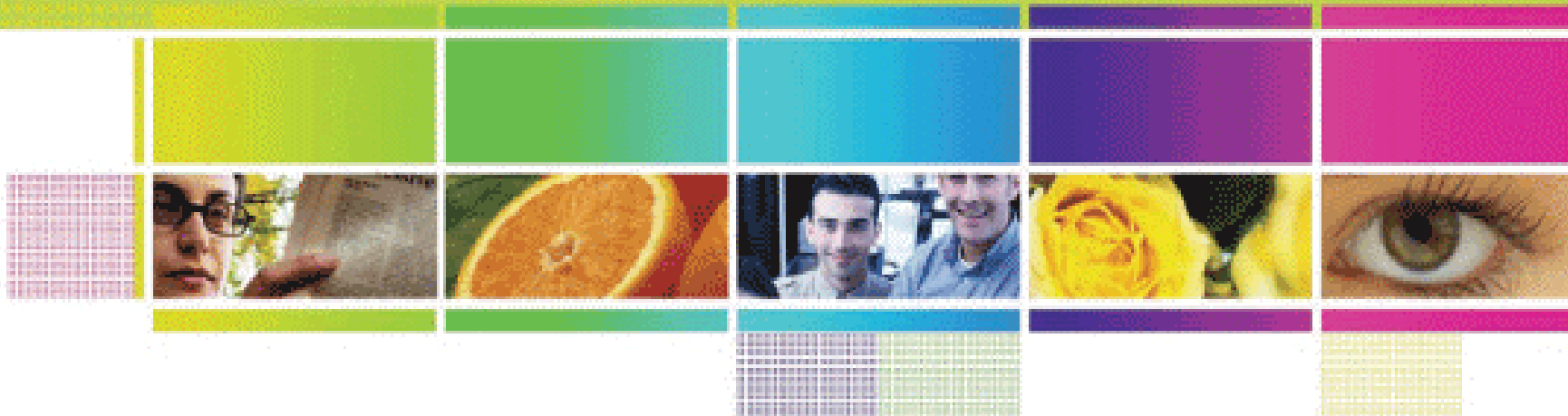




ÖSTERREICHISCHE
SOZIALVERSICHERUNG



healthregio – International Symposium

Transnational Health Care: Challenges for the Social Security
Institutions

Dr. Josef Probst,

Main Association of the Austrian Social Insurance Institutions



Topics

1. The health regio countries
2. European Legal developements
3. European Court of Justice Precedents
4. Future challenges



Topics

1. The health regio countries

- financing of health care
- peoples satisfaction

2. European Legal developements

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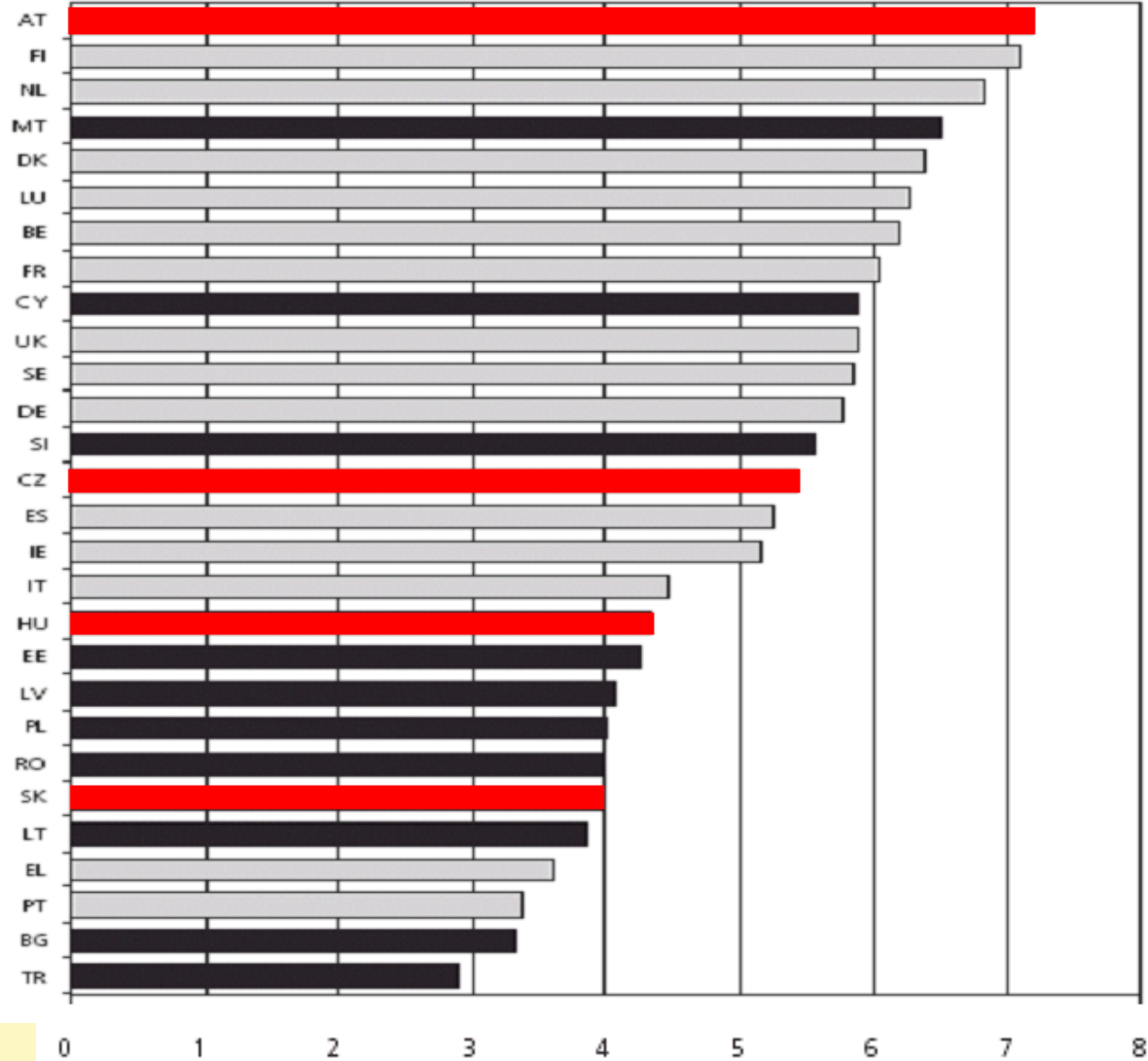


Financing of health care systems

	Austria	Czech Republic	Hungary	Slovakia
Compulsory health insurance system	Yes	Yes	Yes	Yes
Free choice of insurance funds	No	Yes	No	Yes
Financing: % insurance contributions (approx.)	50	80*	63	86*
Financing: % state funding (taxes)	20	10	12	3
% private (approx.)	30	8	22	11
Total health expenditure (% GDP)	7,5	7,5	8,4	5,9



Satisfaction with social services





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2. European Legal developments

For decades social legislation was an addendum to the freedoms guaranteed in the EU treaty, in particular the freedom of movement for workers.



2.1 Coordinating Social Legislation

Social security systems with very different historical backgrounds

No harmonisation, but coordination

1408/71 does not create uniform European social law

Principle of subsidiarity: member states are explicitly instructed to develop and guarantee their social security systems independently



2.2 Principles of the Regulations No.1408/71 and 574/72

Equal treatment for all persons

Aggregation of insurance periods for the acquisition of entitlement to benefits

Identification to which national regulations a migrant worker is subject in the specific case



2.2 Reform of Regulation 1408/71

Regulation 883/2004 will replace Regulation 1408/71:

- Modernizing the international administration
- More detailed rules for so far unsolved constellations of specific cases



2.3 Treaty of Amsterdam

Treaties establishing the Community were revised by the treaty of Amsterdam.

Older Article 136 defines „appropriate social protection“



2.3 Treaty of Amsterdam

Article 152 gives health protection special importance:

Art 152 para. 1: „Community’s activities support the member states policies“

Art 152 para. 4: Community supports measures, which aim at protecting and improving people’s health, but without harmonisation.



2.4 Treaty of Nice

Treaty of Nice further strengthens this line of argument

Article 137 of EC Treaty was revisited: Community can support and complement the member states' activities in various fields of employment and social law.

Additional authority to devise guidelines for minimum requirements



2.5 Transparency Directive

Directive includes how to proceed in case of

- price setting for pharmaceutical products by the state
- Inclusion of products in positive lists of reimbursable Products
- Negative lists of non reimbursable products



2.6 Public sector budgets

Community has significant powers to monitor it's public sector budgets in connection with the introduction of the common currency.

Pressure on member states's social insurance institutions in connection with balancing the budget.

„Sustainability“ of public systems



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3.1 Admissibility of Compulsory Insurance

Community legislation does not infringe upon the member states' ability to design their own social security systems.



3.1 Admissibility of Compulsory Insurance

Definition „Social security systems“:

exclusively social character with following criteria:

- Activity is not profit-orientated
- Principle of solidarity
 - redistribution based on financing
 - redistribution based on design of benefits
 - redistribution at the national level
- Compulsory inclusion of a majority of the population
- Design of benefit and contribution by legislator
- Benefits cannot be substituted by those of private institutions

3.2 Applying the fundamental economic freedoms to social insurance institutions' benefits

Court rightly found that (Luxembourg) health insurance institutions have to bear the costs for benefits received abroad, even when the requirements stated in Regulation 1408/71 are not fulfilled.

Austrian health insurance system has never distinguished between benefits received at home or abroad when reimbursing the costs.

3.2 Applying the fundamental economic freedoms to social insurance institutions' benefits

Medical activities, including in-patient treatment in hospitals, are to be seen as a service according to Article 59 of the EC Treaty

But: Substantial danger to the financial balance of the social security system could be a compelling reason to justify making in-patient treatment abroad subject to approval.



3.3 Synopsis of Decisions

Organising the social security system is the task of the individual member states.

It is admissible

- to establish a system of compulsory insurance based on the principle of solidarity
- to restrict the number of institutions offering social insurance

The regulatory framework of European business and competition law has to be applied



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4.1 Free movement of services

- Commission 's initial proposal
- European Parliament 's first-reading report



4.2 Additional financial burden caused by treatment abroad

in cases of:

- Budgeting systems
- Need orientated planning of resources
- Degressive payment systems
- Split responsibility of financing between social security and public authorities



4.3 Direct contracting with providers abroad

could interfere with the interests of the local social security system



Thank you for your attention