INTERNATIONAL HEALTH CARE REGULATION AT NATIONAL AND INSTITUTIONAL LEVELS IN LATVIA

Daiga Behmane¹, *Didzis Rutitis²

¹ Mag., Riga Stradins University. Dzirciema str. 16, Riga, LV-1007, Latvia. E-mail daiga.behmane@rsu.lv

² Dr., BA School of Business and Finance. Kr. Valdemara str.161, Riga, LV-1013, Latvia. Tel. 371 29 151 206. E-mail didzis.rutitis@ba.lv

Received 29 10 2018; accepted 05 12 2018

The number of foreign patients who use medical services in Latvia increases every year and health care institutions have to provide quality services. The research problem is related to lack of a unified quality system in Latvian healthcare industry. The aim of the study is to introduce suggestions regarding the implementation of the international requirements to health systems outlined by the Directive 2011/24/EU. Research method is a focus group discussion with 8 Latvian health care experts and executives. Research results indicate that health care provider measures are introduced to a higher grade than national level measures reflecting the need for more comprehensive systemic changes in the governance of the system. Main improvements should be made regarding e-health system on national level, and medical follow-ups on institutional level.

Keywords: competitiveness, health care, health policy, Latvia.
JEL Codes: I10, I11, I15, I18, F43.

1. Introduction

Due to free movement of European citizens and patient mobility the demand for cross-border healthcare services has increased. Taking into account new patterns of health care consumption health care suppliers are reorienting their services to support the needs of cross-border patients. Health services become more competitive globally, thus stimulating the quality and efficiency in the area of health care provision at national level. In response to the need to regulate cross-border health services European Parliament has accepted the Directive 2011/24/EU on the application of patients’ rights in cross-border healthcare. The Directive sets a legal framework for obligations to ensure patients’ rights in cross-border health care and in parallel it sets requirements for national health care systems and providers to be capable to operate in an international environment.

The success of health care providers in attraction of patients from other countries depends on their capability to be competitive regionally and globally, to provide high quality services and meet patients’ expectations and trust in long run (Porter, 2006).
Being national-level competence, the health systems of EU member states differ considerably regarding the design, financing and provision, which means that different countries have to apply different scale efforts to comply with the EU cross-border health care regulation.

There have been several studies carried out confirming need for health care quality improvement in Latvian regional hospitals (Barzdins, 2016), lack of health care quality system in Latvia along with general problems related to strategic-level planning in health care sector of Latvia (Rutitis, 2013; Mitenbergs, 2012). Such findings have been confirmed also by the official country report and research carried out by OECD (2016) implying topicality of the problem being researched within this study.

Therefore, lack of quality system is considered as one major barriers for increasing competitiveness of health care providers on national and institutional levels. Consequently, this study should serve as a contribution to solve problem related to lack of a national-level health care services quality system in Latvia.

Current study would contribute to improving health care policy planning by State institutions, and also to health care providers to improve their competitiveness on EU level by taking into account international requirements.

2. Aim of the study

The aim of the study is to present suggestions for the implementation of the international requirements for health systems and mainly those foreseen by the Directive 2011/24/EU on national and institutional levels in Latvia. The adoption of internationally recommended instruments has to be considered as pre-requisite for scaling up the export capacity and competitiveness of the Latvian health care providers.

The study covers the research gap in relation to evaluation of the implementation of international requirements and identifies gaps in adoption of these requirements at national and health care provider level. This study contributes to the research of international competitiveness of health care sector in Latvia. It introduces suggestions by Latvian healthcare experts from the leading health care service providers into aspects of competitiveness to be implemented further on national and individual provider levels. The results obtained from health care expert focus group discussion reflect specific steps and actions for improving competitiveness on national and institutional levels.

The research object is the competitiveness of health care sector in Latvia. The research subject is implementation of the international requirements for health care systems described by the Directive 2011/24/EU.

3. Research methods

The approach of the study is based on the EU Member state’s responsibility for providing safe, high quality, efficient and quantitatively adequate healthcare to citizens on their territory (European Parliament, Directive 2011/24/EU, 2011) and it pays special attention to the need for further health care reforms in Latvia as suggested by the
recent report by OECD (2016) targeted at governance reforms for state-owned enterprises, productivity increase, transparent investment policy, human resource and infrastructure accessibility and cost efficiency.

The authors have chosen expert method to discuss current status of competitiveness of the health care sector in Latvia. Such choice is supported by conclusion from research focused on research methods used in developing and applying quality indicators in primary care (Campbell, 2002). The stakeholder focus group discussion was organized to set the international requirement list contributing to the competitiveness at national and institutional level and to evaluate the implementation level of these measures. The ranking of the implementation was assessed using expert method and by rating the implementation of each of the measures in the scale from 0 to 5, where 0 is – the measure is not implemented at all and 5 – the measure is implemented fully.

In order to assess the implementation of the international measures, health care experts (see Table 1) representing the leading Latvian health care provider institutions, both State and private sector companies, with considerable managerial experience and representing senior positions in health care industry were asked to select 6 National and 6 Health care provider level requirements contributing to the international competitiveness. Experts selected the following national level measures: general information availability, endorsement of reference centers, national health care quality system, e-health system, professional liability insurance and availability of patients' rights information from the National contact point.

### Table 1. Expert panel composition

<table>
<thead>
<tr>
<th>No.</th>
<th>Position</th>
<th>Area of competence (Hospital / ambulatory / day care services)</th>
<th>Stakeholder type</th>
<th>Experience in health care industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Chairman of the Board</td>
<td>Hospital / ambulatory/ day care</td>
<td>State hospital</td>
<td>30+ years</td>
</tr>
<tr>
<td>2.</td>
<td>Chairman of the Board</td>
<td>Ambulatory / day care</td>
<td>Private center</td>
<td>40+ years</td>
</tr>
<tr>
<td>3.</td>
<td>Chairman of the Board</td>
<td>Hospital / ambulatory / day care</td>
<td>Municipality hospital</td>
<td>30+ years</td>
</tr>
<tr>
<td>4.</td>
<td>Chief physician</td>
<td>Hospital / ambulatory/ day care</td>
<td>State hospital</td>
<td>20+ years</td>
</tr>
<tr>
<td>5.</td>
<td>Quality control manager</td>
<td>Ambulatory / day care</td>
<td>Private center</td>
<td>20+ years</td>
</tr>
<tr>
<td>6.</td>
<td>Senior Economist</td>
<td>Ambulatory / day care</td>
<td>Private center</td>
<td>30+ years</td>
</tr>
<tr>
<td>7.</td>
<td>International affairs manager</td>
<td>Hospital/ ambulatory / day care</td>
<td>Municipality hospital</td>
<td>20+ years</td>
</tr>
<tr>
<td>8.</td>
<td>Public relations manager</td>
<td>Hospital/ ambulatory / day care</td>
<td>Municipality hospital</td>
<td>10+ years</td>
</tr>
</tbody>
</table>
As the main health care provider (institutional) level measures experts selected the following: information about provided services; provision of communication; patient electronic medical records; quality and patient safety system; electronic patient medical data, information on medical care follow-up and clear pricing and invoicing information (See Table 2).

Table 2. National and Institutional level measures

<table>
<thead>
<tr>
<th>National level measures</th>
<th>Institutional level measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. General information provided by the National contact point</td>
<td>1. Information on services provided</td>
</tr>
<tr>
<td>2. Endorsement of reference centers</td>
<td>2. Provision of communication</td>
</tr>
<tr>
<td>4. E-health system</td>
<td>4. Quality and patient safety system</td>
</tr>
<tr>
<td>5. Professional liability insurance</td>
<td>5. Medical follow-up</td>
</tr>
<tr>
<td>6. Patients’ rights information</td>
<td>6. Clear pricing and invoicing system</td>
</tr>
</tbody>
</table>

4. Research results and discussion

In the global environment the concept of competitiveness in health sector is emerging and the competitiveness of health system at macro level can be described as (adapted from OECD) measure of health system’s advantage or disadvantage in providing its services in international markets. In theory, competition promises to maximize social welfare by bringing about the efficient provision of health care with the socially optimal combination of price and quality (Baker, 2001).

Technological advances along with rising cost pressures stimulate citizens to seek medical services in other countries. Health systems thus become more internationally oriented and the level of international requirement adoption will serve as basis for the competitiveness of national health systems. (Rechel, 2009)

Mobility in EU, especially after the economic crisis, is an emerging issue and it can be distinguished as mobility aimed at acquiring new skills, education, employment, also better living conditions (Glorius, 2017), but mostly for matching of demand and supply in EU labor markets.

Several researchers (Verra, 2016; Turner, 2010; Fogele, 2017) confirm increased countries’ experience on cross-border health care provision. At the same time several pitfalls have been recognized, mainly based on restricted information on patient safety, care quality and efficiency, patient medical data transfers, care continuity and care cost reimbursement.

5. The importance of the measures selected

National level measures

Respective information provision is essential requirement to enable patients to apply their rights obtaining healthcare abroad (De La Rosa, 2012). For this reason, every Member State (MS) is obliged to establish National contact point (hereafter – NCP) which is responsible for patients’ mobility coordination and cooperation between MSs.
(The National Health Service, 2018). As it is stated in the Article 6 (3) of the Directive, NCP should provide information about “specific provider’s right to provide services or any restrictions on its practice, as well as information on patients’ rights, complaints procedures and mechanisms for seeking remedies, according to the legislation of that Member State, as well as the legal and administrative options available to settle disputes, including in the event of harm arising from cross-border healthcare”. All this information should be easily accessible and shall be made available by electronic means, as it is stated in the Article 6(5) of the Directive.

Endorsement of reference centers is established by the Directive and is a part of broader strategy to facilitate European health systems to be more efficient and resilient (European Commission, 2017). State support to develop a reference center facilitates pooling of medical knowledge, creation of medical data systems, boosting research and innovation in the country.

The role of national health care quality system is internationally recognized to be a pre-requisite for safe and effective care. By having high quality standards in the provision of health care, health care providers have to improve their performance continuously. Medical tourism requires international accreditation to serve the patients’ ability to make informed choices. The deployment of health ICT systems, as established by the Directive, is entirely a national level competence. In turn, the importance of the interoperability of ICT national systems is recognized and development of measures that facilitate greater interoperability serves the needs to improve the transfer of patient medical data, pricing and billing information and facilitates to provide medical follow-up. National e-health system is crucial for the development of ICT systems in the health care institutions as they create the technological platform and develop the standardization system (Bodolica, 2016).

**Institutional level measures**

The structure of the information and the way it is provided by the health care institution is crucial to create international patients’ willingness to visit the institution. The specifics of the health service require to shape the information to address the specifics of the service quality, completeness, medical follow-up, confidentiality and other dimensions of patient-centered care.

Good provision of communication enables to attract patients to medical institutions. The way health care providers address their potential clients becomes more important. Client oriented communication creates trust and helps patients to make their choices about the services and health care institutions. Patients electronic medical records stimulate adherence to treatment guidelines, treatment surveillance and outcome monitoring. Interoperable ICT systems ensure the capability to exchange patient information with the cooperation medical institutions or third-party payers in the countries of patient origin. Quality and patient safety system guarantees that the systems and processes in the institution are aligned for the purpose of continuous quality improvement and minimization of the risk of medical errors.
As recognized, there is increasing emphasis on the international accreditation of health care institutions providing care for international patients. The medical service specifics require completeness and medical follow-up if necessary. The patients must be convinced about the mitigation of the risks connected with the treatment outcomes and the way risk avoidance will be addressed.

The cost information is a major optional criterion for the selection of medical service provider. It should be clearly reflected on the institution’s web page in connection with other information regarding transparent pricing and invoicing rules.

6. Focus group results

Each measure was rated by experts in range from 0 to 5, where 0 – the measure is not implemented at all; 5 – the measure is implemented fully. From obtained answers the standard averages were calculated, and the corresponding measures summarized. The results of the expert focus group are depicted in Table 3.

Table 3. Evaluation of the implementation of measures

<table>
<thead>
<tr>
<th>National level measures</th>
<th>Rating (from 0–5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General information</td>
<td>3</td>
</tr>
<tr>
<td>Endorsement of Reference centers</td>
<td>2</td>
</tr>
<tr>
<td>National HC Quality system</td>
<td>1</td>
</tr>
<tr>
<td>E-health system</td>
<td>1</td>
</tr>
<tr>
<td>Professional liability insurance</td>
<td>3</td>
</tr>
<tr>
<td>Patients' rights information</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>13</td>
</tr>
<tr>
<td>Health care provider (institutional) level measures</td>
<td></td>
</tr>
<tr>
<td>Information about the services</td>
<td>4</td>
</tr>
<tr>
<td>Provision of communication</td>
<td>4</td>
</tr>
<tr>
<td>Patient electronic medical records</td>
<td>3</td>
</tr>
<tr>
<td>Quality and patient safety system</td>
<td>3</td>
</tr>
<tr>
<td>Medical follow-up</td>
<td>2</td>
</tr>
<tr>
<td>Clear pricing and invoicing information</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>19</td>
</tr>
</tbody>
</table>

The national level measure assessment was assessed at level of 13 out of 30 possible points with lowest rating of 1 (not implemented at all) attributed to national health care Quality system and E-health systems, followed by value of 2 (minimal implementation) to the endorsement of reference centers (see Fig. 1).
The health care provider level measures assessment was evaluated by 19 out of 30 possible points, where the highest rating of 4 (implemented to considerable extent) has been assigned for information availability and the provision of communication, while medium rating for the availability of electronic medical records, quality system, pricing and invoicing information (see Fig. 2).

Next, a more detailed overview of each measure and explanation for the likely reasons behind received evaluation is provided in the following chapter.
7. National level measures

**General information on cross-border health care provision**

General information is provided by the National Health service (NHS), who is the National Contact Point and serves as information center and cross-border health care service legal assurer (The National Health Center). The NHS provides general information about the regulation and instructions for Latvian citizens for obtaining health care services abroad. Information for patients from other countries on the possibilities to obtain health care services in Latvia is rather restricted. Health Inspectorate maintains a database of health care providers registered as health care tourism service providers ensuring that that medical institution is working in compliance with legislation of the Republic of Latvia and is duly supervised by the Health Inspectorate (2018). Experts pointed that the state provided information is incomplete as it does not provide any insight in to health care services offered or other specific information that could attract international patients. State recommends applying to each health care provider separately to obtain more detailed information.

**Endorsement of reference centers**

The requirements (principles and criteria) for establishing or joining a reference center has been discussed for a certain period of time and are under endorsement. At the same time, the Centre for Rare diseases has been established under the has been.

The provision foresees that for applying for membership in a reference center or network, the medical treatment institution has to assess available resources and areas of medical field. No specific support from the state is foreseen to stimulate the development of specific medical areas and boost innovation through membership in European reference centers.

**National Health Care Quality system**

Experts acknowledged that the main shortcoming was mentioned the absence of a national health care quality strategy proposing the operation of the system in line with the international requirements as proposed by the International Society for Quality Assurance (ISQUA) and international accreditation standards. Health care providers are obliged to develop their own quality and patient safety standards in the lack of comprehensive and detailed state policy.

**E-health system**

The implementation of e-health system at national level has taken a long period from the conceptual decision in 2005 till 2018, when electronic prescription and electronic certificates of illness have been the first modules to become mandatory in Latvia. Unfortunately, during these years the introduction of a single national electronic health record system has failed, each health care providers have developed their own data systems challenging future data exchange on common grounds.
There is structured electronic data exchange between the NHS and health care providers, but it relates only to the services payed from the public budget and for payment purposes. Experts were very critical about the fact that the national policy has been unconstructive and the implementation weak in aligning data structures, classifications, semantic and technical requirements to set strong basis for future international data exchange.

**Professional liability insurance**

Professional liability insurance in Latvia is available since 2013 with the establishment of the Medical Risk Fund at the NHS thus ensuring patients’ rights for the compensation in case of inappropriate treatment. The system has been evaluated as appropriate, although it was pointed by the experts that the violations should be analyzed systematically to find the core causes not only at the health care provider level but focus on the organizational and governance measures at national level.

**Patients' rights information**

The Law on Patients’ Rights provides legal framework for the respect of patients’ rights in receiving high quality health care services, data protections and compensation for harms during medical treatment (Finkel, 2016). Experts acknowledged that the situation in the area of the respect of patients’ rights and information availability has constantly improved. Health Inspectorate is the responsible institution for dealing with patient’s complaints and providing comprehensive information for patients about their rights in each specific situation. The content and amount of information in Latvian was evaluated as good, but in English language, unfortunately, as very scarce.

8. Health care provider level measures

**Information about the services**

As there is no state level information about the services available for international patients, each health care provider is responsible for the dissemination of their offer. Information content and amount on the web pages of health care providers vary, but in general it provides information on the specialization and step-to-step guide on the acquisition of the service.

**Provision of communication**

It was acknowledged by experts that health care providers, who are focused on international patients, show willingness and ability to communicate accordingly. Experts evaluated that communication using web page information and social media is more appropriate for institutions who have more experience in the provision of services for international patients, but still differs greatly between providers. It was acknowledged that high level international patient-oriented communication depends on the provider’s ability to provide high level communication at national level.
Patient electronic medical records

Experts evaluated that patient electronic medical data systems are almost available in every health care institution, although the data structure and amount may differ. Data systems in health care institutions have developed rather unevenly, are fragmented and aligned according to each provider’s ability and resources. At the same time, health care providers providing services for foreign patients, position themselves to have ability to maintain patient electronic medical records.

Quality and patient safety system

General conformity assessment According to the state policy health care providers are obliged to develop their own quality and patient safety and operating standards. To be confident of the service quality and patient safety majority of health care providers comply with the ISO quality management principles and standards. Some health care providers are currently in action to consider international accreditation.

Medical follow-up

Experts evaluated information on medical follow-up as a critical component of innovative approach to providing health care service. They stressed that particular approach to medical follow-up and instruments chosen depends on the specifics of the service and the organizational culture of the provider. Experts pointed that some health care providers have collaborating centers in other countries, some offer e-mail or telephone consultations, but it is evident that the model has to be better communicated and has to be a part of the step-by-step information guide to patients.

Clear pricing and invoicing information

The Directive requires to provide clear pricing and invoicing information to be known in advance. It was admitted by the expert group that health service unit costs and subsequently their publication can be connected to the national system of payment, patient co-payments, exempted patient groups, tariff compliance with real costs, etc. Experts pointed that there could be more consistent approach to the communication of pricing and invoicing information through the web pages of health care institutions. At the same time, they pointed that situation differs from provider to provider.

9. Conclusions

1. The research goal has been achieved and suggestions for improvement of competitiveness of health care sector in Latvia have been successfully gathered using proposed research method with expert focus group.

2. The selected measures and their partial implementation reflect the degree of competitive environment of health care provision in Latvia. Health care provider measures are introduced to a higher grade (received evaluation of 19 out of 30 points) than national level measures (received evaluation of 13 out of 30 points) reflecting the need
for more comprehensive systemic changes in the governance of the health care system and more efforts to be done by State institutions to improve existing health care policy and strategic planning documents.

3. More attention should be paid on national (State) and institutional (health care provider) levels to the implementation of EU cross-border health care conditions to promote international competitiveness of the Latvian health sector. It is important to consider that the measures of quality and medical record systems at provider level are interrelated to the national level system development stage. For instance, the measure of Quality and patient safety system and its management on provider level is directly related also to the measurement of Quality system in national level.

4. Current study identifies only the degree, to which selected measures are implemented to facilitate competitiveness of environment of health care provision in Latvia and medical tourism exports. Results of this study can be used as input for further academic research and exploration of international competitiveness of health care sector in Latvia. From practical perspective, these results can be used for actual implementation by health care policy planners in Latvia on State level, and also on institutional level by service providers to improve their operational management.

Recommendations

1. Government institutions including the Ministry of Health of the Republic of Latvia responsible for health care policy development in Latvia should revise governance of the health care system by considerably improving performance of the e-health system and introducing currently missing unified health care quality system. This should be also one of the main points for the agenda of the newly elected government and head of Ministry of Health of the Republic of Latvia.

2. On health care institution level, the management of service provider companies should pay more attention to improve medical follow-up after provision of actual services by both, public and private sector providers. This means establishing procedures and communication channels to receive feedback on service provision and also provide all the necessary information to upon request by the health care provider in home country of patients.

References


TARPTAUTINIS SVEIKATOS APSAUGOS REGULIAVIMAS NACIONALINIAME IR INSTITUCINIAME LYGYJE LATVIJOJE

Daiga Behmane1, *Didzis Rutitis2
1 Mag., Rygos Stradins universitetas, Dzirciema str. 16, Riga, 1007, Latvia.
E-mail daiga.behmane@rsu.lv

2 Dr. Latvijos BA verslo ir finansų mokykla. Kr. Valdemara str.161, Riga, 1013, Latvia.
Tel. 371 29 151 206. E-mail didzis.rutitis@ba.lv

Gauta 2018 10 29; priimta 2018 12 05

Santrauka


Raktiniai žodžiai: konkurencingumas, sveikatos apsauga, sveikatos politika, Latvija.
JEL kodai: I10, I11, I15, I18, F43.

* Autorius pasiteirauti