

## Health Insurance Reform Ongoing in CEE

At a conference workshop session titled "Health Insurance in the CEE: Risks and Rewards," Toomas Palu, MD, MPA, a health specialist with the World Bank in Washington, D.C., gave an overview of insurance reform efforts in CEE, which are just beginning in some nations but are advancing in others, such as Croatia and the Czech Republic.

Palu offered a checklist of insurance development issues for CEE countries to consider. He said insurers must define covered services; set payment levels to cover the cost of efficient provision of services; develop payment methodologies such as diagnosis-related groups; develop quality monitoring systems and regulatory structures; and maintain feasible and sustainable administrative costs. Providing appropriate training for personnel and information to consumers should also be a priority, he said.

In CEE nations where insurers have failed to define benefits and contracts, and governments have not adequately monitored the system, hospitals and insurance funds have gone bankrupt, Palu noted.

David Gagnon, MPH, executive director of the National Perinatal Information Center in Providence, Rhode Island, also spoke at the session, summarizing the strengths and weaknesses of several reimbursement systems--from "global payment" systems to systems based on diagnosis-related groups. He noted that an international trend is underway to shift risk from the insurer to the provider of care--"a dramatic difference that we in the US have not experienced until recently, and you have not experienced yet in your countries," he told CEE participants.

Gagnon said a "blended" reimbursement system, combining many facets of the various systems in use today, might be successful in CEE nations, and recommended that insurers set fees for certain high-volume episodes of care and establish contracts on a negotiated basis by region.