



<b>Date:</b>	<b>02-05-2013</b>	<b>Document:</b>	<b>F13-026 EN</b>
<b>Title:</b>	<b>National Report Czech Rep. (May)</b>		
<b>Authors:</b>	Dr. Martin Engel - chairman of the Czech Doctors' Trade Union (LOK-SCL) Trade Union of Doctors (LOK)		

## **Report on the Czech health care situation (October 2012 – April 2013)**

At the end of 2012, the hospital faced a threat of disposal through mass termination of health care provider contracts by health insurance companies. Insurance companies wanted (intended) to significantly reduce the network of medical facilities without setting up any transparent criteria or conducting discussions with professional societies. Hospitals faced the threat of department closures, loss of training accreditation and gradual liquidation. This non-transparent process of "restructuring" bed capacity led to the activation of a civil initiative that turned into the creation of a crisis committee. The crisis committee consisted of patient organizations, hospital associations, trade unions and the medical chamber. That created enough power to push insurance companies to significantly change their original plans. The Ministry of Health was absolutely ignoring the whole process and practically has not commented on the problematic restructuring at all.

However, the Ministry of Health in 2013 prepared the Payment regulation (basic document setting out the mechanism and the height of payment), that reduces hospitals income by about 10%. Moreover the 5% VAT rate increased cumulatively since 2011 - which affects most commodity prices purchased by hospitals. Inflation reaches about 5%. The combination of unpredictable cost growth and declining payments from Insurance Companies brings a number of hospitals to financial losses. This leads to wage cuts, quality reduction and the reduction of health care availability. In contrast, the collection of the health care tax is growing annually by 4-5%, which represents 10.4 billion CZK. Such efforts can not be interpreted other than intention to cause a crisis and to create space for further privatization of state hospitals.

Prague, April 21, 2013

Dr. Martin Engel - chairman of the Czech Doctors' Trade Union (LOK-SCL)

Trade Union of Doctors (LOK)