



**World Health Organization**

REGIONAL OFFICE FOR **Europe**



## **Participatory approaches to reaching the Sustainable Development Goals: CYPRUS**

Leaving no one behind – Cyprus puts universal health coverage in place



## Key messages

The experience of Cyprus in using the participatory approach towards achieving the Sustainable Development Goals (SDGs) has revealed a number of key messages.

- **Involve stakeholders in large-scale reforms, such as the introduction of a national health insurance system, from an early stage.**

Stakeholder involvement at the nascent stage facilitates obtaining the buy-in needed for putting a universal-health-coverage system in place.

- **Balanced participation in decision-making is needed from all parts of the population and society.**

The participation of stakeholders in decision-making, enabling them to express their opinions and giving them voting rights, needs to be balanced with the participation of and input from all segments of society to ensure leaving no one behind.

- **Resistance to change is normal when major reforms are taking place.**

This can be addressed through mechanisms that provide a better understanding of the reasons for resistance and generate solutions to facilitate the transition.



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## Summary

Until recently, there was no universal health system in Cyprus. Health care was provided by two uncoordinated subsystems, which led to inefficiencies. While around 75% of the population was entitled to health care in public facilities, financed by general taxation, many still opted for private health care and paid out of pocket. As a result, the rate of out-of-pocket expenditure in Cyprus is among the highest in the European Union (EU), exceeding 45% of total health spending, compared to an EU28 average of 22% in 2016 (1). Furthermore, the dual system had no links between public and private providers to ensure the continuity of care.

This briefing addresses SDG 3 (good health and well-being), target 3.8 (achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all) and SDG 10 (reduced inequalities). It also addresses strategic direction 5 of the WHO *Roadmap to implement the 2030 Agenda for Sustainable Development, building on Health 2020* due to its focus on strengthening health systems for universal health coverage (2,3).

## Motivation

Prior to the reform, the public system in Cyprus provided services free of charge, or for a small fee, to different population categories, depending mainly on income. There was, however, no earmarked source of funding for the system or central oversight of the provision of services. Furthermore, the level of public spending on health was low (just under 3% of GDP in 2016, compared to an EU28 average of 6%), leaving patients to make up the difference through out-of-pocket payments to private providers. This dual system generated inefficiencies, such as: duplication of health services; high out-of-pocket payments; long waiting times; and weak primary health care. It also contributed to inequalities since better-off segments of the population could access health services privately to avoid long waiting lists in public facilities. Reducing inefficiencies and inequalities in access to care are at the heart of what the National Health Insurance System (NHIS) will do. In fact, the NHIS will seek to address these inequalities while creating a financially viable system that reduces out-of-pocket payments.

## Description

In June 2017, the General Health System (GHS) Law was enacted, amending the GHS Law of 2001 (Law 89 (I)/2001) (4). The amended law calls for a system of universal health coverage to address inequalities in access to health care.

The implementation of the NHIS is based on the principles of universal health coverage: equity in the provision of health-care services on the basis of need (rather than the ability to pay); financial protection and solidarity; and high-quality services for the whole population. Health-care benefits will include a standardized basket of medical services, including hospitalization, surgery, pharmaceuticals, general and specialist medical care, and laboratory services.

It is expected that implementation of the NHIS will result in:

- coverage of the whole population;
- reduction of inequalities in health care through equal treatment of all beneficiaries;
- better utilization of the resources of both the public and the private sectors, resulting in market normalization;
- improvement in the quality of health care through competition among providers;
- better control of health spending and better use of resources;
- reduction of out-of-pocket payments and better financial protection of the population from illness; and
- transparency in the health-care sector.

The NHIS will be a single-payer system, funded by payroll contributions from the state, employers and employees, pensioners and the self-employed. Even though no budgetary shortfalls are anticipated due to the existence of a global budget, any encountered will be covered through the building-up of financial reserves.

NHIS contributions will be based on solidarity since they are calculated on the basis of each citizen's income. In this way, everyone who can contribute does so according to their income and the System will be accessible to everyone who needs it, thus guaranteeing that no one is left behind. It should be noted that everyone is a beneficiary of the System regardless of whether they contribute to it or not. Although patients will have to pay co-payments, these will be subject to an annual cap linked to household income (ranging from € 75 to € 300 per year, depending on household income).

The implementation of the NHIS is expected to enhance efficiency by making it possible to better control health expenditure via a global budget, new methods of provider payment, central control, referral systems, and criteria for minimum requirements.

The Health Insurance Organization (HIO) will be the entity responsible for purchasing health services under the NHIS. Patients will have the freedom to choose their health-care provider, including general practitioners (GPs) and specialists, from those providers registered with the HIO. The GHS Law (4) stipulates that all stakeholders, including civil society, should be represented on the Board of Directors. This provides civil society and the general public an opportunity to be actively involved in the decision-making of HIO. Their representation on the board consists of: three members representing employer organizations, promoting and protecting the rights of employers; three members representing Trade Unions, promoting and protecting the rights and benefits of employees; one member representing the self-employed, promoting and protecting the interests of this segment of the population; and one member representing patients, promoting and protecting all patients' interests. All members of the Board of Directors of the HIO are equal partners in the NHIS with a right to vote on any decisions to be taken by HIO concerning the System. This indicative participation from civil society covers all levels of the population, thus ensuring public participation in the HIO's decision-making process.

## Impact

Implementation of the NHIS in Cyprus is only just under way. Phase I begins in June 2019 and focuses on outpatient care (family doctors, outpatient specialists, drugs, laboratories). Full implementation will include the integration of Phase II by June 2020 (inpatient care, accident and emergency care, ambulance services, allied health professionals, nurses and midwives,

dentists, rehabilitation care and palliative care). There will also be a provision for inpatient health-care services abroad in other countries in the European Region and the registration of family doctors and specialists in the NHIS.

Impact will be measured through the relevant services' reports on patient satisfaction and through morbidity and mortality indices. Many changes will only be visible in the longer run. The GHS law (4) also envisages the introduction of the following mechanisms for monitoring performance and receiving feedback from users (patients): a supervisory commissioner, who will investigate complaints in relation to any omissions by HIO or health-care providers with regard to health-care services; and a medical audit committee, appointed by the Minister of Health, which will ensure the provision of high quality health care.

## Lessons learnt

Thus far, putting the NHIS Law in place in Cyprus has been much more of a challenge than drafting it and having it passed into law. Equally challenging has been managing resistance to change. Cyprus has tried to overcome obstacles met through the constant provision of information, as well as through discussions with and actions to engage stakeholders. An important lesson learnt has been that it is important to involve stakeholders at an early stage of the implementation process.

## References<sup>1</sup>

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