Country profile: Slovakia

At a turning point: Healthcare systems in Central and Eastern Europe

AmCham EU
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Written by

ECONOMIST IMPACT

About this supplement

This country profile is a supplement to *At a turning point: Healthcare systems in Central and Eastern Europe*, a report produced by Economist Impact and supported by the American Chamber of Commerce to the EU. It features detailed data and analysis on the dynamics at play in Slovakia.

The main report presents a broad view of health system and funding dynamics in 13 European countries, including eight countries in central and eastern Europe (CEE)—Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia—and five countries in western Europe—Austria, Germany, France, Portugal and the UK. This report aims to highlight key differences and commonalities in healthcare financing and policy approaches as governments rise to the challenge of managing the interlinked dynamics of population health and economic uncertainty following the covid-19 pandemic.

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Key priorities for Slovakia

Accelerate the implementation of digital health

Slovakia has had concrete plans to digitise its healthcare system, however, progress over the past decade has been slow. The country should focus on improving and integrating the HIS and EMR system, especially in primary care. This could also improve efficiency and integration across levels during the upcoming reforms to the hospital system.

Improve workforce planning

While Slovakia's number of doctors and nurses per population is not the lowest among CEE countries, an ageing workforce, migration and dissatisfaction is still an issue. Policymakers should integrate workforce and capacity planning with future hospital reforms and a focus on strengthening capacity in primary and community care to keep people out of hospitals and reduce pressure on staff.

Allocate funding and resources directly to preventative care

Miniscule spending on preventative care and lack of coordination to effectively implement and scale existing health promotion and disease prevention programmes are reflected in the high rate of premature and avoidable mortalities. Resources should be directed towards strengthening the gatekeeping role of GPs and increasing the reach of screening and prevention programmes.

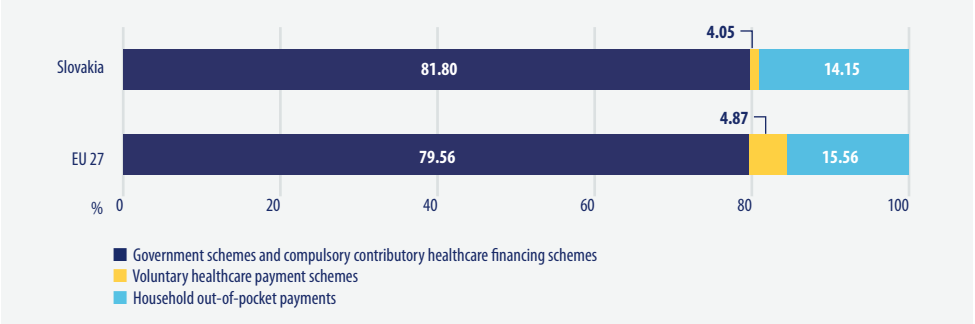
1. Healthcare financing

Slovakia spent 6.9% of GDP on healthcare in 2019 (latest available). Healthcare spending per head has risen steadily from €970 in 2014 to €1,198 in 2019, however, when measured in PPS terms, the rise in spending is far less pronounced, from €1,533 in 2014 to €1,565 in 2019.[1]

FIGURE 1: HEALTH SYSTEM AND FUNDING SOURCES

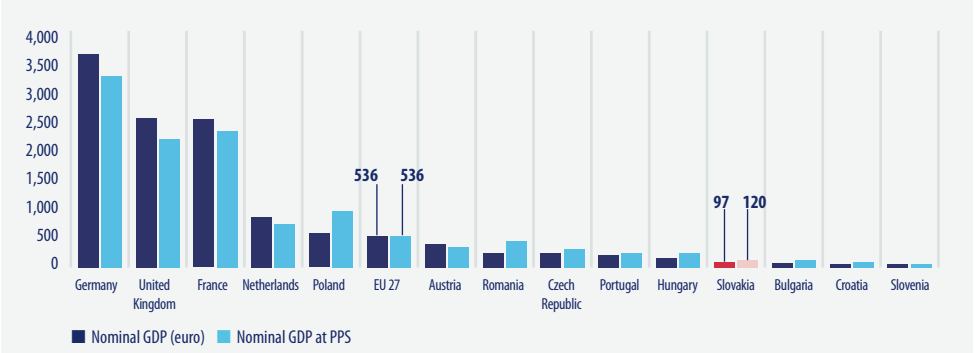
Healthcare system	Bismarck model - SHI system based on mandatory employment contributions
Coverage and enrolment	Slovakia's insurance-based system is primarily financed through mandatory employer and employee contributions to state-owned and private insurers. Companies pay 10% of wages in healthcare contributions, with employees paying another 4%. The state contributes on behalf of the unemployed, children, pensioners and those on sick or maternity leave.[2] Public spending on health accounted for 79% of Slovakia's total health expenditure in 2019.[3]
Core services covered	While the benefit package is comprehensive and includes preventative examination, essential pharmaceuticals and priority diagnosis, and while access to such care is guaranteed free of charge by the constitution, limited resources have reduced service availability, leading to rationing of care and driving the use of informal payments.[4]
Co-payment and user charges	Out-of-pocket (OOP) expenditure functions as the only source of private financing, as private health insurance is virtually non-existent. Over the past decade, OOP spending has risen significantly to over 19% of current health expenditure (CHE).[3] Outpatient medicines account for over 40% of OOP spending.[5]

FIGURE 2: FINANCING SOURCES (% OF CURRENT HEALTH EXPENDITURE)



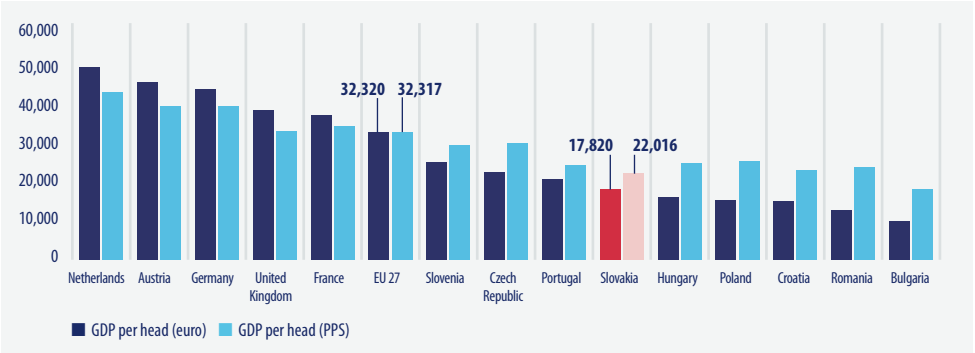
Source: Eurostat. Health care expenditure by financing scheme. 2019. EU 27 data from 2018 (latest available year)

FIGURE 3: NOMINAL GDP, 2021



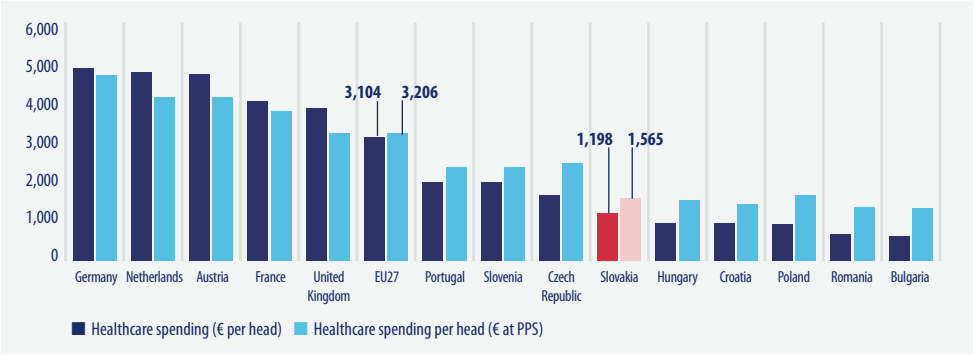
Source: Eurostat. Gross domestic product (GDP) at current market prices in € and Purchasing Power Standard (PPS). 2021

FIGURE 4: GDP PER HEAD, 2021



Source: Eurostat. Gross domestic product (GDP) at current market prices per head in € bn and Purchasing Power Standard (PPS, EU 27 from 2020). 2021

FIGURE 5: HEALTHCARE SPENDING PER HEAD, 2019



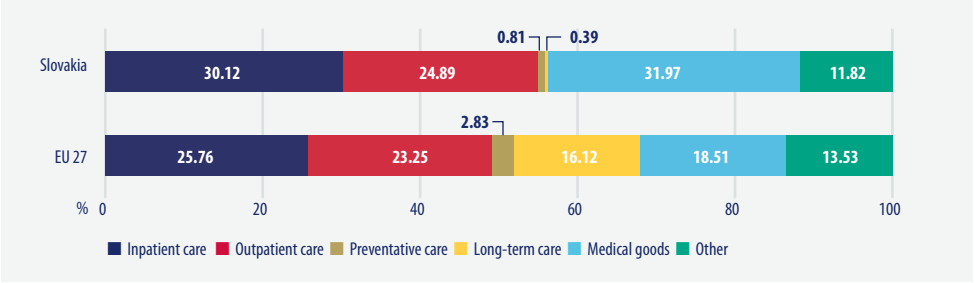
Source Eurostat. Healthcare spending per head in € and PPS. Healthcare spending as a % of GDP, 2019

2. Healthcare resources

2.1. Healthcare expenditure by function

Like many CEE countries in this study, Slovakia relies heavily on inpatient care accounting for over 30% of CHE. Less than 1% of CHE is allocated towards preventative and long-term care.[6] The demand for long-term and palliative care is growing substantially due to population ageing; however current services are fragmented and reliant on informal payments from patients.[4]

FIGURE 6: HEALTHCARE EXPENDITURE BY FUNCTION (% OF CURRENT HEALTH EXPENDITURE)



Source: Eurostat. Healthcare expenditure by function. 2019. EU 27 data from 2018.

2.2. Human capital

Slovakia has 3.4 doctors per 1,000 people, according to 2017 data (latest available).[7] In January 2022, The Medical Trade Union in Slovakia, Lekárske Odborové Združenie, reported a shortage of 1,300 doctors and 2,200 nurses, leading to delays in the provision of essential health services and postponed operations. Wages for doctors in Slovakia are significantly lower than in many neighbouring CEE countries, driving migration to these countries.[8]

Similar to other CEE countries, the ageing workforce is also a concern, the Slovak Society of General Practice reported in 2019 that 30% of the country's GPs are over 65.[9]

2.3. Healthcare infrastructure

Despite efforts to expand the use of primary care, Slovakia continues to have a relatively high number of hospital beds per 1,000 people—at an estimated 5.7 in 2019 (down from 6.8 in 2007).[10]

Hospital indebtedness is also a significant barrier to higher investment and improvement of infrastructure in Slovakia. In 2017 the overall debt for the 17 hospitals managed by the country's Ministry of Health amounted to around €728m (around 0.9% of GDP). The government has been pumping state funds into loss-making and heavily indebted healthcare institutions. The health ministry plans to reduce the number of hospitals by 2030 and divide the hospital system into five tiers—community, regional, complex, endpoint and national—based on the services that they offer.[11]

3. Access to medicines

While spending on medical goods is high at 31% of CHE, spending on medical goods is relatively low in euro terms at €2bn in 2019, compared to the EU average of €9.1bn.[12]

The external reference pricing (ERP) system, introduced in 2012, benchmarks the prices of medicines against the two cheapest markets in the EU. Despite these measures and a high utilisation of generics to bring drug prices down, there are concerns that public expenditure on pharmaceuticals in Slovakia has become unsustainable.[13] Legislative reforms to improve access and affordability are reportedly in development, in line with the EU Pharmaceutical Strategy.

3.1. Access to innovative therapies

According to the EFPIA Patients W.A.I.T Indicator 2021, the rate of availability of access to innovative new therapies in Slovakia is among the lowest in the EU, with just 23% of total approved products available. The average time to availability in Slovakia at 564 days is quicker than many CEE countries but is slightly longer than the EU average.[14]

3.2. Digital health

Slovakia ranks 23 out of 27 EU countries on the Digital Economy and Society Index (DESI) 2022. While Slovakia performs close to the EU average on indicators for human capital, scores are lower for connectivity, integration of digital technology and digital public services.[15]

While the introduction of e-health, led by the National Health Information Centre (NHIC), has been incremental, if implemented at scale, e-health and digital health offer the potential to support the country's overstretched healthcare workforce. E-health is a key focus area for the development of digital public services under 'The National Concept of Informatization of the Public Administration for years 2021-2026'. Slovakia's Recovery and Resilience Plan (RRP) also allocates €686m towards the digitalisation of healthcare and improving operational efficiency in the health system.

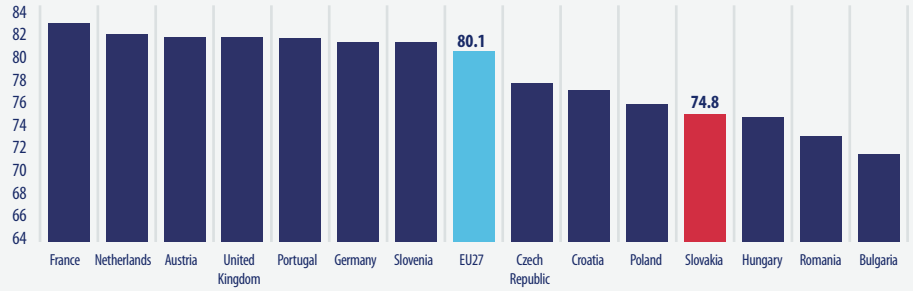
4. Health system assessment

4.1. Population health

Average life expectancy at birth has risen steadily over the past decade to 77.8 years in 2019 – with a decline to 74.8 years in 2021 due to the impact of covid-19.[16] Slovakia's infant mortality rate has fallen from 5.8 to 5.1 deaths per 1,000 live births. However, the rate remains significantly higher than the EU average of 3.4.[17]

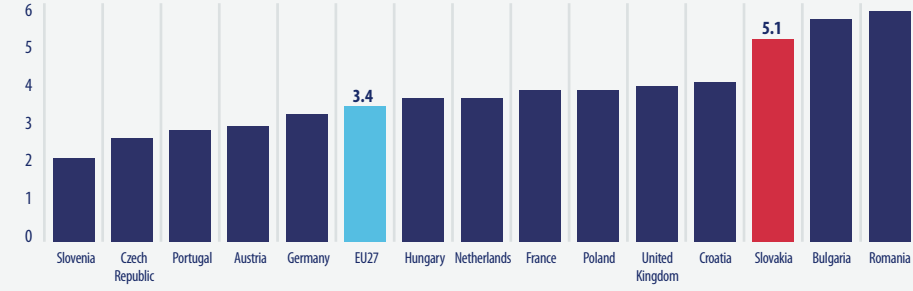
Slovakia's share of the population over 65 years is among the lowest in the EU, at 16.7% in 2020 and expected to increase to 21% by 2030.[18] Slovakia is also projected to maintain a lower old-age-dependency ratio than the majority of EU countries, with 32.7 dependents per 100 working-age population in 2030 compared to the EU average of 40.4 per 100 population.[19] While Slovakia's population was among the youngest in the EU in the 2,000s and population ageing is less prominent than in other EU countries, demographics are changing and birth rates are falling with a projected population decline from 5.45m in 2020 to 5.15m in 2050.[20]

FIGURE 7: LIFE EXPECTANCY, AVERAGE (YEARS), MALE AND FEMALE, 2021



Source: Eurostat. Life expectancy. 2021. Available from https://ec.europa.eu/eurostat/databrowser/view/demo_mlexpec/default/table?lang=en

FIGURE 8: INFANT MORTALITY RATE (PER 1,000 LIVE BIRTHS), MALE AND FEMALE, 2019



Source: Eurostat. Infant mortality rates. 2019. Available from https://ec.europa.eu/eurostat/databrowser/view/demo_minfind/default/table?lang=en

4.2. Disease burden and risk factors

Ischaemic heart disease, stroke and lung cancer were the leading causes of death in Slovakia in 2018.[11] Mortality due to ischaemic heart disease at 359 deaths per 100,000 people is among the highest in the EU countries.[21] The rate of cancer deaths at 152 per 100,000 people is slightly above the EU27 average of 140 deaths per 100,000; however lower than other CEE countries.[22]

The main health risks in Slovakia are poor diet, with little emphasis on preventative healthcare, and high levels of airborne and water pollutants. Over 56% of adults were overweight or obese in 2016, below the EU average of 58.8%.[23] The rate of diabetes at 5.8% was also below the EU average of 7%.[24] Although smoking was banned in public places in 2009, tobacco use is still high, with over 20% of the population over 15 years old identifying as regular smokers.[25]

FIGURE 9: LEADING CAUSES OF MORTALITY

Cause of mortality	Total number of deaths in 2018	As a % of total deaths for 2018
Ischaemic heart disease	12,942	24.6
Stroke	4,277	8.1
Lung cancer	2,099	4
Pneumonia	2,061	3.9
Colorectal cancer	1,982	3.8
Liver disease	1,685	3.2
Breast cancer	1,026	1.9
Pancreatic cancer	864	1.6
COPD	805	1.5

Source: Eurostat, 2018. Extracted from OECD/European Observatory on Health Systems and Policies (2021), Slovakia: Country Health Profile 2021, State of Health in the EU, OECD Publishing, Paris/European Observatory on Health Systems and Policies, Brussels.

4.3. Quality of care

Slovakia has among the highest mortality rates from preventable and treatable causes in the EU. The mortality rate from treatable causes at 163 deaths per 100,000 is significantly above the EU average of 92 deaths per 100,000. Mortality from preventable causes is higher at 231 deaths per 100,000, compared to the EU average of 160.[26] Many of these deaths could be avoided through increasing investment and scaling provision of preventative care.

5. Future outlook

In early 2021, 23% of the Slovak population reported having forgone needed medical care during the first 12 months of the pandemic, which will exasperate an already high prevalence of NCDs and avoidable mortalities in the coming years.

Slovakia is due to receive almost €13bn in EU structural funds between 2021-27, with release dependent on strict implementation of reforms and investment subject to scrutiny by EU member states. Digital transformation of the economy and society is at the heart of Slovakia's Recovery and Resilience Plan (RRP). Digital reforms and investments included in the plan should help to modernise Slovakia, focusing on areas which show significant investment needs.[27]

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