Interview: Marina Truhanova – Deputy Head, National Health Service Latvia



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Marina Truhanova, deputy head of National Health Service Latvia, discusses the responsibility that the Latvian National Health System (NHS) has in terms of allocating their financial resources wisely, the importance of public procurement of medicines with the other two Baltic states to purchase cheaper drugs and allow for more access and the implementation of e-health as a means of increasing transparency.

Can you give our international readers a brief introduction of your background and tell them about your mandate, function and scope of activities?

I am the deputy head of the National Health Service (NHS) in administrative matters and I joined this role in October. The aim of the NHS is to implement state policies and ensure the availability of health care services, it administrates the state budgetary funds prescribed for healthcare, it implements state policies in the planning of healthcare services and it ensures rational and the most effective use of the state budget. As I am sure you are aware, the healthcare budget has substantially increased this year, and this shows that the priorities of the government have changed, which had not been the case since the crisis. However, this poses also a significant challenge for the NHS as it has the responsibility to ascertain where and how this money should be allocated.

One of our priorities for this year is to enact our financing law which consists of no longer providing the full basket of medicines to people who do not pay taxes. In order to detect who is a taxpayer, we will have to merge our registers together which is going to be a big chunk of work as it has never been done before. A challenge that we will be certainly facing is that of e-health. We are proud to have it launched this year and although it was a difficult implementation, I would like to believe that we are in the stage where it is already working out well. Some are against, but we are very strict about the use of e-health in order to ameliorate the current healthcare services. We are looking to introduce e-referrals this year and we have quite a huge list of functionalities that need to be introduced.

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It goes without saying that another big priority is how to use this additional funding wisely and to this purpose we introduced a strategic purchasing practice which we use as a tactical tool to choose providers that are more experienced and patient-oriented, better qualified and add more requirements to the procedures and see if all our providers can actually be compliant. Up until this year, Latvia did not have precise data on the services that are provided for out-of-pocket payments to see for instance how many people have used a given service and paid themselves. The purpose of gathering these data is to be able to forecast the demand much more precisely in the future.

All National Health Systems have to make difficult decisions about which drugs should be reimbursed and what services are covered. What are the mechanics through which you base your decision on this?

We have historically developed the way to evaluate drugs and services. In the nearest future, we see the development and more intensive implementation of Health Technology Assessment (HTA) to ascertain whether a drug or service is entitled to reimbursement or not. We are considering investing in it and incorporating it as part of the agency of pharmaceuticals to grant more independence to the process. We are pretty aware as to what should be reimbursed. To give you an example, if we see that the highest mortality rates are from cardiovascular diseases and oncology, it clearly means that these therapeutic areas represent a priority to invest in, in order not to have negative repercussions on the state finances in the foreseeable future. Our four priority areas stated by the Ministry are cardiovascular diseases, oncology, mother and child care and mental health. In the field of pharmaceuticals infectious diseases and cardiology also represent a priority. The list of unmet needs in the pharmaceuticals field is very long.

How do you ensure you spend the limited resources that you have as wisely and most efficiently as possible in order to meet unmet needs?

In terms of reimbursable pharmaceuticals, we make extensive use of the pharmaco-economic and medical assessment of the drug to understand which drugs have the biggest effect on a given disease. This is what we carry out to weigh out the better ones. If specific drugs are reimbursed by 75 percent, but these drugs are so expensive that the patients are not able to cover remaining amount, this should be also taken into account while making financing decisions and weighing out what drugs should be reimbursed and to what extent. Over the past two years, under the tenure of the current Health Minister, we are much more inclined to collaborate with professionals and associations as we believe they have a lot of valuable insights that we should consider while making financing decisions. As civil servants we never have the experience owned by the ones who are treating patients every day. There were the cases in which upon meeting the experts in the field we changed or adjusted our roadmap.

When negotiating with drug companies on prices, what can you do to increase your bargaining power given the small size of the Latvian pharmaceutical market?

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We try to use all the approaches in our power to make our volumes bigger. This year we are centralizing the purchase of oncology drugs, meaning that we are buying them both for hospitals and outpatients. We are looking to centralize other pharmaceuticals and medical devices, as we see it as the only way forward. As far as vaccines are concerned, we are collaborating with Estonia and Lithuania and I believe this is an emblematic example of EU public procurement, similar to the Benelux-A cooperation. It took a long time for the three Baltic states to cooperate because of differences in legislation but now we are proud to have two different types of procurement for two different types of vaccines – one with Lithuania and one with Estonia. This allows us to receive valuable discount on the purchase of drugs.

What role can early diagnostics and preventive healthcare play in this?

Preventive care is institutionally split between us and the center of disease control and prevention. The latter is carrying out campaigns in terms of healthy lifestyle and healthy eating, vaccination campaigns and they are also financing screenings. We are more administrative in this process but, at the same time, we are working hard to increase the coverage of screening and as a matter of fact in 2017 we had far better results than ever since the oncological screening has been launched in Latvia. This year, funds for primary healthcare increased as well and capitation fees for general

practitioners raised by 30 percent. The goal is to increase the role of nurses, too.

While there is this significant injection of capital, the spotlight is going to be on you, to make sure that this money is spent wisely. Presumably, e-health also shines a spotlight of transparency allowing everyone whether money is being spent in the best possible way. Can you elaborate on this?

For now, e-health does not allow us to view the money spent but to get a better insight into the field of prescription, because we only saw the paid prescriptions earlier whereas now doctors are delighted to see whether patients actually purchased the prescribed drug. We have not had information on sick leave up until now, because sick leave paid by employers has never been monitored. After introducing more services and more integration on e-health we will have more transparency and fill in the data gaps that I mentioned before. If we look at last year specifically, we see that significant part capital injections raised the pay of doctors and there was a huge debate with the Minister of Finance who claimed that the additional capital had to be invested into additional services. The reality is that if we are not paying doctors enough the migrate to private sector and we as a state have not enough professionals to provide more services. Further introduction of the e-health functionalities such as referrals will allow to monitor the use of scarce resources better and to react quicker. The NHS is constantly cooperating with foreign and international institutions to exchange information and share best practices.

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