



Republic of Montenegro
Government of the Republic of Montenegro
MINISTRY OF HEALTH

**STRATEGY FOR HEALTH CARE DEVELOPMENT
IN MONTENEGRO**

September 2003

INTRODUCTION

By adopting **Health policy in the Republic of Montenegro until 2020**, Montenegro has joined an unique international process implementing papers of the World Health Organization 'Health for all in XXI Century' and '21 objectives for the 21st Century'. The health care policy strategy established by way of this document is founded on improving the quality of health of the population, by adapting and improving activity of the health care system in harmony with financial abilities.

Health policy in the Republic of Montenegro until 2020 represents the foundation for legislative, platform and action programs, with the objective to make health care more efficient and better quality and to include health care in Montenegro in the European and World health development process.

Health policy in the Republic of Montenegro until 2020 has defined general objectives for health policy.

1. Extending life expectancy

Preventing premature death and thus increasing life expectancy is the primary objective for health policy and the basic objective for the health care system, which is achieved through disease prevention measures and treatment of the ill.

2. Improving quality of life relating to health

Health problems influence the quality of life for citizens and decrease their ability to work and function. Health problems also influence the way the family functions, community and the entire society. Improving the quality of life and preventing its decline because of health problems – is the second primary objective for health policy.

3. Decreasing differences in health

Differences in the state of health and access to the health care system among socio-economic classes of society are present in all societies. The objective for health policy is to decrease and influence these differences through targeted and active measures for redistribution of health assets and resources towards vulnerable groups of society.

4. Financial risk Insurance

Health problems may cause considerable negative financial consequences to citizens and their families. Medical science, together with expenditure for treatment and prevention of disease grows faster than the economic basis of society. Therefore it is necessary to introduce adequate forms of financing for health care, which shall provide access to required health care, and thus distribute financial risk, so that citizens are not placed in financial danger in cases of illness.

The health system represents one of the most complex systems of any nation. Taking into consideration its importance and influence on the state of health of the population in any country, as well as its large economic influence, the State carries out a number of measures for planning and managing the health care system with the intention to provide rational and stable financing and a quality health care system, aimed at basic health care within the framework of available resources. In all countries due to the ageing population and the introduction of new and expensive medical technology there is an ever-present increase to expenditure for providing health care service.

The health care system of Montenegro had represented part of the health care system of the former SFRY, which was characterized by irrational and inefficient organization while promoting access to all health care rights. In that way a picture was formed that citizens have rights to any kind of health care service, regardless of necessity, but without previously developing the conscience of citizens that every health care service has its price and that health care is not free.

The reasons for health care reform should be looked for in the inefficiently functioning health care system and a number of identified problems, from inadequately organized health care services, methods of collecting and allocating resources, absence of an adequate system that monitors and controls different segments of the health system and insufficient quality of the service provided. All of these problems have been present for many years in the health care system. The health insurance and health care system reforms shall penetrate all segments and shall have strong implications on events in other segments of society.

2. ANALYSIS OF THE HEALTH CARE SYSTEM

The health care system is organised as an unique health care region and is based dominantly on the public sector. Public health care institutions are organized through a network of primary, secondary and tertiary health care consisting of eighteen medical

Strategy for Health Care Development of Montenegro

centres, seven general hospitals, three special hospitals, the Clinical Centre of Montenegro, the Institute for Health and the Pharmaceutical Institute of Montenegro. The private sector, not yet integrated in the health care system, comprises a larger number of medical centres, dental centres, wholesale medicines and pharmacies.

The existing health care resources, within the framework of the public sector indicate that the accessibility and development of health care infrastructure, especially with regard to the number of beds and number of doctors is at the same level as more developed countries.

Health care capacities in Montenegro and selected countries of Europe

County	Number of beds/ 100.000	Number of doctors/ 100.000	Number of dentists/ 100.000	No of pharmacists/ 100.000	Number of medical nurses/ 100.000
Belgium	717	414	68	145	1075
Luxembourg	1100	249	64	68	756
Germany	919	358	77	58	930
Great Britain	417	164	49	58	497
Czech Rep.	855	337	65	49	920
Croatia	615	238	68	49	506
Slovenia	543	218	59	38	696
Montenegro*	643	176	41	14	412

*Data for Montenegro refer to Public Health sector

The total number of public health care employees in 2001 is 7.123, of which 5.339 (74,95%) are health care workers and associates, and 1784 (25,05%) are non-medical workers.

Personnel in PHIs in Montenegro according to census of 31.12.2001

Employees	Outpatient services	%	Hospital services	%	Total	%
Med.workersand associates	2817	78,38	2522	71,47	5339	74,95
Non-medical workers and associates	777	21,62	1007	28,53	1784	25,05
TOTAL:	3594	100,00	3529	100,00	7123	100,00

Of the 5.339 health care workers and associates 1.563 (29,27%) are highly qualified, of whom 1.127 (21,1%) are doctors, 269 (5,0%) dentists, 99 (1,9%) pharmacists and the other 68 (1,3%) are health care associates.

2.1. State of health of population

Positive and negative indicators show the state of health of the population: natality, mortality, natural increase and vital index.

Basic vital indicators in 1991, 2000 and 2001

Indicator	1991		2000		2001	
	Number	Rate	Number	Rate	Number	Rate
Born living	9606	<i>15,50</i>	9188	<i>13,9</i>	8829	<i>13,3</i>
Total deaths	3970	<i>6,40</i>	5408	<i>8,2</i>	5436	<i>8,2</i>
Newborn mortality	107	<i>11,14</i>	100	<i>10,9</i>	114	<i>14,61</i>
Natural growth	5636	<i>9,10</i>	3780	<i>5,7</i>	3393	<i>5,1</i>
Vital index	9606/3970	<i>242</i>	9188/5408	<i>169,9</i>	8829/5436	<i>162,4</i>

Changes in natality and mortality in the previous period are reflected in the natural increase of population. The rate of natural increase decreased to 9.1‰ in 1991 and to 5.1‰ in 2001.

Natality decreased from 15.5% in 1991 to 13.3% in 2001. The general mortality rate in 2001 is 8.2‰ (same as previous year). Changes in natality and mortality are reflected in the natural increase of population. **The rate of natural increase decreased from 9.10% in 1991 to 5.1% in 2001.**

The stability of population growth is shown in the **vital index**, the value of which was below 200 after the year 1992, and 162,4 in the year 2001.

The mortality rate of newborn babies in the Republic of Montenegro, is a very significant indication of the state of health of the population and development of health care services, as well as being an indicator for socio-economic, educational, cultural and other social development, has a negative trend, from **10.90% in 2000** it grew to **14.61** for 1.000 newborn babies in **2001**.

The life expectancy in Montenegro is 75.2 years (71.5 years for men and 78.7 years for women). Of the total population figure 8.3% is over 65 years of age and 28.6% of the population is 19 years of age or under, thus an ageing population is noticeable.

Deceased in the Republic of Montenegro according to disease groups in the year 2001

Ordinal number	Group of disease	Number	%
1.	IX Disease of the bloodstream (I00-I99)	2872	52,88
2.	II Tumours (C00-D48)	896	16,50
3.	XVIII Symptoms, signs and pathological, clinical and laboratory test results (R00-R99)	629	11,58
4.	XIX Injuries, poisoning and consequences of effects from external factors (S00-T98)	297	5,47
5.	X Respiratory diseases (J00-J99)	266	4,90
6.	Other diseases	477	8,67
Total deaths:		5436	100,00

From the total number of deceased persons in the Republic during 2001, 91.33% died due to consequences from the above five groups of diseases, while 8.67% refers to the remaining groups of diseases.

The most common causes of death are: heart disease, lung disease, brain blood vessel disease, ischaemic heart disease, malignant tumours of the throat and lungs, diabetes, injuries to the head, neck, chest and stomach, chronic disease of the respiratory tract, as well as malignant neoplasm of the breast, large intestine, stomach and anus and liver disease, there were 3.540 or 65% deaths due to the above 10 diagnoses.

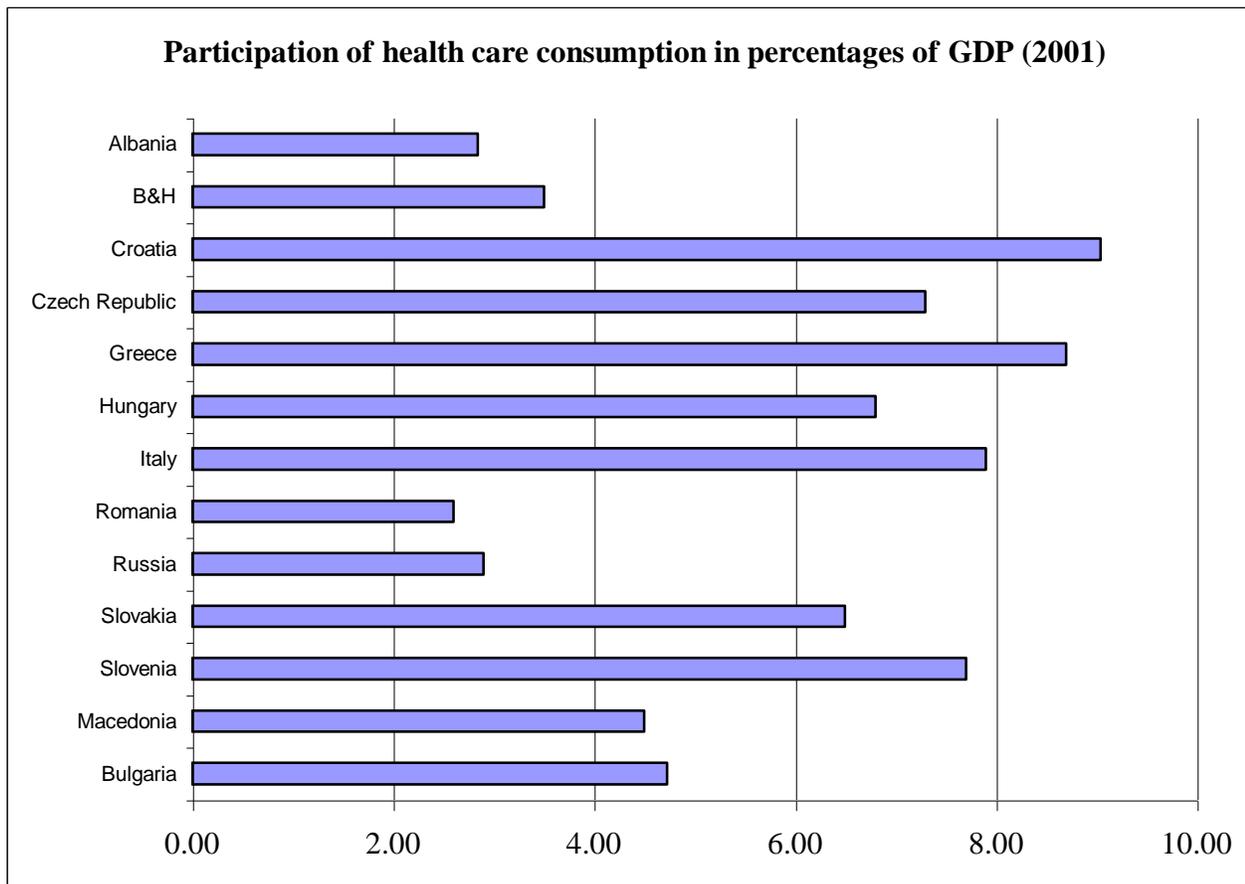
2.2. Financing health care

Organization and financing health care in Montenegro is founded on the dominant role of the public sector to provide and ensure resources for health care and services. Namely, **financing health care is based on the method of compulsory health insurance (German – Bismarck method)**. Contributions are paid according to employee gross earnings, according to present legal regulations in the amount of 15% of employee earnings (proportional 50:50 employee and employer), as well as the self-employed. The Pension and Disabled Persons' Fund assigns resources for pensioners, while the employment Agency, that is Budget, pays unemployment contributions.

Strategy for Health Care Development of Montenegro

According to current health and health insurance Laws, categorization of the population has been carried out on the basis of which rights to health insurance and compulsory contribution payments have been established.

In the structure of the Fund's revenue source for the year 2000, contributions on employee and self-employee earnings made up 78%, and contributions for pensioners was 16.6% of total revenue. Revenue from the Budget for the unemployed, from farmers, revenue from interest, from gifts and aid, and other revenue represented less than 5.0% of the total Fund revenue. Simultaneously, health care spending in Montenegro amounts to 6.1% GDP



In recent years, the socio-economic situation resulted in the fall of the GDP, growth of unemployment (the rate of unemployment reached a figure of almost 30% of the total active work force), as well as problems relating to financing the Pension and Disabled Persons' Fund, Budget and others. These circumstances caused problems in securing the necessary resources for health care. Additional pressure on health care expenditure increased because of Montenegro opening and its orientation towards a market economy

system (purchasing modern medical equipment and acquisition of the latest, as a rule expensive medicines from abroad).

In recent years outgoings on medicines and medical equipment in the structure of the Fund's total expenditure have amounted to almost 30% of the total expenditure by the Fund, which is much higher than in many countries. In Montenegro, the lack of national medicines' policy, as well as irrationality in view of procurement, prescription and consumption of medicines, effectuates the pronouncement of regulations that should regularize pharmaceutical work.

3. PROBLEM EVALUATION

Health care is a subsystem of the social system whose structure, organization, objectives and functioning are determined by political and economic structure of the State, its economic potential, furthermore the state of health of the nation, its health problems, tradition, culture as well as other numerous factors.

The health care and health insurance Law, which has been in force since 1990, was passed for a system of socio-economic relations founded on self-management. The values of this system were public property, self-management and state decentralization, and the general characteristics of its relation to health care was the absence of all State controlled mechanisms in conducting health policy, social principles that allowed the largest volume of health care rights and public property that did not commit subjects in health care to efficiency, and as a consequence of this it had a long financial crisis.

The recent problems faced by health care have left unavoidable consequences. The lack of clear objectives and development strategies on a Republic level have made it possible for hospital care to dominate capacities and resources because consumers mostly received services in hospital care, as primary health care was not able to solve most health care needs.

During the transition period, health care, like the whole of Montenegro was exposed to hardship: sanctions and war in its surrounds. Contrary to the traditional method in which ownership of health care institutions was exclusively publicly owned, in accord with social changes, all public institutions were proclaimed state owned, and simultaneously private practice was introduced. Financing health care has remained predominately in the domain of public financing and citizen participation.

With regard to management focus was given to a centralized model by centralizing resources and decision-making. It should be emphasised that in spite of the numerous problems, basic health care resources were preserved, the material basis for operations were considerably advanced, and health services provided health care to citizens of the republic and numerous displaced persons appropriately. However, lack of adequate mechanisms in management of the health system, firstly institutional mechanisms, influenced the variance between resources and the requirements for health care.

Quality analysis with regard to the socio-economic approach to the health care system in Montenegro is very rare. In the numerous international comparative analysis of the health care system there is almost no relevant data that refers to our country.

The state of health of the Montenegrin population, measured according to health indicators, is level with countries of Eastern and Central Europe. However, values for the most frequently used health care indicators lag behind the values of Western European countries.

Quality health care and services as a parameter for efficiency of the health care system has not been researched in health care institutions. The reasons for improving the system of control may be found in a lack of professional standards, non-developed information system, as well as the lack of a complete evaluation of the health care program.

One of the ever-present development problems is the elemental development of the private sector, which as yet has not been integrated in the health system and is not controlled, so it is difficult to objectively evaluate the extent to which it contributes to improving the state of health of the population of the Republic.

Principal health care problems in Montenegro are:

- **The health system, although organized on the basis of primary health care does not function in an coordinated and integrated manner;**
- **Health institutions primarily aim to offer curative protection to citizens, and much less as preventative for the entire population;**
- **There is variance between established rights in health insurance and financial abilities to provide for them;**
- **Unrealistic expectations of the health care system by citizens and health care employees**
- **Inadequate method of allocating resources with the priorities and health care levels;**
- **Inadequate payment method for health care services and unclear methods for financing health care institutions;**
- **Health care is not programmed in accordance with the requirements, priorities and specific needs, particularly at local level;**
- **Large number of non medical employees and inadequate composition of health care workers, particularly in specific segments of healthcare;**
- **Lack of a national medicines' policy and the irrational use of medicines;**
- **Health care management is not suitable for the modern concept of health system organization, especially in view of systems planning;**
- **Record keeping and the reporting system regulated by law are of poor quality and quite outdated;**
- **Lack of quality health information system and other mechanisms for better management;**
- **No level of the health care system carries out control of the scope and the quality of registered data;**
- **System control and development of quality health care is not developed;**
- **insufficient motivation to provide quality services, and employees are poorly paid;**
- **Existence of informal payments**
- **There is evident stagnation of the state of health of the population, parallel with a decrease to social and living standards.**

4. DEVELOPMENT STRATEGY

The development strategy for health care in Montenegro is founded on health policy, and it implies the definition of necessary activities within health care, in order to complete the adopted objectives of health policy until the year 2020.

Starting point

Health represents one of the most important assumptions for the populations' quality of life. Prior to establishing documents that refer to the health care system development strategy and health insurance in Montenegro one must go by the fact that the health of the Montenegrin population is of vital interest for the State and that it is the most important assumption for the country's fast political and economical development. The starting point for developing this document is the Constitution of Montenegro, as the highest legal act and documents of the United Nations and other organizations of which Montenegro and Serbia are members as well as other suggestions made by international organizations and institutions. Therefore the starting point for this document, among others, comprises:

- **Universal Declaration on Human Rights of the United Nations;**
- **World Health Organization's Declaration on the Responsibility of Member States of WHO for Population Health;**
- **European policy and "Objectives for Health in the 21st Century" – WHO;**
- **Charter of Ljubljana;**
- **Conference on primary health care in Alma Ati;**
- **Constitution of the Republic of Montenegro;**
- **Other documents and suggestions made by international organizations and institutions.**

"Promoting and maintaining good health of people, is the foundation for continued economic and social reform and it contributes to a better quality of life and world peace" (World Health Organization - WHO).

Resolution 31.42 WHO recommended to all countries to strengthen the processes to define health policy, in accordance with possibilities and socio-economic opportunities; Formulating priority health and health related programs; preferential allocation of available resources, according to defined priorities and providing health care through an integrated health system.

With the aim to carry out WHO stances and to consolidate the most important directions for health development during the following period, The Ministry of Health for the Republic of Montenegro suggests the Development Strategy, as well as the planning document for development of health and new health policy.

Strategy defines the elements of planning activities, which shall be carried out in the health system, with the aim to undertake political, economic, social, scientific, expert, management, and legislative measures to reform the health system.

The strategy for health reform opens up the process of necessary reform to the health system in Montenegro, which shall provide better quality health care, improve health and improve the state of health of the population.

Reform is a component of the total change to society that shall encompass all-important elements of the health system and other systems that are closely related to health, first of all, social.

The development strategy represents the basis for consolidating:

- Strategy: New public health care
- The plan for health care in the Republic;
- Master plan for health resources;
- Human resources development plan;
- Plan of action for achieving health objectives;
- Special strategies in the area of mental health, prevention of mass non-infectious diseases, HIV – AIDS prevention and tuberculosis.

The above-mentioned documents shall establish in detail, activities, bearers, priorities and criteria for evaluation plans. The planning documents that have been mentioned should provide for carrying out health reforms.

4.1. Reasons for reform and change to the health care system

The problems present in the health system during the previous period are the reasons why appropriate health policy should be established in order to solve the most acute problems in:

- **Primary health care** has for many years been formally constituted, as a support system to health care in the Republic. Analysis of the primary health care system indicate that according to quality and efficiency of the primary health care system it falls behind in fulfilling its basic functions. Legally and programs favored primary health care in the present period has not had the role of primary subject of the system, because development policy instruments did not secure adequate support for affirmation of the primary health care system. Particularly evident are delays in providing working conditions, financial support and policy with regard to specialist training, which dominantly relies on specialization. Medical centers, organized according to the principle of accessible primary care in every municipality, were not integrated within the local community and aimed at preventative health programs, also there was no necessary link with higher levels of the health system. In medical centers doctors were not continuously trained for all-inclusive problem solving of the populations' health problems, and there was no motivation for their commitment.
- **Productivity and efficiency**, a problem that reflects system weakness on all levels, and especially primary health care. Hyper production of services in primary health care has not resulted in better health care, because over 60% of beneficiaries were referred to higher level services: polyclinic services, differentiation of diagnostic tests and hospital treatment, which caused enormous expenditure and put pressure on these establishments. Excessive use of services had been conditioned by incompletely equipped medical centers, inept personnel to solve the most frequent problems and the lack of a system to refer beneficiaries to chosen doctors.
- **Work quality**, the most sensitive issue and problem in health care, primarily due to lack of objective mechanisms for quality evaluation. Questioning the standpoint of citizens has shown dissatisfaction with service quality, as well as the conditions in which these services are offered, especially when using hospital services. Differences in technical equipment and the conditions where services are offered were the most

frequent reasons for dissatisfaction, while the doctors work quality was valued by personal dealings with patients, with an emphasis on understanding low wages of health care personnel.

4.2. *Reform objectives*

The general concept for health care system reform shall be based on promoting primary health care, which should be prepared to provide better quality health care services on a local level, aimed towards the family, and shall represent the center of the Republic health care system, as the whole.

The general objective of reform is to bring the health system to a state of optimal functioning in order to, in the framework of available resources, achieve the highest positive effect on the condition of health of the population of Montenegro.

The general objectives are:

- **Developing health policy that shall guide citizens to become aware of their own decisions and health responsibility and consequences thereof**
- **improving health care in the most acceptable and equal manner**
- **developing a health care system, harmonized with European health care development trends,**
- **Increasing efficiency of the health care system through rational and accessible resources,**
- **Improving quality of services,**
- **Application of modern health care technology and**
- **A financially stable system.**

The health care system of Montenegro, although autonomous in relation to other health systems, shall endeavour in the process of reform to harmonize changes in accordance with Millennium development objectives and global trends for development of European health through:

- **Decreasing maternal mortality,**

- **Decreasing death rate of children to the age of five,**
- **Preventing spread of HIV-AIDS and other diseases,**
- **Charter of protection of patient's rights: in which patients shall be highly responsible for their own health,**
- **Cooperation to improve potential health risks and environmental risks,**
- **Approach to health and poverty: with emphasis on health problems which are caused by poverty,**
- **Improving efficiency: providing higher primary health care and at home care, as well as better integration between first and second level health care;**
- **Advantage of cost-effective methods in medical technology: higher proportion of expenditure for promotion and prevention of disease and improving quality of treatment.**

4.3. Vision of health care

The health system in Montenegro must ensure protection and improvement of health for the entire population of Montenegro by way of a series of continual activities and measures directed at preventing infectious diseases and treatment and rehabilitation of ill persons. The health system must remain equally accessible to all citizens of Montenegro and in this manner the principle of equality shall be respected.

The function of public health will have significant importance with an emphasis on prevention of chronic non-infectious diseases, such as cardiovascular disease, smoking and consequences of smoking, protection and promotion of the health of mothers, children and elderly.

In primary health care, each citizen shall be registered with his/her selected doctor, who shall follow the patients state of health and requirements, refer the patient to higher levels of health care and be motivated by the payment system to provide better quality work.

Financing for health service shall be provided by the Fund for Health Insurance which shall carry out contribution payments from compulsory health insurance. All citizens are obliged to pay contributions for compulsory health insurance, and the State shall be responsible to pay contributions for the category of citizens who do not pay contributions.

The Health Insurance Fund shall provide financing for the general packet of health services, while the remaining services, as well as differences in prices paid for by the insured through participation systems, shall be the subject of voluntary health insurance.

Providing health services shall include the private sector by way of possible contracts to provide health services to persons insured with the Fund's compulsory health insurance. The payment method will ensure fair distribution of resources and payment for completed services through introducing the primary health care capitation system and points' payment or diagnostic categories in secondary and tertiary and health care.

Planning mechanisms and macro level management shall be introduced, and through the decentralisation process the role of management in health institutions shall strengthen, and instruments for evaluation of plans and programs at all levels shall be established.

The quality of health services shall be improved by way of introduction of continued education for health workers, their licensing and the accreditation of health institutions, as well as developing clinical protocol.

Bringing into effect an integral health information system shall be one of the primary priorities in health, in order to provide quality support for better management, improving quality of work and technological development.

4.4 Key principles of reform

Health policy, which has the aim to carry out health system reform, shall proceed from the following general principles:

- **Universality**
- **Equality**
- **Accessibility**
- **Quality and**
- **Efficiency**

The existing socio and economical relations represent limiting factors to carrying out reform successfully, especially in the area of health insurance and health care rights. However, in health care there are significant possibilities and scope, which should provide rationalization through existing resources, in order to achieve assumptions for faster and better quality development of health care in Montenegro.

The major part of the reform process shall begin with activities in health care institutions, management at every level of health and health care workers whose engagement shall depend on the established degree of achieved objectives.

The Ministry of Health shall by way of instruments of health policy provide conditions for:

- 1. Strengthening primary health care – general packet of services,**
- 2. Sources of financing and development of a new health insurance system,**
- 3. Advancement of the payment system for health services and programs through the system of contract services based on capitation, budgeting and other payment methods,**
- 4. Privatisation in the health system – regulating the private sector,**
- 5. Defining the role of the State in carrying health policy: Government, Council for Health and the Ministry of Health,**
- 6. Rationalization of public health,**
- 7. Integration of the private sector in the health system.**

4.5. Activities in health system reform

The health system in Montenegro shall develop in the framework of existing public health institutions, through restructuring and integration of resources into private property.

To achieve the established objectives of health policy for the Republic of Montenegro it is necessary to carry out radical reform of health insurance and the health care system.

During carrying out of reforms all citizens of Montenegro shall be provided with equal access to basic health care and quality services, while the private and state sector shall be gradually provided with equal possibilities to carry out health care.

Through the reform process the introduction of planning and management of the health care system shall occur, restructuring of existing health capacities, and the reform itself shall spread over all areas of the system. In order to carry out and provide quality reform, priorities shall be defined, and reform shall be carried out gradually. It shall be possible to supplement the reform plan during the process of carrying out reforms so as to achieve the best effect.

4.5.1. Strengthening preventative and primary health care

The experience of countries in transition has shown that the health systems of those countries were aimed at secondary and tertiary health care, while primary health care was generally poorly developed, inadequately paid, and doctors at this level, rather than carry out the role of entrance guard for the health system, as they were supposed to solve most of the problems in the primary contact with citizens, actually referred citizens to

higher level health services, which are also more expensive. Every health system, which is turned towards secondary and tertiary health care, is simultaneously an expensive system. Also, it is important to emphasise that strengthening preventative and primary health care does not only achieve solving most health problems at a primary level, which also means less expensive treatment, but may also considerably influence and decrease the numbers of persons who are ill from the most common diseases and by doing so significantly influence the positive state of health of the population. By introducing the institution selected doctor in primary health care, most of the needs of citizens shall be met at a primary level, and protection of the most vulnerable categories of persons, shall have special priority in the Ministry of Health policy.

4.5.2. Restricting increase of health expenditure

In all countries of the world due to advancement in technology, the emergence of new and expensive medicines and the ageing population are causing constant increases to health expenditure. For this reason all countries of the world are carrying out a number of measures in order to limit this increase, introducing control of expenditure and reducing health system activities to within its abilities. For this reason it is necessary to prevent increased expenditure, prevent creation of new losses, in the Health Insurance Fund as well as in health institutions, accelerate payments and strictly control contribution payments, establish an incentive system and regular payments for health services and assessment of work performance, establish management principles in health care in order to stimulate independent activities of the most important health institutions. Particular attention must be given to controlling the use of medicines in stationary health institutions by establishing a Unit dose system. Limitation of increase to health expenditure applies to both the state and private sector.

4.5.3. Financing system and health institution payment methods

It is necessary to consider methods for financing health institutions. This particularly refers to resources that the Montenegrin Budget has to provide for health care of non-insured persons. The Fund for Health Insurance has to undertake the function of controlling the contribution payment for health insurance in order to secure collection of resources in the assigned framework. Considering that the rate for employee contributions is among the highest in Europe it represents a huge burden on the economy. It is due to this reason that there is a developed sector of grey economy. In harmony with macro economic policy, consideration should be given to reducing the rate of contributions while simultaneously expanding the base contribution payments, this requires a clear definition of what constitutes employee salary and a fierce battle against grey economy.

The Fund's existing payment methods for health services is not good because theoretically it represents a payment system "compensation for service", and in practice, it is some kind of imprecisely defined budget. As a basis for this a precisely defined general packet of health services that shall be provided to citizens by the State, as there is no such country wealthy enough to provide all services. The next step is clearly separating primary from secondary and tertiary health care in all health institutions.

It is necessary to clearly divide the relations between the Budget and Fund resources for health insurance. The State provides basic health care and universal cover for the population in the following manner: all persons who pay contributions and persons who are insured through them are eligible to basic health care in that manner.

Key to success of reform is that all persons settle their obligations. This also refers to companies that are required to pay contributions without exception. Strengthening financial discipline and a system to control contribution payments is vitally important for success of reform.

The method for payment of primary health care should be **capitation** in agreement between the Fund for Health Insurance and health institutions (medical centres) for every selected doctor in primary health care who has been selected by a minimum number of citizens and agreement between the Fund and private doctors who satisfy legally defined conditions for work and have been selected by a minimum number of citizens as their selected doctor.

4.5.4. Health information system

The health information system in Montenegro is insufficiently developed, although there is a clear requirement for timely collection, aggregation and data processing relating to the health system. The reason for developing a health information system lies in the requirement to collect and process data that is necessary as support for the management, planning and decision-making process.

Development of an information system shall provide development and improvement of the health system, and shall provide maintainable financing for the health system and provide statistical data.

In order to provide development of the health care information system it is necessary to:

- Establish standards with regard to data structure and the manner of transfer throughout Montenegro;

- Establish an electronic citizen's health card as a central element for medical documentation;
- Forming communication infrastructure necessary for data exchange;
- Enabling access to data by different participants in the health system according to the defined levels of access.

In order for efficient functioning of the health information system data may only be entered at the location where data occurred. Safety procedures must be specifically defined in order to provide safety and privacy of data. Stable financing for maintenance of such a developed information system must be provided.

4.5.5. Human rights and etiquette in health care

In many countries in transition over the previous period there has been significant degradation to the health system, medical profession, as well as etiquette in health. It is necessary to commence a number of measures with the objective to strengthen etiquette in health care, and guarantee human rights to citizens. Practically, from the declarative guarantee of human rights, as well as rights to health care, with the situation being as it is, now is the time to realize these rights.

In this respect it is necessary to strengthen the awareness of health as one of the basic human rights, as well as the awareness of a patient's rights to timely and exact information with regard to his/her state of health and active participation in his/her treatment. For this reason it is necessary to develop guidelines for citizen's awareness about personal rights in the framework of health care and by way of a well designed media campaign to acquaint citizens with these. Also, it is necessary to inform citizens with regard to new treatment methods and modern accomplishments in the field of medicine. Much work has to be carried out to improve the way doctors and medical personnel communicate with citizens. It is necessary to allow citizens to make complaints about health services by introducing the institution of ombudsman who shall aside from human rights participate in protecting citizen's rights in this area.

4.5.6. National Medicine Policy

All nations of the world are facing increased outgoings for necessary medicines to treat citizens. The expenditure increase for this purpose is first of all related to introducing new, principally expensive medicines. At the same time, countries in transition are facing increased expenditure due to inadequate control of prescription medicines by

doctors and consumption of medicines, both prescription medicines and medicines consumed in stationary health institutions.

In order to carry out national medicine policy the following processes need to be regulated:

- **Establishing institutional framework (laws and other regulations);**
- **Registration of medicines and medicinal products;**
- **Quality control and researching medicines and medicinal products;**
- **Control of production and internal and external trade;**
- **Control of maximum price of medicines.**

In principle there are two basic methods to control prices: 1. Limiting maximum price of medicines; 2. Limiting profit for the pharmaceutical industry. Most countries resort to limiting maximum prices for medicines in two ways: 1. of foreign origin; 2. calculative.

Production of Positive medicine list and establishing referential prices

Production of a Positive list of medicines and establishing referential prices for medicines from that list represents a powerful mechanism to control and reduce expenditure for medicines. The existing Positive list of medicines must firstly be reduced in accordance with the essential list of medicines of the World Health Organization and appropriate with the abilities of the Health Fund.

Introducing principles of good prescription practice and clinical protocol

Introducing principles of good prescription practice and clinical protocol represents a very important mechanism to control expenditure of medicines. In many countries a large number of antibiotics are over prescribed, even when they are not necessary which not only has a negative influence due to increasing the expenditure for medicines, it also has a negative influence on developing resistant layers of the cause of disease, and for this reason further use of new, stronger and more expensive types of antibiotics.

Control of prescriptions and issuing of prescription medicines and use of medicines in stationary health institutions

Finally, expenditure for medicines that are at the expense of the Health Fund as well as those in pharmacies and hospitals may be considerably reduced by possibly introducing

a system of monitoring prescriptions and issuing medicines with a prescription and consumption of medicines while in hospital . The fact alone that introducing control of prescription medicines and issuing of medicines at pharmacies is sufficient to decrease the consumption of medicines. However, it is necessary to introduce a system and design a number of measures in order to influence doctors to reduce the number of prescription medicines. As far as consumption of medicines in hospitals is concerned, it is necessary to introduce a unit dose system, firstly as a pilot project in one hospital, and afterwards in remaining health institutions.

5. DIRECTIONS FOR REFORM

I INSTITUTIONAL REFORM:

<p>Objective: health care administration training, health care institutions on a national and primary level for more efficient management of the health care system</p>
--

Tasks:

a) Legal instruments

Passing of a law, which will define the general principals of health care system and health care system organization, directed at increasing efficiency and quality, exemplary of principals in democratic countries which will provide conditions to improve medical care and services and stable functioning of health care as a whole:

- **Health care Law**
- **Health care insurance Law**
- **Compulsory records in the field of health care**
- **Medicines and medicinal products Law**
- **Renewed Law of the former Federation on safe food y and health ecology**

b) Bylaw regulation shall regulate activities of institutions and subjects in the health care system in an objective and standardized manner, in order to ensure equal rights for utilizing health care, optimal working conditions and an adequate control system of the quality of health care work.

- **Regulations in the field of production, turnover and medicine control,**
- **Lists of medicines and guidelines for acquisition and use of medicines,**
- **Elementary set of measures for heath care,**
- **Book of Regulations on conditions for offering health care,**

- **Book of Regulations on the manner of obtaining health care rights,**
 - **Book of Regulations on obtaining health care abroad,**
 - **Book of Regulations on participation of the insured in health care expenses,**
 - **Book of Regulations on expert control in health care institutions**

 - **Book of Regulations on good manufacturing and distribution practice and trade in medicines**
 - **Categorization and accreditation of hospitals and other health care institutions,**
 - **Network of health care institutions**
- c) **Expert standards** are instruments that shall establish distribution of work, the catalogue of knowledge and skill which have to be achieved by different profiles of health care workers. Application of standards will ensure criteria for quality control, for expert assessment of individuals, for adequate evaluation and rewarding, as well as carrying out measures for patient security during the process of providing health care and services.

Through fulfilment of the **Project expert standards**, it is necessary to establish the following expert standards for:

- *Diagnostic, therapeutic and rehabilitation procedures,*
- *Clinical guidelines,*
- *Laboratory methods,*
- *Procedures with patients from entry to exit of the system,*
- *All “hotel” type services of health care institutions,*
- *Contents and methods of quality control, evaluation, planning and programming,*
- *Procedure for carrying out different health care programmes for disease prevention, changing bad health habits and protection measures for at risk groups,*
- *Products that are used in health care,*
- *Facilities and their components used in health care purposes.*

II REFORMS OF ECONOMIC RELATIONS IN HEALTH CARE

Objective: Establishing: stable sources to finance health care, equal types of ownership; abolishing monopoly and affirmation of market principles in certain segments of the system; introducing, other than compulsory, voluntary health care insurance and changes to payment methods for health care services.

Tasks:

a) **Analyze economic relations and financial flows in health care** should point out: availability of total health care resources, problems in obtaining resources and efficiency of their use. In this context it is necessary to carry out the following:

- **Program for rationalizing medicine expenditure,**
- **Program rationalization in stationary institutions,**
- **Program rationalization of non medical personnel,**
- **Program control of sick leave,**
- **Project organization of system for financing and paying for health,**
- **Project criteria for priority selection in investment decision making,**
- **Project standardizing expenditure in health activities.**

b) **Project improving payments for health care services** should provide change to the system of economic relations and rational health care while assuring stimulation of quality and affirmation of the medical profession.

d) **Master Plan for health resources** should provide decentralization in development planning of total health capacities necessary to achieve objectives in health reform. The Master Plan for the Republic shall:

- Confirm network and capacities of all necessary resources in health care,
- Provide restructuring and rationalization of public health resources, in particular hospital capacities,
- Provide conditions to introduce modern management structure in hospitals and increase work efficiency,
- Develop work organization of public hospital in Montenegro,
- Provide conditions for system categorization and hospital accreditation.

With the objective to develop the Master Plan Network of Health Resources the following shall be carried out:

- **Register of Public Health Institution Property,**

- **Register of Private Health Institution Property,**
- **Analysis of Hospital Capacity Use,**
- **Pilot Study for Medical Centres,**
- **Geriatrics' Project**

d) **Project for development of health care organization structure** shall provide development of primary health care, directing resources and reorientation of the entire health system, to increase consumption of service potential in primary health care.

The project shall encompass:

- **Systems' analysis of primary health care,**
- **Home care project**
- **Reorganization of emergency medical assistance,**
- **Education and training of personnel by way of the middle-term Human Resource Plan,**
- **Pilot project for organization of prevention centres: diet counselling service, smoking and other health problems.**

e) **Project development of health care information system** shall provide standardization of information, use of information and improved management at all levels of health care. In that sense the following shall be established:

- **Basis for development of an information system**
- **Information system for the Health Insurance Fund**
- **Pharmaceutical information system**
- **Illness Registry: cancer registry, diabetes registry and others**
- **Hospital information system**
- **Registry of targeted groups in primary health care.**

III REFORM ATTITUDE TOWARD HEALTH

<p>Objective: Change the attitude towards health as a basic human right and promotion of health; establishing ethic and citizen relations through affirmation of the medical profession and strengthening public awareness of health; increasing professionalism and training for health care personnel</p>
--

Tasks:

a) Project New public health shall be directed at increasing the quality of health of the population, to change attitudes towards health, providing a healthy and safe living environment, promoting healthy life styles and strengthening personal responsibility for own health. Training personnel and organizational development, shall provide conditions for professional and scientific affirmation of public health institutions. Projects for prevention of leading diseases shall be developed with support from international subjects, with expert coordination by the Public Health Institute.

c) **Project ethic norms** should provide the establishing of specific code of ethics for health care workers, code of responsibility for work and quality of health care services, on the one side, and more responsibility for citizens to look after their own health.

This requires development of the following:

- **Code of ethics for health care personnel**
- **Guidelines for citizen's rights in the field of health and health care**
- **Rules of behavior between doctors - patients**

c) **Human resource management project** shall define the condition in the field of protection of personnel, middle-term requirements, as well as education that is intended to advance skills and knowledge of health professionals. The plan should define changes to contents and methods of educating health workers, in particular the medical technician field – nursing. This shall be achieved by continued training of health care workers engaged in the visiting-nurse services, home care, and hospital care, protection for elderly persons and persons with special needs.

- **Development of personnel Plan,**
- **Programs for expert training of nursing personnel.**

5. CARRYING OUT REFORMS

In the framework of reforms all segments of the health system shall be included, from organization and work manner of the Ministry of Health, health institutions' network and its' functioning, private sector health, work manner and organization of the Health Fund, financing methods for health care, payment methods, monitoring and control...

Bearers of reform to the health care system and health insurance are: The Ministry of Health for the Republic of Montenegro, Health Insurance Fund and Public Health institute of Montenegro, with active participation from all health and other institutions. In order to carry out reform it is necessary to include international institutions and

Strategy for Health Care Development of Montenegro

organizations, especially: IMF, World Bank, World Health organization, ICRC and others.

Carrying out reforms shall encompass carrying out short and long-term measures that shall be based on projects.

The Ministry of Health retains all functions so far of health system management and introduces modern organizational structure. The **Republic Health Council** shall be institutionalised and shall provide systems management on an expert and policy level.