

Can people afford to pay for health care?

New evidence on financial protection in North Macedonia

This report is the first comprehensive analysis of financial protection in the health system in North Macedonia. It covers the period from 2006 to the present day.

Drawing on microdata from household budget surveys carried out annually by the State Statistical Office, the report's key findings are as follows.

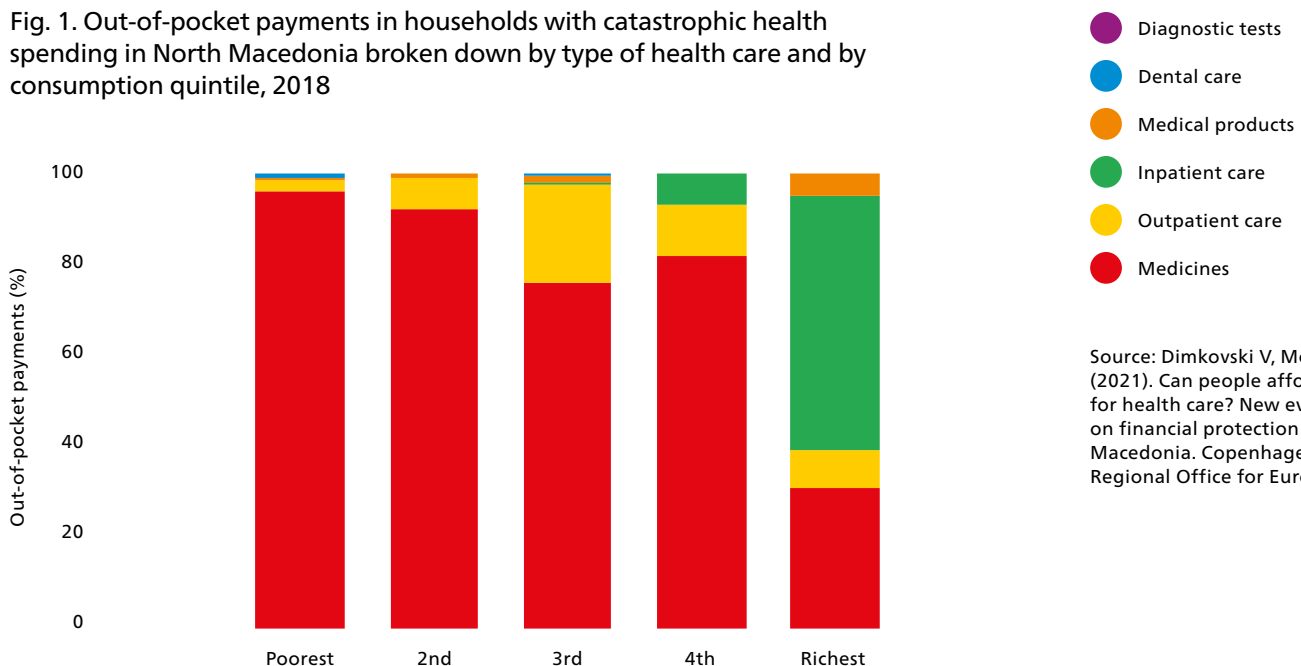
In 2018 about 4% of households in North Macedonia were impoverished or further impoverished after out-of-pocket payments. 6.5% of households experienced catastrophic health spending.

The people most likely to experience catastrophic health spending are those in the poorest 40% of households and households with at least one person aged above 60 years.

On average, the health services most likely to lead to catastrophic health spending are outpatient medicines, outpatient care and inpatient care (Fig. 1). In the poorest households, financial hardship is almost entirely driven by outpatient medicines.

Although access and financial protection have improved in recent years, catastrophic health spending remains a challenge, particularly for poorer households.

Fig. 1. Out-of-pocket payments in households with catastrophic health spending in North Macedonia broken down by type of health care and by consumption quintile, 2018



Source: Dimkovski V, Mosca I (2021). Can people afford to pay for health care? New evidence on financial protection in North Macedonia. Copenhagen: WHO Regional Office for Europe.

How does North Macedonia compare to other countries?

The incidence of catastrophic out-of-pocket payments in North Macedonia is higher than in many European Union (EU) countries but lower than in Greece and Latvia, which have similar levels of out-of-pocket payments as a share of current spending on health (Fig. 2). It is also low in relation to the very high out-of-pocket payment share of current spending on health in North Macedonia (42% in 2018).

Catastrophic health spending in North Macedonia is heavily driven by household spending on outpatient medicines – more so than in many other countries in Europe (Fig. 3).

What undermines financial protection in North Macedonia?

In 2018 around 10% of the population was estimated to be uninsured (based on population numbers from the last official census held in 2002). Uninsured people are most likely to be people without regular employment and employees whose wages are not paid on time. They are only entitled to publicly financed emergency care and mandatory vaccinations.

The benefits package is relatively comprehensive, including dental services, but the positive list of outpatient prescription medicines covered by the Health Insurance Fund is limited and has not changed much in the last 10 years. Doctors and patients show a preference for more expensive branded medicines due to their perceived better quality than generics. Before 2019 access to covered medicines was restricted through pharmacy sales quotas.

Fig. 2. Incidence of catastrophic health spending and the out-of-pocket share of total spending on health in Europe, latest year available

Notes: the out-of-pocket payment data are for the same year as those for catastrophic spending. North Macedonia is highlighted in red.

Source: Dimkovski & Mosca (2021) and WHO Barcelona Office for Health Systems Financing.



The overall design of co-payment policy is complex and the widespread use of percentage co-payments – in which people pay a share of the price – means that people’s exposure to out-of-pocket payments depends on the price and quantity of services they require. Unless the price is clearly known in advance, people may face uncertainty about how much they have to pay out of pocket. Although there are measures in place to protect some people from co-payments, these measures can be strengthened.

Informal payments are an issue among doctors and other health workers in public and private facilities, particularly for gynaecological services.

Levels of public spending on health are lower in North Macedonia than in EU countries. In 2018 public spending on health accounted for 3.8% of GDP (compared to an EU average of 5.9%), down from 4.4% in 2013. The share of government spending allocated to health has decreased over time and was 12.4% in 2018 (compared to an EU average of 13.8%).

The declining share of people with catastrophic spending over time reflects governmental measures to extend coverage to different population groups, particularly people with low incomes; a faster than average growth in income among the poorest households; and a decline in unemployment and poverty.

How can North Macedonia improve access and financial protection?

De-link entitlement to health benefits from payment of contributions for the whole population. North Macedonia should find ways to extend health insurance to the whole population, so that access to health care no longer depends on health insurance status.

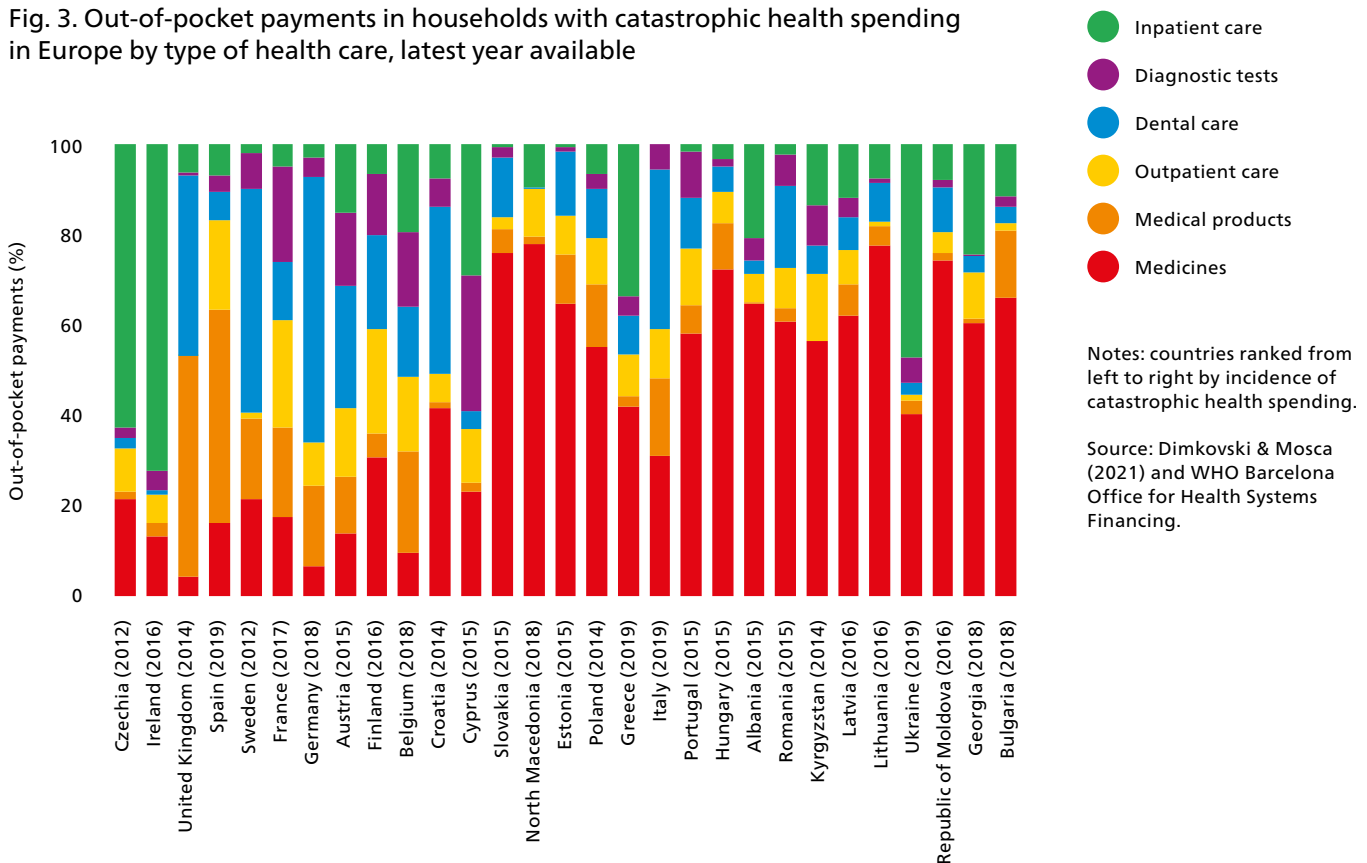
Simplify the complex design of user charges and strengthen financial protection by using low fixed co-payments rather than percentage co-payments, extending exemptions for low-income people and extending the annual cap to all co-payments.

Improve the affordability of outpatient prescribed medicines by regularly updating the positive list, assuring the public of the quality of cheaper alternatives and enhancing the capacity of the Ministry of Health and the Health Insurance Fund to select and purchase medicines.

Address the root causes of informal payments, starting with better monitoring of their role and magnitude.

Increase public investment in the health system through sustained rises in the priority given to health in allocating government spending.

Fig. 3. Out-of-pocket payments in households with catastrophic health spending in Europe by type of health care, latest year available



Monitoring financial protection in Europe

This study is part of a series of country reports generating new evidence on financial protection in health systems in Europe. Financial protection is central to universal health coverage and a core dimension of health system performance. The goals of universal health coverage are to ensure that everyone can use the quality health services they need without experiencing financial hardship.

The Sustainable Development Goals call on all countries to monitor financial protection as a key indicator of universal health coverage. WHO's European Programme of Work, 2020–2025 (United Action for Better Health in Europe) includes moving towards universal health coverage as the first of three core priorities for Europe. The WHO Roadmap for Health and Well-being in the Western Balkans, 2021–2025, identifies strengthening financial protection as a high-impact area for policy action.

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WHO Barcelona Office for Health Systems Financing

The WHO Barcelona Office is a centre of excellence in health financing for universal health coverage. The Office works with Member States across WHO's European Region to promote evidence-informed policy making. It is also the home for WHO training courses on health financing and health systems strengthening for better health outcomes.

A key part of the work of the Office is to assess country and regional progress towards universal health coverage by monitoring financial protection. The Office also provides tailored technical assistance to countries to reduce unmet need and financial hardship by identifying and addressing gaps in coverage.

Established in 1999, the office is supported by the Government of the Autonomous Community of Catalonia, Spain. It is part of the Division of Country Health Policies and Systems of the WHO Regional Office for Europe.

WHO Regional Office for Europe

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World Health Organization Regional Office for Europe

UN City, Marmorvej 51, DK-2100 Copenhagen Ø, Denmark
Tel.: +45 45 33 70 00 Fax: +45 45 33 70 01
Email: eurocontact@who.int
Website: www.euro.who.int



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