

# THE HEALTH FINANCIAL CRISIS IN ROMANIA: CAUSES AND REMEDIES

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# Romania

Capital city: Bucharest (2,000,000 inhabitants)

Population: 21,700,000 inhabitants

GDP: 73 bln. USD or 58 bln. EUR

GDP per capita: 3,364 USD or 2,673 EUR

Total health expenditures: 6% GDP

Public health expenditures: 70% of total

Health expenditures per capita in former communist countries in 1990 (USD)

Countries	Health expenditures per capita USD
Romania	58
Bulgaria	121
Estonia	228
Hungary	185
Latvia	220
Lithuania	159
Poland	84

Source: The World Health Report 1995 – Bridging the gaps, WHO, p.101

## The evolution of GDP in Romania

Year	GDP (bln. USD)
1990	39,79
1991	28,82
1992	19,58
1993	26,36
1994	30,07
1995	35,48
1996	35,33
1997	35,29
1998	42,12
1999	35,59
2000	37,05
2001	40,18
2002	45,82
2003	57,33
2004	73,17

Source: The Statistical Yearbook of Romania,  
National Institute of Statistics

### HEALTH INSTITUTIONS AND BEDS IN INSTITUTIONS WITH STATE MAJORITY OWNERSHIP (end of year)

Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>Units (number)</b>														
Hospitals	423	427	430	433	415	412	413	416	414	425	439	442	442	422
Polyclinics	540	536	531	527	524	521	516	507	478	303	90	62	44	40
Medical clinics	5883	5948	5935	5956	6007	6016	6058	5835	4945	1234	908	406	442	304
TB sanatoria	16	16	17	15	15	13	13	13	13	14	14	12	11	9
Preventoria	15	16	14	14	13	13	13	14	14	13	11	11	8	6
Nurseries	840	819	765	714	630	573	546	464	425	388	358	348	288	294
Orphanages	64	62	61	60	59	58	58	57	60	1)	1)	1)	1)	1)
Pharmacies	1948	1748	1226	962	951	957	558 <sup>2)</sup>	550 <sup>2)</sup>	544	534	508	517	503	495
<b>Beds (number)</b>														
Beds in hospitals	207001	206869	179169	179082	174900	173311	170954	166411	164526	164156	166817	167888	162588	142676
Beds in nurseries	76944	74608	61587	56495	43733	36437	33938	28590	25491	22966	20724	19718	14858	14343
Beds in preventoria	1946	1931	1743	1743	1668	1668	1618	1618	1618	1618	1518	1518	1031	555
Beds in orphanages	13623	13278	11812	11472	10981	11075	10720	10655	10254	1)	1)	1)	1)	1)
Beds in TB sanatoria	4990	4990	4965	4510	4531	4416	4430	4245	4235	4380	4280	3920	2483	2202
<b>Beds per 1000 inhabitants</b>														
Beds in hospitals - total	8,9	8,9	7,9	7,9	7,7	7,6	7,6	7,4	7,3	7,3	7,4	7,5	7,5	6,6

<sup>1)</sup> In 1999 the orphanages were transformed into "centres for reception and placement" belonging to the Department for Child Protection.

<sup>2)</sup> Since 1996 the number of public pharmaceutical units has been decreased because transforming them in mixed or private pharmaceutical units.

Source: The Statistical Yearbook of Romania, National Institute of Statistics

**MEDICAL-SANITARY STAFF, IN THE UNITS WITH STATE MAJORITY OWNERSHIP (end of year)**

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>Physicians <sup>v</sup></b>	41813	42102	42522	40265	40114	40112	40919	40378	41310	42975	42371	42339	41547	42538
Population per physician	555	551	536	565	567	565	552	558	545	523	529	529	525	511
Physicians per 10000 inhabitants	18	18,2	18,7	17,7	17,6	17,7	18,1	17,9	18,4	19,1	18,9	18,9	19,1	19,6
<b>Dentists</b>	6717	6460	6491	6326	5914	6045	5974	5299	5367	5261	4983	5057	4873	4919
Population per dentist	3456	3589	3511	3597	3844	3752	3784	4255	4193	4269	4502	4431	4473	4418
Dentists per 10000 inhabitants	2,9	2,8	2,8	2,8	2,6	2,7	2,6	2,4	2,4	2,3	2,2	2,3	2,2	2,3
<b>Pharmaceutical chemists</b>	6286	5080	3817	2790	2814	2646	1909	1690	1642	1598	1588	1490	1371	1275
Population per pharmaceutical chemists	3692	4564	5970	8156	8078	8572	11843	13341	13705	14054	14128	15039	15897	17046
Pharmaceutical chemists per 10000 inhabitants	2,7	2,2	1,7	1,2	1,2	1,2	0,8	0,7	0,7	0,7	0,7	0,7	0,6	0,6
<b>Ancillary medical staff</b>	131949	125947	124234	122166	130093	128460	126645	116712	117719	114027	111326	111263	113620	109668
Population per ancillary medical person	176	184	183	186	175	177	179	193	191	197	202	201	192	198
Ancillary medical staff per 10000 inhabitants	56,9	54,3	54,5	53,7	57,2	56,6	56	51,8	52,3	50,8	49,6	49,7	52,1	50,5
Ancillary medical staff per physician	3,2	3	2,9	3	3,2	3,2	3,1	2,9	2,8	2,7	2,6	2,6	2,7	2,6
<b>Auxiliary staff</b>	70315	70521	68220	68689	67224	68164	68337	59441	60584	57493	57344	57608	60673	57884

<sup>11</sup> Dentists excluded.

Source: The Statistical Yearbook of Romania, National Institute of Statistics

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>NUMBER OF PATIENTS OUT OF HOSPITAL, BY DISEASE CLASSES( thou persons)</b>	3733	3577	3667	3842	3932	3857	3984	4066	4010	4060	4303	4640	4867	4538
Infectious and parasitic diseases	251	220	199	219	239	215	209	232	219	223	237	271	282	266
Neoplasm	159	161	168	183	194	201	215	225	237	245	274	316	343	321
Endocrine, nutritional and metabolic diseases	68	64	71	77	81	82	89	92	108	112	127	132	143	138
Mental and behavioural disorders	193	178	194	215	236	233	234	246	246	238	253	273	287	272
Diseases of the nervous system and sense organs	177	168	172	185	201	194	203	207	214	215	237	248	264	252
Diseases of the circulatory system	403	376	404	427	445	459	471	486	492	507	543	614	646	608
Diseases of the respiratory system	587	539	566	595	639	597	656	655	621	676	674	692	747	691
Diseases of the digestive system	437	418	438	467	492	493	497	493	489	475	504	542	566	520
Diseases of the genitourinary system	290	280	294	318	326	329	335	347	335	341	367	442	410	372
Pregnancy, childbirth and puerperium	434	485	483	447	384	359	382	383	362	343	356	329	335	263
Certain diseases originating in the perinatal period	48	46	44	44	47	48	46	48	50	50	49	48	58	71
Congenital malformations, deformations and chromosomal abnormalities	20	20	21	21	20	21	21	22	23	24	26	26	29	29
Injury, poisoning and other consequences of external causes	293	280	274	282	274	278	282	284	274	267	288	301	318	301
Other causes	373	342	339	362	354	348	344	346	340	344	368	406	439	435

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>AIDS - NUMBER OF REPORTED CASES (end of year)</b>	1470	2034	2527	3035	3597	4313	4978	5702	6471	7061	7663	8019	8226	8467

Source: The Statistical Yearbook of Romania, National Institute of Statistics

The evolution of the healthcare public financing in Romania can be divided in two main stages:

- 1990-1997: financing through general government budget (general taxes);
- 1998- present: financing mainly through the social health insurance budget (due to the implementation of the healthcare public insurance system – special contributions);

The main characteristics of 1990–1997 period:

- Romania was placed on the last place in Europe (excluding Albania and former Yugoslavia republics) at indicators such: total health expenditures as percent of Gross Domestic Power (GDP) and per capita total health expenditure (both at official exchange rate and at parity purchase power (PPP) – with only 59 USD, respectively 136 USD per capita per year).
- Also, the public financing of the health sector was realized only by resources collected through general taxes.
- Although Romania had allocated the one of the biggest share of total government expenditures to healthcare (9.2%), the low level of GDP that offered limited possibilities of redistribution caused big financial crisis in health sector.

The main characteristics of 1998–present period:

The introduction of new social contributions dedicated only for financing health had increased the amount of resources allocated for healthcare. The share of total expenditure on health as percent of gross domestic product had constantly increased during this period from 5.2% in 1998 to 6.3% in 2002.

Also, the share of general government expenditures had increased from 59.6% in 1998 of total expenditure on health to 65.9% in 2002.

Consequently, the share of private expenditure on total expenditure had reduced accordingly. With these new social health contributions, the general government expenditure on health as percent of total government expenditure had also increased constantly during the period from 8.8% to 12.7% in 2002.

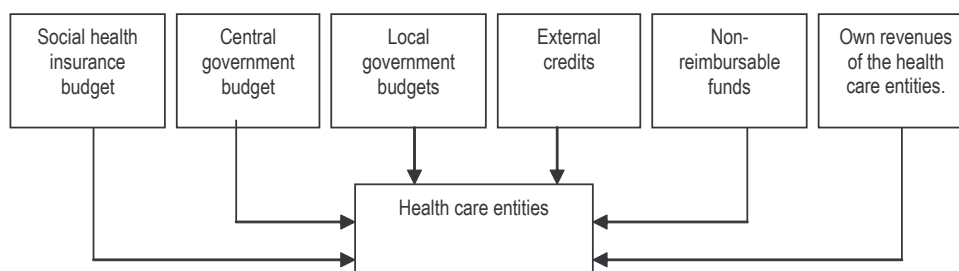
For, the first time, after 1990, Romania had managed not to be on the last position in Eastern and Central Europe when it comes to healthcare indicators. With 6.3 percents of GDP allocated to health sector, Romania had surpassed countries like Latvia (5.1%), Lithuania (5.9%), Slovakia (5.9%) and Poland (6.1%).

Selected national health accounts indicators for European countries, 1998 - 2002

Country	Total expenditure on health as % of gross domestic product					General government expenditure on health as % of total expenditure on health <sup>b</sup>					Private expenditure on health as % of total expenditure on health <sup>b</sup>					General government expenditure on health as % of total government expenditure				
	1998	1999	2000	2001	2002	1998	1999	2000	2001	2002	1998	1999	2000	2001	2002	1998	1999	2000	2001	2002
Austria	7.7	7.8	7.7	7.6	7.7	69.7	69.6	69.6	68.5	69.9	30.3	30.4	30.4	31.5	30.1	9.9	10.1	10.3	10.2	10.5
Belgium	8.6	8.7	8.8	9	9.1	70.2	70.6	70.5	71.4	71.2	29.8	29.4	29.5	28.6	28.8	11.9	12.3	12.6	13	12.8
Bulgaria	5.1	6.2	6.5	7.1	7.4	67.9	66.5	61.2	55.8	53.4	32.1	33.5	38.8	44.2	46.6	9.1	10.3	9.3	9.5	10.1
Croatia	7.9	8.6	9	8.2	7.3	85.1	86.1	86.4	85.5	81.4	14.9	13.9	13.6	14.5	18.6	12.9	13.5	14.5	13.8	12
Cyprus	6.1	6.2	6.3	6.6	7	39.5	38.7	37.6	38.4	41.3	60.5	61.3	62.4	61.6	58.7	6.2	6.2	6.1	6.3	6.8
Czech R.	6.6	6.6	6.6	6.9	7	91.8	91.5	91.4	91.4	91.4	8.2	8.5	8.6	8.6	8.6	15.8	15.6	15	15.1	14.7
Denmark	8.4	8.5	8.4	8.6	8.8	82	82.2	82.4	82.7	82.9	18	17.8	17.6	17.4	17.1	11.9	12.4	12.6	12.9	13.1
Estonia	5.6	6.1	5.5	5.1	5.1	86.3	80.4	76.7	77.8	76.3	13.7	19.6	23.3	22.2	23.7	13.4	12.1	11.7	11.5	11
Finland	6.9	6.9	6.7	7	7.3	76.3	75.3	75.1	75.4	75.7	23.7	24.7	24.9	24.6	24.3	10	10	10.2	10.7	11
France	9.3	9.3	9.3	9.4	9.7	76	76	75.8	75.9	76	24	24	24.2	24.1	24	13.1	13.2	13.4	13.7	13.8
Germany	10.6	10.6	10.6	10.8	10.9	78.6	78.6	78.8	78.6	78.5	21.4	21.4	21.2	21.4	21.5	17.1	17.1	18.2	17.5	17.6
Greece	9.4	9.6	9.7	9.4	9.5	52.1	53.4	53.9	53.1	52.9	47.9	46.6	46.1	46.9	47.1	10.2	10.8	10.5	10.5	10.8
Hungary	7.3	7.4	7.1	7.4	7.8	74.8	72.4	70.7	69	70.2	25.2	27.6	29.3	31	29.8	10.1	11.4	11.7	10.4	10.4
Ireland	6.2	6.3	6.4	6.9	7.3	76.5	72.8	73.3	75.6	75.2	23.5	27.2	26.7	24.4	24.8	13.6	13.2	14.5	15.5	16.4
Italy	7.7	7.8	8.1	8.3	8.5	71.8	72.3	73.7	76	75.6	28.2	27.7	26.3	24	24.4	11.1	11.5	12.8	13	13.3
Latvia	5.8	5.9	5.6	5.4	5.1	65.5	64	58.8	58.3	64.1	34.5	36	41.2	41.7	35.9	9.4	9.2	8.9	9.1	9.3
Lithuania	6.2	6.3	6.5	6.3	5.9	76	74.9	69.7	72.6	72.6	24	25.1	30.3	27.4	27.4	14.8	12.2	14.6	15.2	14
Luxembourg	5.9	6.2	5.5	5.9	6.2	90.9	89.7	89.7	89.8	85.4	9.1	10.1	10.3	10.2	14.6	12.8	13.5	12.9	13.5	12
Malta	8.4	8.3	8.8	9	9.7	69	67.5	68.4	71.3	71.8	31	32.5	31.6	28.7	28.2	11.9	11.8	13.1	13.6	14.3
Netherlands	7.9	8	7.9	8.3	8.8	67.2	65.9	66.5	65.9	65.6	32.8	34.1	33.5	34.1	34.4	11.2	11.2	11.5	11.7	12.2
Poland	6	5.9	5.7	6	6.1	65.4	71.1	70	71.9	72.4	34.6	28.9	30	28.1	27.6	9.4	10.6	10.2	10.9	9.8
Portugal	8.4	8.7	9.2	9.3	9.3	67.1	67.6	69.5	70.6	70.5	32.8	32.3	30.4	29.3	29.3	12.8	13	14.1	14.3	14.2
<b>Romania</b>	<b>5.2</b>	<b>5.8</b>	<b>5.8</b>	<b>6.1</b>	<b>6.3</b>	<b>59.6</b>	<b>64.9</b>	<b>67.9</b>	<b>67.8</b>	<b>65.9</b>	<b>40.4</b>	<b>35.1</b>	<b>32.1</b>	<b>32.2</b>	<b>34.1</b>	<b>8.8</b>	<b>10.6</b>	<b>11.2</b>	<b>12.4</b>	<b>12.7</b>
Slovakia	5.7	5.9	5.7	5.7	5.9	91.6	89.9	89.7	89.6	89.4	8.4	10.1	10.3	10.4	10.6	8.6	9.4	8.5	10	10.3
Slovenia	7.8	7.7	8	8.3	8.3	75.7	75.5	76	74.9	74.9	24.3	24.5	24	25.1	25.1	14.3	14	13.5	14.6	14.7
Spain	7.5	7.5	7.5	7.5	7.6	72.2	72	71.6	71.4	71.3	27.8	28	28.4	28.6	28.7	13.1	13.4	13.3	13.6	13.6
Sweden	8.3	8.4	8.4	8.8	9.2	85.8	85.7	84.9	84.9	85.3	14.2	14.3	15.1	15.1	14.7	11.8	12	12.5	13.1	13.5
Switzerland	10.3	10.5	10.4	10.9	11.2	54.9	55.3	55.6	57.1	57.9	45.1	44.7	44.4	42.9	42.1	15.7	16.7	17.1	17.9	18.7
UK	6.9	7.2	7.3	7.5	7.7	80.4	80.6	80.9	83	83.4	19.6	19.4	19.1	17	16.6	13.9	14.8	15	15.5	15.8

Source: The World Health Report 2005, WHO, pp.192-195;

# The healthcare sources of financing in Romania



## Consolidated public expenditures on health by sources of financing (2001 – 2004) (%)

<b>Consolidated public expenditures*</b>	<b>100</b>
Social health insurance budget	80-82
Central government budget	10-12
External credits	3-9
Local government budgets	0.5-1.5
Own revenues of the public health entities	0-0.15
Non-reimbursable funds	0-0.6

Source: The Report on Financing the Health Sector – Health Ministry available at [http://www.ms.ro/a\\_ms/ms.asp](http://www.ms.ro/a_ms/ms.asp).

## The social health insurance budget

### Revenues:

- contributions of the insured persons (6.5% of their revenues);
- contributions of the legal entities that employs insured persons (7% of the insured persons revenues);
- subventions from the central government budget;
- interests, donations, sponsorships and others.

### Expenditures:

- the payment of the medical services, of drugs and of sanitary materials, including some of the national health programs;
- the current and capital expenditures generated by the administration of the budget itself (no more than 3%);
- the constitution of the reserve fund (no more than 1%);

## The central government budget:

### Revenues:

- general taxes;

### Expenditures:

- investments in construction and consolidation of medical buildings;
- purchasing of high tech medical equipment;
- national health programs financed through the central government budget;
- prophylactic measures and mandatory treatments enforced by the legal norms.

## External credits:

### Revenues:

WORLD BANK;  
EU;  
UNFPA;  
UNICEF;  
USAID;  
SWITZERLAND

### Expenditures:

National programs for  
promoting health and  
increasing efficiency in  
the field;

In spite of these evolutions,  
the healthcare sector still facing  
major financial crisis.



Analysis of the system

**The execution of the social health insurance budget in Romania during 2001- 2004 - bln. ROL-**

	2001 (bln. ROL)	2002 (bln. ROL)	2003 (bln. ROL)	2004 (bln. ROL)
<b>Revenues, from which:</b>	<b>41733.7</b>	<b>54800.9</b>	<b>55144.4</b>	<b>68774.4</b>
Annual growth rate (%)		31.31	0.62	24.72
<b>Contributions</b>	40334.9	52053.5	53428.4	6598.6
Employers	16885.0	22127.7	26279.2	32500.9
Employees	23449.9	29919.9	26787.0	31857.5
<b>Expenditures, from which:</b>	<b>37423.1</b>	<b>48349.4</b>	<b>62282.5</b>	<b>70013.8</b>
(% of GDP)	3.20	3.19	3.27	2.93
Annual growth rate (%)	-	29.20	28.82	12.41
Medical services and drugs	36620.1	47502.9	60634.9	68947.7
Primary medical assistance	2672.5	3136.3	3120.8	3504.8
Ambulatory medical assistance	1447.4	1746.0	1897.1	1973.6
Para clinic medical services	1017.9	1212.6	1395.7	2006.1
Hospital medical services, from which*:	20912.3	27787.7	35621.0	38766.7
Drugs				6379.8
Health programs	3358.6	4459.1	6559.3	7421.2
Medical equipments	173.7	223.6	276.3	357.0
Drugs for ambulatory treatment	5261.3	6679.0	8786.8	11383.5
Prehospitalization emergency medical services	1075.7	1358.9	1741.4	2139.0
Stomatological medical assistance	468.1	536.7	523.3	565.2
Recovery medical services	232.6	363.0	713.0	770.1
At home medical assistance			5.2	10.4
Expenditures for fund administration	803.0	846.5	1647.6	1066.5
<b>RESERVE FUND</b>	<b>563.6</b>	<b>632.4</b>	<b>1057.8</b>	<b>681.4</b>
<b>SURPLUS/DEFICIT</b>	<b>3747.0</b>	<b>5819.1</b>	<b>-8195.9*</b>	<b>-1920.8*</b>

Beginning with 2004 a new chapter was introduced in the budget: Drugs used in hospital treatments.

Until then, these expenditures were included in the chapter "Hospital medical services"

Source: Health Ministry Report on Health Financing in 2004, available at [http://www.ms.ro/a\\_ms/ms.asp](http://www.ms.ro/a_ms/ms.asp);

From the table we can conclude:

- the slightly decrease of social health insurance expenditures as share of GDP from 3.2% of GDP in 2001 to 2.93% in 2004 (but with the peak of 3.27% in 2003);
- the decrease of the annual growth rate of expenditures in 2004 from 29% to 12.4%;
- more than a half of the funds is allocated to the hospitals medical services → necessity to reform the financing mechanism – the introduction of the DRG based financing mechanism;
- the disequilibrium of the budget in 2003, that had generated, for the first time, a deficit in the execution of the budget that was covered from the previous years surpluses.

The year of 2003 was characterized by a very **slow increase of the revenues (even a decrease in real terms**, if we are taking into account the inflation), and also by several **radical reforms** meant to increase efficiency (that require a lot of money):

**BIG INCONSISTENCY THAT AGGRAVATED THE CRISIS !!!**

Influence factors on revenues side:

- the reduction from 7% to 6.5% of the share of the employees' revenues that went to the budget;
- the elimination of the transfers from the social insurance budget due to a legislation change that exempted the retired persons from the payment of the contribution;

Influence factors on expenditures side:

- the reduction of the hospitals beds with 22.210;
- the liquidation of 18 hospitals, health centers and sanatoriums;
- the increase of the number of units for chronic patients healthcare from 84 to 126, with a number of beds of 8100;
- the transfer to other public authorities (The National Authority for Child Protection, The National Authority for Disabled Persons) of 14 hospitals units with 1440 beds;
- the closing down of 111 medical locations;
- the increase of the number of permanent centers for medical primary health assistance from 306 to 491;
- the project of setting up a number of 102 medical-social units with 4028 beds, mainly by transformation of the actual medical buildings.

**The national health programs in Romania during 2001 -2004 - bln. ROL-**

Program	2001	2002	2003	2004
<b>Total, from which:</b>	<b>9,235.2</b>	<b>12,623.9</b>	<b>15,561.9</b>	<b>17,459.3</b>
- <b>Health Ministry*</b> )	<b>5,876.6</b>	<b>8,164.8</b>	<b>9,002.6</b>	<b>10,389.3</b>
- National House of Health Insurances.**)	3,358.6	4,459.1	6,559.3	7,070.0
(% of GDP)	0.79	0.83	0.82	0.73
Annual growth rate (%)	-	36.69	23.27	12.19
Public health communitarian program:	1,784.0	1,942.0	2,486.0	2,488.4
- <b>Health Ministry</b>	<b>1,273.0</b>	<b>1,231.5</b>	<b>1,383.7</b>	<b>1,428.4</b>
- National House of Health Insurances	511.0	710.5	1,102.3	1,060.0
Prevention and control of non-contagious diseases program:	3,268.1	3,991.0	5,697.3	6,355.9
- <b>Health Ministry</b>	<b>420.5</b>	<b>249.0</b>	<b>240.3</b>	<b>345.9</b>
- National House of Health Insurances	2,847.6	3,742.0	5,457.0	6,010.0
Mother and child health program:	186.9	574.0	535.6	762.8
- <b>Health Ministry</b>	<b>186.9</b>	<b>567.4</b>	<b>535.6</b>	<b>762.8</b>
- National House of Health Insurances		6.6		
Sanitarian administration and health policies program (Health Ministry)	<b>3,996.1</b>	<b>6,116.1</b>	<b>6,843.0</b>	<b>7,852.2</b>

\*) also includes the sanitarian administration and health policies program which contains: personnel expenditures, capital expenditures, credit reimbursements, interests, subsidies and other transfers for Health Ministry and other public institutions financed from the central government budget;

\*\*) drugs and other sanitarian materials for diseases with serious consequences on people's health;

Source: Health Ministry Report on Health Financing in 2004, available at [http://www.ms.ro/a\\_ms/ms.asp](http://www.ms.ro/a_ms/ms.asp):

**Main conclusion: the national health programs were financed mainly by the central government budget, with the biggest share being allocated to the administrative programs (approximately 75%).**

**The central government budget expenditures by their nature - bln. ROL-**

	2001	2002	2003	2004
<b>Expenditures –total</b>	<b>5,876.6</b>	<b>8,164.8</b>	<b>9,002.6</b>	<b>10,389.4</b>
- personnel	784.3	964.1	1,115.2	1,251.3
- materials and services	1,101.6	1,467.1	1,672.4	1,807.6
- transfers and subsidies	1,516.8	1,464.7	1,595.7	2,770.0
- investments	662.0	813.7	874.8	771.8
- credit reimbursements and interests	1,811.9	3,455.2	3,744.5	3,788.7

Source: Health Ministry Report on Health Financing in 2004, available at [http://www.ms.ro/a\\_ms/ms.asp](http://www.ms.ro/a_ms/ms.asp).

**The biggest share of the expenditures is allocated to the reimbursements of credits and the payments of interests;**

**The lowest share is allocated to the investments.**

## Main reforms in healthcare in Romania:

- adopting the DRG based financing mechanism of the hospitals (278 hospitals from a total of 471 – 60%);
- the setting up of an electronic centralized public acquisition system;
- the closing up of some hospitals;
- the privatization of some medical care units;
- the development of medical-social units and permanent centers for medical primary health assistance.

Main reforms to be adopted:

- the broadening of the area of the contributors to the retired and unemployed persons and also to the Romanian citizens that are working abroad without legal forms;
- the introduction of the management contract between hospital manager and Health Ministry, with the obligation of an annually evaluation;
- a more precise definition of the conflict of interest;
- the setting up of a new type of hospital: the regional hospital with specific attributions;
- the developing of an investment system based on the financing of the private health insurance companies;
- the elimination of the monopoly of the big chains of pharmacies by the limitation of their number at maximum 4 in localities with up to 400,000 habitants;
- the introduction beginning with 2006 of the national and of the european card of health insurance;
- the introduction of new taxes on products harmful to health, which will be used mainly for investments in health sector;
- a better regulation of the mal-praxis;
- a better harmonization of the national health programs with those of WHO and EU countries;

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