

# COST OF THE FUTURE HEALTH INSURANCE PLAN AND FINANCIAL IMPLICATIONS FOR ROMA, ASHKALI, AND EGYPTIANS IN KOSOVO

## INTRODUCTION

Numerous studies highlight the poor health situation of the Roma, Ashkali and Egyptian communities. However, until now, we have lacked accurate data on health costs and financial implications.

Current health care expenses constitute a disproportionately heavy burden to economically disadvantaged families and individuals.

Kosovo Roma, Ashkali and Egyptians, of whom 70% are estimated to live below the national poverty line, are especially vulnerable to these costs.

Solidar Suisse, together with partner Balkan Sunflowers Kosova, took action to address the knowledge gap so as to improve the health and social security of the Kosovo population through support of active participation by civil society in the development and implementation of the health insurance system.

The main aim of the KOSANA Project is improvement of the health and social security of the population of Kosovo through support of active participation by civil society in the development and implementation of a health insurance system in the country.

The KOSANA Project empowers the CSO-s representing citizens and patients to create advocacy positions based on facts, information, and the needs of the people. This process requires a long-term effort and commitment by organizations that represent citizens' interests.



To address the knowledge gap, a 2014 health survey included investigating the costs of health care for these communities and financial implications for a future health insurance system. The full research findings and methodology will be available in separate publication.<sup>1</sup>

This policy brief presents the main findings regarding the cost of health care in general and

financial implications of inclusive health insurance for Roma, Ashkali, and Egyptian communities within the proposed Health Insurance Law and enables advocating national health insurance components that may better address the health care needs of these communities.

## KEY FINDINGS

These are the main findings based on survey results:

**1.** The household survey of 393 households included 1,592 individuals excluding children under 12, or 2,194 individuals including children under 12. This sample size is instrumental in calculating financial aspects of healthcare since it is a starting point for estimating costs for the whole population of 35,784 Roma, Ashkali, and Egyptians in Kosovo.<sup>2</sup>

**2.** The total monthly income of the whole surveyed sample of households was found to be €79,400, from which we extrapolate the monthly income of €1,295,009 and annual income of the total population of Roma, Ashkali, and Egyptians to be €15,540,107. This points to annual healthcare costs for this population of 38% of their total income.

This is a strikingly high ratio of healthcare costs to income. The average annual healthcare costs per ill person were found to be €557. The total annual healthcare costs of the interviewed sample was €262,964 from which we can extrapolate annual healthcare costs for the total population of Roma, Ashkali and Egyptians. Excluding children under 12 it is €4,288,926, and it is €5,910,744 when children under 12 are also included.<sup>3</sup>

**3.** Designing public policies only according to the total annual costs of a given group is not sufficient, which is why it is important to report the distribution of those costs: 19.5% of ill Roma, Ashkali, and Egyptians had annual health care costs of less than €100. 17.4% of them had annual healthcare costs of €100-199, 14.2% of them had costs of €200-299 euro, 15.5% of them had costs of €300-499 Euro, 12.1% of them had costs of €500-599, and the rest of them (21.4%) had costs of €600 and above.



1 New National Health Insurance Will Save Lives: Life Expectancy and Health in Kosovo's Roma, Ashkali and Egyptian Communities

2 Kosovo Agency of Statistics – *Kosovo Population and Housing Census (2011), Main Data*. Pg. 143

3 The cost estimation including children under 12 is approximate as the survey does not contain data about children under 12. This assumes the annual costs of healthcare in children are similar to annual healthcare costs of adults.

**Table 1. Distribution of annual healthcare costs of Roma, and Ashkali and Egyptians in Kosovo.**

Healthcare Costs in EURO	Frekuenca	%
0-99 euro	92	19.5
100-199 euro	82	17.4
200-299 euro	67	14.2
300-399 euro	49	10.4
400-499 euro	24	5.1
500-599 euro	57	12.1
600-699 euro	18	3.8
700-799 euro	10	2.1
800-899 euro	9	1.9
900-999 euro	2	0.4
1000-1999 euro	30	6.4
2000 euro and above	32	6.8
Total	177	39.1



**4.** An important aspect of estimating health care costs of the current health insurance in Kosovo is finding out how many people cannot afford medical treatment. 55.1% of Roma, Ashkali and Egyptians reported that the reason for not visiting a doctor more often was the inability to afford medical treatment.

This means that an estimated 19,704 Roma, Ashkali, and Egyptians have difficulty with the affordability of medical treatment. This is significant and has serious implications. Initially, costs will increase when health insurance becomes a means of paying for treatments. Only 13.5% (estimated 4833 people) reported that this is not the case.

**5.** Various combinations of possible correlations of health care costs and other variables were checked. Three variables significantly correlated with the costs of health care<sup>4</sup>. These variables are

Age, Total Monthly Household Income from All Sources, and Doctor Visits during the Past 12 Months. Age correlated with higher health care costs – as would be expected. More frequent doctor visits correlated with higher healthcare costs – again, as expected. One correlation that requires attention is a significant correlation between the total monthly household income and healthcare costs.

**6.** To see how health care costs of Roma, Ashkali and Egyptian families can be influenced by changes in household income, a simple linear regression was created between these two variables; the following result was found: A monthly household income increase of €1.80, increases the household's healthcare costs by €1.00 (see Research Report for justification).

<sup>4</sup> The widely practiced cut-point of 0.05 significance level was used to determine significance of the correlations between variables.

This shows that the healthcare costs of Roma, Ashkali, and Egyptians are forced down by their low household incomes. Therefore, social policies that are designed to increase the general welfare of Roma, Ashkali and Egyptian households would also be effective in increasing access to healthcare services, and an expected improvement in their health.

**7.** The financing side of the health insurance system will need support, considering that 58.6% of Roma, Ashkali, and Egyptians interviewed were unemployed<sup>5</sup>, and this extrapolates to 15,206 unemployed people for whom the state will have to cover the insurance premium. Furthermore, the total income earned by people who work is smaller than funds received by those who do not work among Roma, Ashkali, and

Egyptians, which is a serious problem for the sustainability of premium contributions from these communities. All the unemployed Roma, Ashkali, and Egyptian population and pensioners receive around 7.7 million Euros annually, which is more than the 7.1 million Euros annually which the employed earn in the private sector, public sector, NGOs and self-employment. Therefore, the total funds that can be collected from the insurance premiums of the paying payees (including the 3.5% paid by the employee, and the 3.5% paid by the employer) is only €535,248 annually. This is smaller than the annual insurance premium that the state will have to cover for the unemployed, pensioner, and disability pensioners, which would amount to €562,137.

## RECOMMENDATIONS

A combined social policy together with a special healthcare policy is needed by the government to make sure that the healthcare costs of Roma, Ashkali, and Egyptian are properly covered.

The 38% healthcare cost to household income ratio is a good indicator that this issue needs serious attention.

<sup>5</sup> This counts all reports of work as employment, including informal employment. When formal employment is considered, research finds near 98% unemployment.

### To Government of Kosovo

- 1.** Reform Social Assistance to allow people receiving and reporting income below a to be determined level may continue to receive social assistance.
- 2.** Fund innovative pilot projects to evaluate potential long-term savings from enhanced patient counselling in family medicine centers, health mediators, early screening, etc.



Photos by Vedat Xhymshiti for Solidar Suisse Kosovo 2014