

Assessment of the accuracy of the consolidated financial and budget implementation reports for 2020 on the Compulsory Health Insurance Fund and the legality of the management, use and disposal of funds and assets

Financial audit

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[FULL REPORT \(LT\)](#)



[SUMMARY \(EN\)](#)



What we assessed and why

Pursuant to the Law on the National Audit Office and the Law on Public Sector Accountability, we carried out an annual audit to assess the accuracy of the consolidated financial and budget implementation reports on the Compulsory Health Insurance Fund and the legality of the management, use and disposal of funds and assets in selected areas.

What we found

1. Under a ministerial order of 30 March 2020 to ensure the financial sustainability of personal healthcare institutions during the COVID19 quarantine period, the Ministry of Health altered the terms of the payment procedure for services provided between 1 March 2020 and the last day of the month in which the quarantine was lifted. The new rules also provided for personal healthcare institutions to be paid 1/12th of the annual amount specified in the contract with the national health fund that was in force at the time of payment. Institutions that provided personal healthcare services during the quarantine period of a value greater than 1/12th of the annual contractual amount would be paid for the services actually provided. According to the invoicing records of personal healthcare institutions, the Compulsory Health Insurance Budget paid €902.6 million in 2020 for services actually provided, and a further €201.3 million for contractually agreed forward service provision.

The payment procedure introduced on March 2020, under the ministerial order, for the provision of personal healthcare services cannot be considered as setting base prices, and the Law on Health Insurance does not authorise the Minister to establish a separate settlement procedure with personal healthcare institutions. Hence, any subsequent payments do not comply with the provisions of the Health Insurance Law or those of service provision and payment contracts.

2. The government adopted a decision to cover the costs in 2020 of the salary increase (and associated charges) agreed for personal healthcare institution employees working under COVID-19 conditions, which were to be paid from the main reserve of the Compulsory Health Insurance Fund. While it was established that the coefficient for the fixed component of an employee's official salary or monthly salary would increase by 60 % to 100 %, the decision did not address how other components of pay (as set out in the pay scales applied by health institutions)





were to be increased in relation to the basic salary. On examining the decisions which 29 personal healthcare institutions took in 2020 in connection with these salary increases, we found that three different criteria were applied. Similar percentages emerged from an additional survey of 221 personal healthcare institutions, to which we received 170 replies.

- 45 % of institutions increased the coefficient for the fixed component of official salaries by a set percentage; other components of pay were calculated on the basis of that component and therefore increased proportionately;
- 45 % of institutions increased the coefficient for the fixed component of official salaries by a set percentage but calculated other components of pay on the basis of the fixed component before the increase;
- 10 % of institutions calculated a fixed salary supplement for employees in certain roles and specific units to cover the time they actually worked with COVID-19 patients.

As a result of these three different methods, there were disparities in the salary increases awarded in personal healthcare institutions.

What we concluded

1. The procedure for making payments for personal healthcare services during the COVID-19 quarantine period was not consistent with the Health Insurance Law. The Ministry of Health intends to review the inconsistencies and to amend the legislation on the basis of any decisions taken regarding the method that will be applied in future for payments to institutions for personal healthcare services.
2. The disparities in salary increases at personal healthcare institutions were caused by differing interpretations of the rules. We recommended that the Ministry take steps to clarify how the legislation establishing salary increases during the coronavirus quarantine periods and state of emergency was to be applied in practice or, alternatively, to update the rules.