



2008

Annual Report



Health Policy Institute



Health Policy Institute (HPI) is think tank analyzing health policy in Central and Eastern European countries.

Health Policy Institute is civic association registered on January 27th, 2005 at the Ministry of Interior of the Slovak Republic (Nr. VV3/1-900/90-25460).

Founders of Health Policy Institute are Peter Pažitný, Tomáš Szalay, Angelika Szalayová and Henrieta Maďarová.

In 2008 Health Policy Institute did not receive any form of state subsidy, did not participate in projects financed through EU structural funds or similar schemes and did not have any grant support from abroad.

Executive director of Health Policy Institute is Peter Pažitný.

The Institute resides in Bratislava at Hviezdoslav's Square 14.



Our vision is to become the most respected health policy think tank in Central and Eastern Europe.

- (1) Against the backdrop of growing medical care costs driven by high expectations of citizens, ageing of the population, changing structure of illnesses and technological advances it is the mission of the Health Policy Institute to:
 - » promote values which support financially sustainable health systems responding flexibly to the needs of the population;
 - » promote innovative solutions at the level of health systems, the level of health insurance companies and the level of providers in order to achieve a higher efficiency in the provision of health services;
 - » promote client-oriented approach to the insured and patients.
- (2) The first assumption to promoting these values is the understanding of health as an individual asset. The Health Policy Institute will promote such health policy which motivates every citizen to improving his or her own health state.
- (3) The second assumption is the highest possible decentralization of decision-making. The Health Policy Institute supports market mechanisms in the health sector wherever they are demonstrably more efficient than state intervention. The Health Policy Institute will therefore promote efficient regulation of the extent of provided health care, flexible setting of the minimum network, and maximum prices which are sufficiently motivating, as basic tools of the health care policy. It will be the task of the private sector to give content to these regulations.
- (4) Solidarity is the third most important value. The Health Policy Institute promotes a system of compulsory public medical insurance which gives every insured the right to equal care at equal needs. Due to the fact that in health care the unlimited desire for immortality meets the strict world of economy, solidarity must have clearly defined boundaries to prevent its abuse and to prevent the wasting of scarce resources for medically ineffective and economically inefficient interventions.
- (5) The Health Policy Institute will therefore advocate such operation of health care systems in Slovakia and elsewhere which promote the responsibility of the patient, responsibility of the provider and responsibility of the health care purchasers.



Year 2008 was a successful one in many views. We organized three high-profile conferences with current world top-professionals. In June, Professor Wynand van de Ven from Erasmus University accepted our invitation. His research is setting trends in risk adjustment.

Co-operation with Germany's leading institute IGES was confirmed with active participation of its director Professor Bertram Häussler on the same conference on risk adjustment.

Dutch role as a leader in setup of health system was acknowledged by Henk van Vliet, advisor to the board of the Dutch Healthcare Surveillance Authority, who participated at the conference on quality of health insurance companies in September. Zsombor Kovácsy, chairman of Hungarian Healthcare Surveillance Authority, spoke at the same conference.

Beside professionals as Vice-Governor of the Slovak National Bank Martin Barto, advisor to the Czech Minister of Health Tomáš Macháček and Professor Péter Mihályi also politicians accepted our invitations. At the conference on financial sustainability of the Slovak healthcare system in April two state secretaries actively participated. František Palko from the Slovak Ministry of Finance and Gyula Kincses from the Hungarian Ministry of Health.

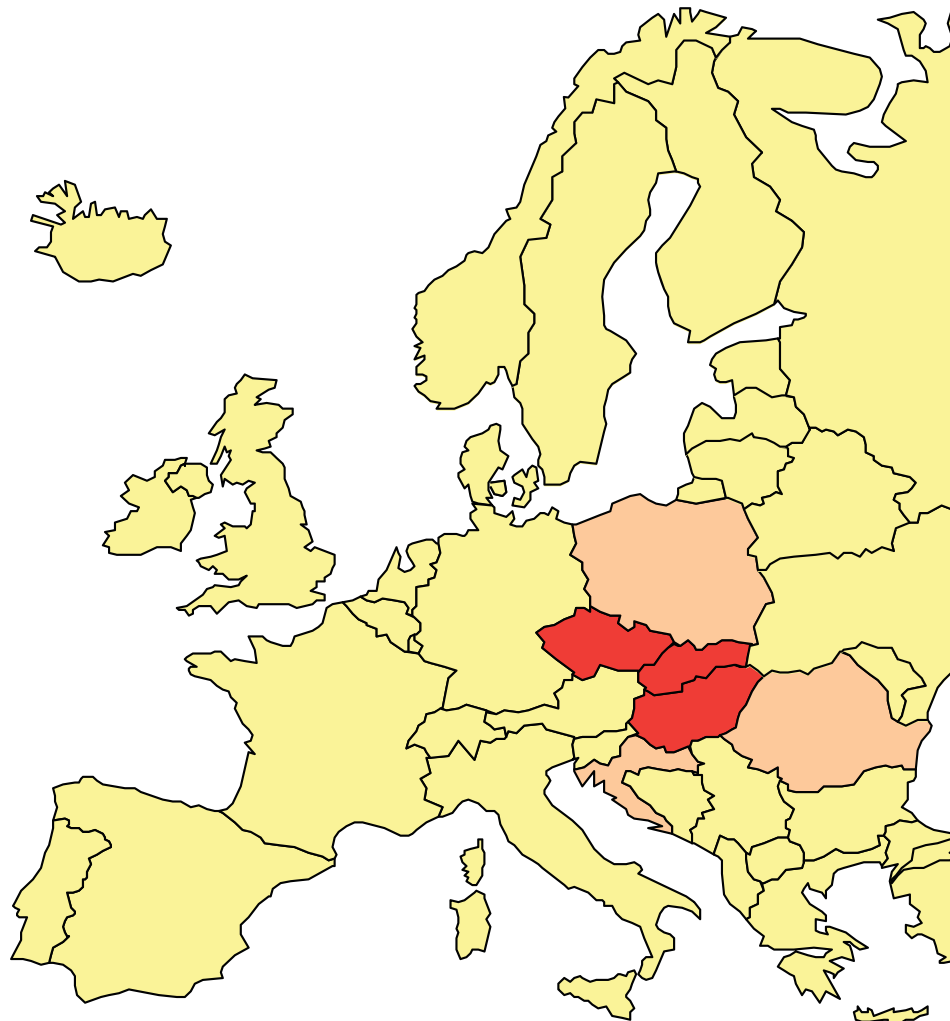
We were very glad to publish three topical publications, analyzing current status in different areas of health policy in Slovakia, comparing it with foreign concepts and experiences and proposing solutions for Slovakia.

In June, World Health Organisation (WHO) entrusted us with preparation of prestigious document on Slovak healthcare system Health in Transition. Publication should be published in 2009.

Our team grew with two new juniors – Marek Petrovič and Zuzana Košutzká. In May, Michal Gajdzica left, to join Henrieta Maďarová and become advisor to the Czech Minister of Health Tomáš Julínek.

Let me thank all individual members Health Policy Institute Team for his/her personal devotion and courage. Thank you.

Peter Pažitný
Executive Director



Country	Year	Activity	More references provided by
Czech Republic	2008	Advisory group to the Czech reform team on the preparation of health care reform in Czech republic focused on health insurance companies, health insurance scheme, providers market regulation and drug policy measures	Tomáš Julínek Czech Minister of Health Pavel Hroboň deputy Minister of Health
Brasilia	2008	Developing Effective Advocacy Campaigns	João Paulo Altenfelder Executive director of GESC Institute
Poland	2008	Health insurance as a part of Healthcare reform	Piotr Kuszewski and Paweł Kalbarczyk PZU Życie SA
Czech Republic	2008	European Health Academy	Vladimír Finsterle ELPIDA Milan Cabrnock Member of European Parliament
Hungary	2007	Potencial Risks of health insurance system reform	Zsombor Kovácsy Chariman of Healthcare Surveillance Authority
Hungary	2006	Advisory Group to health care reform	Lajos Molnár Hungarian Minister of Health
Czech Republic	2006	Categorization committee	Vladimír Kothera President of Association of Health Insurance Companies
Slovakia	2006	Advisors	Ján Gajdoš Chairman of Healthcare Surveillance Authority
Hungary	2006	Methodology and benchmarking of the minimal network of healthcare providers	Gyula Király Director of ESKI
Slovakia	2006	Design of the minimal network of healthcare providers	Rudolf Zajac Slovak Minister of Health
Slovakia	2006	Health Policy Framework 2006 - 2010	Igor Dorčák and Eduard Kováč Association of Health Insurance Companies
Czech Republic	2005	Fiscal study	Mukesh Chawla World Bank
Hungary	2005	Fiscal study	Mukesh Chawla World Bank
Romania	2005	Consultations to the Working Group of Minister of Health on designing the Health Insurance Act	Alan Fairbank
Bulgaria	2005	Health Policy Note	Reema Nayar a Peter Pojarski World Bank
Croatia	2005	Consultations on designing the Basic Benefit Package	Neven Ljubičić Croatian Minister of Health
8 EU countries	2005	Fiscal sustainability	Mukesh Chawla World Bank



Health is a Luxury Good. How to finance it?

On April 10th 2008 Health Policy Institute organized conference on sustainable healthcare financing till 2025 with the title *Health is a luxury good. How to finance it*

Conference was divided in two parts:

- » Politicians and fiscal sustainability of healthcare financing
- » Longterm alternatives of healthcare financing

Top professionals and politicians from Slovakia and abroad participated at the conference:

Martin Barto, deputy governor of NBS

František Palko, deputy Minister of Finance, Slovakia

Lucie Bryndová, deputy Minister of Health, Czech Republic

Gyula Kincses, deputy Minister of Health, Hungary

Karol Morvay, senior analyst, Health Policy Institute

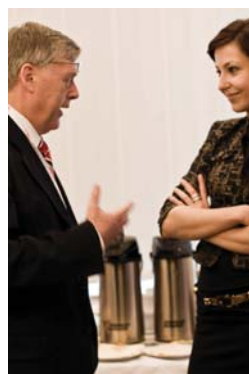
Ludovít Ódor, member of the Bank Board of NBS

Viktor Novysedlák, director of Finance Policy Institute, MoF SR

Tomáš Macháček, advisor to the Czech Minister of Health

Péter Mihályi, Central European University Budapest

Summary of their presentations was published in newsletter on health policy 4/2008.



Good insurance is worth gold. Can we recognize his value?



On June 3rd 2008 Health Policy Institute prepared second conference on health policy. This one was dedicated to the risk selection and risk adjustment in health insurance.

Conference was divided in three parts:

- » Modern trends in risk adjustment
- » The Slovak consumer and competition for insurees
- » How to further improve risk adjustment in Slovakia and the Czech Republic

Leading professionals from both abroad and Slovakia took part:

Wynand van de Ven, professor of Erasmus University, Netherlands

Bertram Häussler, director of IGES, Germany

Gabi bin Nun, Ministry of Health, Israel

Andrea Benáková, Publicis Knut, Slovakia

Angelika Szalayová, partner of Health Policy Institute, Slovakia

Martin Filko, advisor to the Slovak Minister of Finance, Slovakia

Henrieta Maďarová, advisor to the Czech Minister of Health, Czech Republic

Tomáš Macháček, advisor to the Czech Minister of Health, Czech Republic

Summary of individual presentations was published in newsletters on health policy IntoBalance 7/2008 and 8/2008.





Same same. But different.

On September 4th 2008 Health Policy Institute organized conference on quality of health insurance companies and rating in health care. During the conference, Rating of health insurance companies 2008 was introduced.

Health insurance company ratings are a natural feature in health systems with multiple health insurance companies, such as Germany, Holland, Switzerland, Australia and the USA. Ratings close the information gap between the insuree and the insurance company and increase transparency. Only clear, readily accessible information can increase insurees' faith in the insurance system and in health insurance companies.

The topic was considered from two sides:

- » Health insurance companies from the point of view of regulators and healthcare providers
- » Health insurance companies from the point of view of rating agencies

Foreign and Slovak experts spoke at the conference:

Henk van Vliet, advisor to the Board of Nederlandse Zorgautoriteit, Netherlands

Zsombor Kovácsy, Chairman of Healthcare Surveillance Authority, Hungary

Angelika Szalayová, partner of Health Policy Institute, Slovakia



Slovak Press Watch project compiled a chart of the experts most frequently quoted in 2008 in monitored opinion-leading media. In 2008 both Peter Pažitný and Tomáš Szalay have been quoted more (157) than in 2007 (132), but their final ranking was lower than in the previous year. In 2007 Tomáš Szalay was second (now 21st) and Peter Pažitný fourth (now 17th). Change of methodology played the key role in this issue thus the year-on-year comparison is not possible.



In 2008 chart the winner was Vladimír Vaňo from Volksbank. According to the author of the chart, media watchdog Gabriel Šipoš almost one third of the top 25 economical experts are people from four NGO's (HPI, INESS, INEKO, F. A. Hayek Foundation).

Table: Experts quoted most by the media 2008

1	Vaňo Vladimír	362	banking analyst	Volksbank
2	Ďurana Radovan	184	economist	INESS
3	Drahovský Ľubomír	156	retail analyst	Terno, agentúra pre prieskum trhu
4	Gábriš Marek	141	banking analyst	ČSOB
5	Májek Michal	134	commodity analyst	Fimex Capital
6	Mušák Michal	130	banking analyst	Slovenská sporiteľňa
7	Valachy Juraj	127	banking analyst	Tatrabanka
8	Valachyová Mária	125	banking analyst	Slovenská sporiteľňa
9	Sárazová Eva	122	banking analyst	Poštová banka
10	Šichtařová Markéta	117	banking analyst	Next Finance
11	Kárász Pavel	116	economist	Slovenská akadémia vied
12	Mihál Jozef	115	tax and contribution expert	RELIA s.r.o., strana Sloboda a Solidarita
13	Sulík Richard	100	tax expert	od konca roka zakladateľ Sloboda a Solidarita
14	Karpiš Juraj	94	economist	INESS
15	Goliaš Peter	92	analyst	Inštitút INEKO
16	Palčák Ľubomír	91	analyst	Výskumný ústav dopravný
17	Prega Robert	86	banking analyst	Tatrabanka
17	Tóth Ján	81	banking analyst	ING Bank, dnes UniCredit Bank
17	Pažitný Peter	81	healthcare analyst	Health Policy Institute
20	Čechovičová Silvia	81	banking analyst	ČSOB
21	Szalay Tomáš	76	healthcare analyst	Health Policy Institute
22	Blaščák Mário	74	analyst	DSS Allianz
23	Jurzyca Eugen	70	economist	Inštitút INEKO
23	Lenko Martin	70	banking analyst	VÚB
25	Švejna Ivan	67	economist	Nadácia F. A. Hayeka

Source: <http://spw.blog.sme.sk/c/180016/Mediami-najcitovanejsi-experti-rebricek-2008.html>



January 30th 2008

Vienna, Austria

Neuland

Peter Pažitný: Healthcare trends in CEE

March 25th 2008

Prague, Czech Republic

Farmako 2008

Angelika Szalayová: Comparison of drug reimbursement and drug consumption in Slovakia and Czech Republic

April 6th 2008

Prague, Czech Republic

International Health Summit

Peter Pažitný: Purchasing health care in Slovakia

April 25th 2008

Vienna, Austria

Insurance Reforms in CEE countries

Peter Pažitný: Slovak health system outlook

April 28th 2008

Sao Paolo, Brasilia

GESC: International Meeting of NGOs and Public Policies

Peter Pažitný: Developing Effective Advocacy Campaigns



June 17th 2008

Nitra, Slovakia

Regional Medical Chamber: workshop

Tomáš Szalay: Minimum network of providers and geographical access

June 18th 2008

Bratislava, Slovakia

Transparentn competition

Angelika Szalayová: Rating of health insurance companies

September 18th 2008

Bucharest, Romania

European Health Academy

**Peter Pažitný: Health care packages within solidarity systems.
Co-payments and private HC insurances.**



September 24th 2008

Warsaw, Poland

Delloitte and Touche: conference

Peter Pažitný: Slovak health reform – Courage to reforms

October 30th 2008

Budapest, Hungary

InsuranceCOM

**Peter Pazitny Panel Discussion Moderation: Interaction between
Insurance, social security and effective regulation**

November 12th 2008

Bratislava, Slovakia

Business breakfast of Swedish Chamber of Commerce

Tomáš Szalay: Public healthcare system in Slovakia

December 3rd 2008

Warsaw/Ossa, Poland

PZU: Health Insurance in Programs to Reform Health Care Systems

Peter Pažitný: Slovak health reform – Courage to reforms



General Framework of Health Policy for 2008 – 2011

General Framework series of publication became conventional part of our publishing scheme. In 2008 Health Policy Institute prepared this publication already for the third time. General Framework evaluates health policy and its tools in Slovakia. The publication introduces short-time forecast of revenues and expenses of health insurance companies in 2008 – 2011, based on macroeconomic parameters of the economy.

Authors of General Framework: Peter Pažitný, Karol Morvay, Michal Gajdzica, Angelika Szalayová, Tomáš Szalay, Simona Frisová and Lucia Lenártová.

A Global Report on the State of Society – Slovakia 2007

We contributed with chapter on Healthcare to the Global Report on the State of Society published annually by Institute for Public Affairs. We wrapped up events in the Slovak healthcare system in 2007.

Authors of the chapter: Peter Pažitný, Tomáš Szalay and Angelika Szalayová.



IntoBalance

Monthly newsletter IntoBalance was published for the third year in 2008. It featured commentaries on Slovak health policy issues. We monitored current events in neighboring countries – the Czech Republic, Hungary and Poland. We started to publish best dissertations of students at Health Management Academy.

More than 70 analyses and commentaries were published in the newsletter in 2008.

IntoBalance is published in both English and Slovak language versions. E-mail notification is sent to 1 700 Slovak and 600 foreign e-mail addresses. Archive of the newsletter's PDF-version is free accessible at our webpage www.hpi.sk.

Editor of the newsletter: Tomáš Szalay



Health is a Luxury Good. Do we know how to finance it?

The goal of the publication is to set out the position of financing in the context of health policy goals and instruments, identify financing systems in the context of their advantages, disadvantages and feasibility, analyze Slovakia's historical experience of the financing system and identify the current system's reserves and outlining a range of parametric and paradigm shifts in the Slovak financing system. We assessed the Slovak financing system's ability to generate resources in the long term, and proposing alternative solutions for financing the system up to 2025. Four variants were calculated:

1. an increase in the rate for contributions applicable to employed persons and the self-employed.
2. an increase in the level of neutrality of contributions
3. an increase in the rate for the calculation of government payments on behalf of a defined set of people.
4. an increase in the volume of private resources.

Each of the alternatives was considered under four scenarios.

Authors of the publication: Karol Morvay, Peter Pažitný, Marek Petrovič, Tomáš Szalay and Angelika Szalayová.

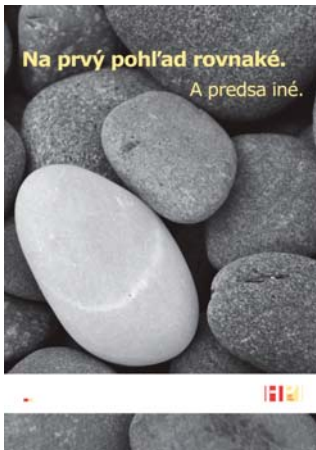


Good insuree is worth gold. Can we recognize his value?

The key conclusion of this publication is that the redistribution of resources based on demographic predictors (age and sex) is administratively simple but very poor at predicting the variability of healthcare costs in the future. Further, it is unable to cover two important areas of uncertainty: the first is high, lump-sum individual costs and the second is recurring costs linked to specific diseases, which need not be high in any one case, but which, in the longer run, are the principal burden for health insurance companies. Improving the insurance premium redistribution model in Slovakia from the perspective of predictive power will place a greater insurer emphasis on the strategic purchasing of health care and less focus on risk selection.

Authors of the publication are Peter Pažitný, Angelika Szalayová, Henrieta Maďarová, Marek Petrovič, Lucia Lenártová, Simona Frisová and Tomáš Szalay.





Same same. But different.

Rating of health insurance companies 2008

In 2008 Health Policy Institute prepared rating of health insurance companies already for the second time. There are two fundamental goals for health insurance company ratings:

- » The first goal is to inform consumers of the differences between health insurance companies. By referring to the parameters assessed in the ratings, insurees can decide where to take out insurance. In all probability, they will choose the insurer that provides them with their preferred services.
- » The second goal is to offer a benchmark for health insurance companies to improve their own processes and service portfolio.

The health insurance company ratings were achieved by assessing each health insurance company in seven areas:

1. financial stability of the health insurance company
2. operational performance of the health insurance company
3. business profile of the health insurance company
4. relations with healthcare providers
5. quality of health care services provided to insurees and the provision of other benefits for insurees
6. customer services
7. customer satisfaction

If anyone does not agree with our views concerning the weights assigned to the individual indicators, we have prepared a web application that allows users to produce their own ratings of health insurance companies based on their own preferences

Authors of the publication: Angelika Szalayová, Peter Pažitný, Simona Frisová, Silvia Hnilicová and Tomáš Szalay.

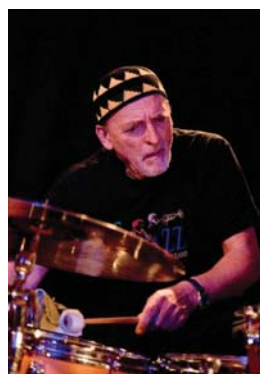
2% Tax Assignment

We assigned 2% of taxes to the Institute of Economic and Social Studies INESS, which founders share with us similar values.



Sponsoring

We continued to support good jazz in Piešťany also in 2008 through financial gift to non-profit organisation International Jazz Piešťany. Its chairman is our longtime friend Viktor Nižňanský.



Health Policy Institute (HPI)

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Founders of HPI: Peter Pažitný, Tomáš Szalay, Angelika Szalayová and Henrieta Maďarová.

Financial results of HPI in thousands SKK:

	2005	2006	2007	2008
Revenues	1 613	1 521	361	1 588
Expenses	1 659	1 456	529	886
Income	-46	65	-167	702

Health Research & Consulting, Ltd. (HRC)

HRC is a subsidiary company of HPI aimed at business consulting in the healthcare area.

Partners of HRC: Peter Pažitný, Tomáš Szalay, Angelika Szalayová, Henrieta Maďarová and HPI.

Financial results of HRC in thousands SKK:

	2005	2006	2007	2008
Revenues	8 052	15 108	6 872	11 192
Expenses	2 061	5 135	5 633	8 789
Income	5 991	9 973	1 239	2 403

Health Management Academy, Ltd. (HMA)

HMA is affiliated company of HPI dedicated to education of physicians and managers in healthcare.

Partners of HMA: Peter Pažitný, Simona Frisová, Janka Červenáková, Tomáš Szalay, Angelika Szalayová, Karol Morvay and Henrieta Maďarová.

Financial results of HMA in thousands SKK:

	2005	2006	2007	2008
Revenues	-	-	1 974	4 603
Expenses	-	-	2 493	3 721
Income	-	-	-519	882

PROREC Slovakia

PROREC Slovakia is affiliated civic company of HPI. It's goal is to summarize data, know-how and trends in the area of electronic health records.

Founders of PROREC Slovakia: Peter Pažitný, Tomáš Szalay and Robert Vincze.

Financial results of PROREC Slovakia in thousands SKK:

	2005	2006	2007	2008
Revenues	-	50	1	2
Expenses	-	28	3	5
Income	-	22	-2	-3



Partners

Ing. Peter Pažitný, MSc. (1976)



MUDr. Tomáš Szalay (1971)



MUDr. Angelika Szalayová (1974)



Mgr. Henrieta Maďarová, MSc. (1978)



Senior analysts

Ing. Simona Frisová (1980)



Ing. Karol Morvay, PhD. (1971)



Mgr. Michal Gajdzica (1976)



PhDr. Lucia Lenártová (1978)



Junior analysts

Marek Petrovič (1985)



Zuzana Košutzká (1988)

Office support

Jana Harbulová (1985)

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Stredoeurópsky inštitút pre zdravotnú politiku – Health Policy Institute
Hviezdoslavovo nám. 14
811 02 Bratislava
Slovak Republic

www.hpi.sk
hpi@hpi.sk
+421 - 2 - 207 11 959

photo: Eva Sivá, Ján Mazúr, Tomáš Szalay, Tomáš Forgáč