we must have a good knowledge of the management processes. By knowing them, managers better serve their objectives and goals that must be achieved. So far, in the literature that we have consulted, there are only four comprising elements of management processes:

- Planning

Includes the definition of the goals of an organization, the establishment of a general strategy or achieving these goals and the development of a hierarchy of plans to integrate and coordinate activities.

- Organisation

Includes the definition of tasks that must be delivered, who will perform them, how will the tasks be groups, what will be the reporting lines and where will decisions be made.

- Leadership

Includes the motivation of employees, leading activities of others, the selection of the most effective channels of communication and settlements of conflicts.

- Control

The process of the monitoring of performance, cross checking it to the objectives and by correcting every significant deviation.⁶

We divided and presented the most basic management processes in detail in order to better understand the importance of the management of the works of a given organization. Also, in order to identify the need of the introduction of the science of management in a very delicate sector such as health services to the citizens. Based on an observation that we have done to health institutions in Albania, we have noticed that political nominations have often decided about the management of works throughout all of these years of

⁵Stephen P. R. &DeCenco D.(2010) "Management Foundations, Concepts and Basic applications",JET PRESS publication, Tirana,p. 37.

⁶Stephen P. R. &DeCenco D.(2010) "Management Foundations, Concepts and Basic applications",JET PRESS publication, Tirana, p. 37.



Multidisciplinary Summer Conference

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democracy. Then, this expands in the form of a pyramid through new nominations or replacements in the entire administration of the healthcare services.

Of course, these changes have had their deterrent effect in a better management of works. The arrival of a new element cannot be stopped, but meritocracy and professionalism must be the core element in all cases.

So far, all activities were focused in the hands of the party militant who has been appointed a director, starting from materials for repairs in hospitals, to continue with medication, employee salaries, new appointments and dismissals. Under these circumstances, a single person and when it's the case of a specialist doctor, he is unable to deal with all his tasks. It's time for a drastic reform in the domain of health service, which must focus on the creation of a separate sector of health service and the creation of managers of the public sector which have now turned into a necessity. Perhaps it's time to create a special course at the University of Tirana, which will train specialists of health management. These specialists will have an impact in the improvement of the work of the health sector in Albania.

These managers must have a special status, the same as the status of civil servant. They must not be affected by politics, except for cases of criminal offenses set forth by the Albanian legislation.

b. The expansion of financial sources and increase of public funds for the health system

As in all sectors, in the health sector and health services sector in particular, financial sources are a priority. An entire administration that works in the public health institutions must be paid, all the needs of the hospital service must be funded, studies for the perspective must be funded and in the end, there must be investments in the training of young specialists, who in contact with developed countries, must enable the application of new technologies in medication. Under these circumstances, diagnoses and treatment of patients will be easier.

It has been proved that the health sector has its own impact in the economic development of the country. This sector not only consumes, but it also offers the Albanian economy a chance for development.

The health sector has an impact in many aspects from which we can mention:

1. The development of the industry of the production of medications.
2. The growth of the active life of individuals, by increasing and improving the productivity of work.

3. In increasing the number of jobs in the public and private health sector.⁷
4. In increasing the production of agrifood quality products.
5. In increasing and strengthening the market of social and health securities by increasing the number of jobs.
6. In increasing foreign direct investments in the domain of pharmacy, hospital private service and all aiding economies that relate to these services.

Without going in too much detail, we will stop on a part of the relation, namely the state funding of public health and expenses per capita.

By comparing the expenses allocated by the state in the annual budgets of these years of democracy in Albania to other states of the Balkan Peninsula and EU countries, we will see that there's a significant difference in the spreading of health services and in their quality.

We must stress that the data provided in this chapter have been taken directly from the internet and they belong to the World Health Organization. Of course, we could not yet secure other data belonging to the period from 2009 to 2013. We have introduced them to the study to understand the trend of developments for two of these important indicators for the health system of a country and namely: "...the percentage of total expenses for health to the GDP and total expenses for health per capita...".

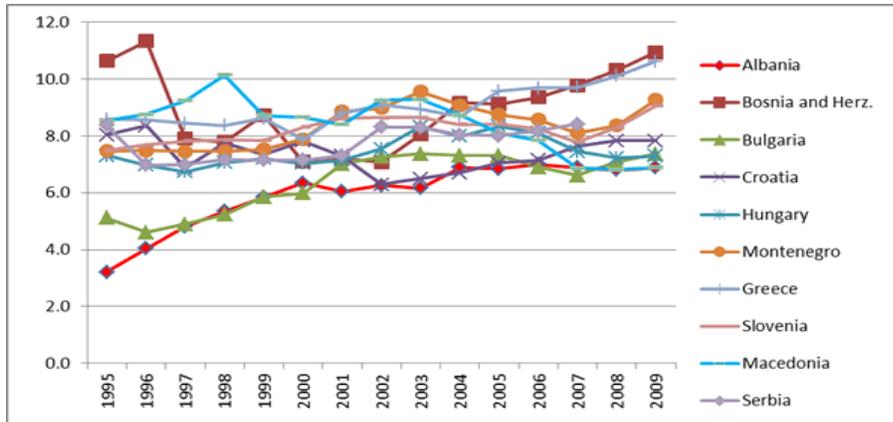
Unfortunately, the charts and figures place Albania in very low levels, which means that we have a lot to do in this aspect.

As we can see from this graph, our country is last among the countries of the region. The difference with the first places, Croatia and Bosnia and Herzegovina is evident. These data indicate the low level of health services in Albania compared to other countries of the region. This means that we're far from the required standards, compared to the countries of the region and beyond Chart 1 and Chart 2.

⁷Stephen P. R. & De Cenco D.(2010) "Management Foundations, Concepts and Basic applications", UET PRESS publication, Tirana, p. 38.

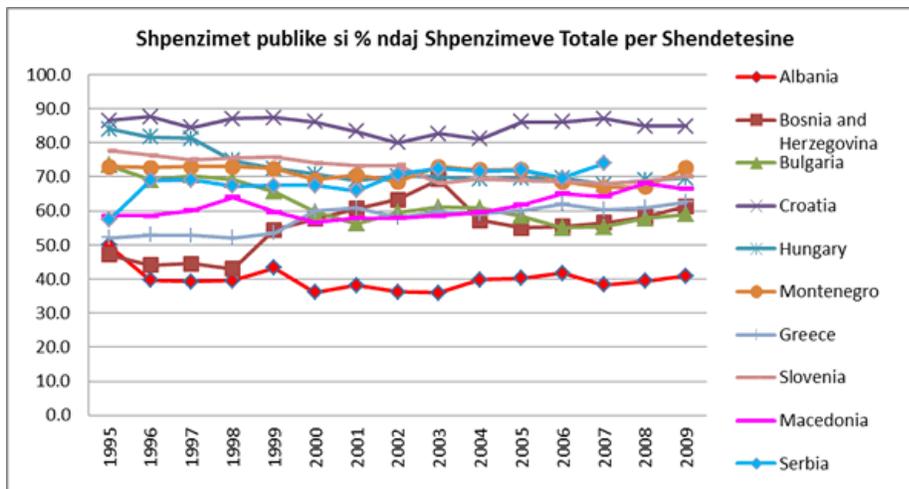
Chart 1.

A comparison of Albania with the countries of the region in terms of percentage of Total Expenses for Health against GDP and Total Expenses for Health per capita



Source: World Health Organization-Translation of the note inside the chart: Average of the percentage of the total expenses on health against GDP for 2007-2009

Chart No. 2 A comparative ratio of Albania with the countries of the region in terms of the weight of Expenses on Health in the State Budget.



Source: World Health. Translation of the note inside the chart-Public expenses as percentage to Total Expenses on Health.



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What could be some of the ways that could have an impact in the increase of state finances for the public healthcare sector.

First of all, I believe that it's the task of politics to find possibilities for an immediate growth, at least by two times of state budget sources in the health sector.

This is possible by cutting expenses in other directions and by aggressively fighting corruption. Millions of Lek have been wasted by the unprofessional treatment of medication in the warehouses of our hospitals. Expiry dates have forced medication worth significant amounts of money to end up in the black market or be destroyed. It's time for responsible people to be held legally accountable for the damages that they cause to state assets and public health.

For as long as these things are not regulated by law and in a determined way, situation cannot change. We also think that abuses with medication and health services must be made public and fully transparent for the opinion.

Warehouse managers, nurses or doctors, senior directors or managers of the health care service which have abused with medications and healthcare services, must be made known for the public opinion. Through press releases, the administration informs the public opinion on the people who have caused material damages or damaged the public healthcare sector through their actions.

In these cases, there's no point in waiting for the verdict of the Albanian courts which may take years, thus making the offense obsolete. Such people must immediately be dismissed without giving them a chance to be saved by a judge or corrupted prosecutor.

Secondly, another source of revenues for the public health sector may consist on making the state health insurance a priority. For this reason, we believe that in the current circumstances of Albania, this would be an important measure. Unfortunately, private companies easily manipulate the insurance market, while state inspection and monitoring is poor.

After a poor experience in the private insurance market, many Albanians were disappointed and addressed to courts and deposited hundreds or thousands of lawsuits against insurance companies in Albania. Besides personal enrichment which reaches enormous figures, they have also caused a thousand and one problems for the health insurance market. Based on confidential talks with specialists of the domain, one of the most corruptive domains is the sale of insurance policies.

In this case, more policies are sold then reported to state authorities. In these circumstances, the only state owned insurance company cannot be a competitor in the market.

Let us stop on several advantages of the state health insurance.

- After 20 years of democracy, where the private sector has done whatever it pleased, citizens have again addressed to the state. We have contacted many customers of private insurance companies and many of them are unsatisfied by the services of these companies.

In the worst case, they say: "...It's better if the state takes our insurance money than to unfairly enrich national or foreign bosses. They use all means not to pay us or to pay as little as possible and very late...". In other words, the public health market offers more security for the citizens.

At the same time, based on economist opinions and specialists of the domain, if this sector is reformed, strengthened and supported by the state, then it will be a lucrative sector.

- Strengthening and modernization of the current system of public health insurance system would be positive for citizens. It would be an added value and a competitive factor in the insurance market in Albania. In perspective, it would be the market and Albanians themselves who would decide for its future.

- Public health insurance system would be an important factor in fighting corruption. Both doctors and patients would communicate through documents which would be based on the recommendation issued by the family doctor or in the future and in the future, the introduction of a health card.

Patients would feel better if they paid for their visits at the doctor, while the doctor in this case, when his contacts with money is zero, it's very hard for him to ask or accept money.

- The introduction of this system requires full control by other state structures, but we're convinced that the conscience of the citizens will grow and in a few years, the system will enter normality and will yield results.

Conclusions and recommendations

1. In this article, we laid out several problems of the "Healthcare sector in Albania, problems and challenges", in the dimensions permitted by the conference.

2. The research of scientific materials, statistics, other publications, contacts with specialists of the economy, management and medicine, have convinced us that the problems that relate to the Total Health Expenses are priority problems and which interest the public opinion a great deal.

3. Problems concerning to the treatment of patients with professionalism and responsibility, are not problems that concern only the government or state institutions. They must also be considered as problems of the entire society and which affect its interests.

4. Very important problems of THE (Total Health Expenses) such as:

-The legal framework for the well functioning of the health market in Albania and confrontation with EU laws.

-The enlargement of the basis of financial sources and the growth of public funds for health.

-The strengthening of managerial capacities of healthcare institutions by creating contemporary models of healthcare management.

-Problems of optimism in terms of relations between the public sector and private sector in the health care service, must be a subject of study for economics sciences and Albanian medication.

1. We recommend the opening of a public healthcare management branch at the Faculty of Medicine at the University of Tirana or the Faculty of Economics at this same university.

2. Orientation and distribution of funds for the public health sector must be planned and realized following intensive consults with civil society. The latter is directly interested, because it bears on its shoulders many problems and the consequences of the healthcare services in Albania.

3. We would like to invite our colleagues and professors to become part of this major problem which has a direct impact in the future of Albania and Albanians. We invite them to take into consideration our first attempt in this domain.

We would also like them to be part of a wide public and scientific debate, because we are convinced that their precious and professional insights would guide Albanian government decision making.

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Multidisciplinary Summer Conference

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