

## Hungary



This map is an approximation of actual country borders.

Hungary has a land area of 93 030 km<sup>2</sup> and is divided administratively into 19 counties (megye) plus the capital, Budapest. The population is ethnically relatively homogeneous; the largest ethnic minority is Roma, with more than 500 000 people. The country has seven economic regions, each including 1-3 million inhabitants. Since 2004, the time of Hungary's accession to the European Union (EU), Hungary is eligible to receive EU financial support. Hungary was one of the countries in the region worst hit by the financial crisis and was the first to have to seek international assistance. Despite the strict fiscal policy and severe austerity measures Hungary's economy set to shrink in 2009 and it decreased by 6.3%<sup>a</sup>, the deepest recession since 1989. The annual general government deficit made up HUF 918.6 billion excluding local governments, 3.6% of the GDP<sup>b</sup>. Unemployment grew from 7.8 % in 2008 to 10.1 % in 2009<sup>a</sup> and is projected to peak in 2010.

### HEALTH & DEVELOPMENT

Reform measures in Hungary have been directed towards strengthening of the primary care and rationalization of the secondary and tertiary care with recent wide and overall reform of the health system. In 2007 several health reform steps had been carried out in line with the five major health acts aiming to respond to the problems of allocative efficiency of the services and balance the budget by improved control of the entitlement certificates of the patients, by introduction of user-charges in medical facilities, structural and capacity changes in hospital care and the strengthening of the cost control of pharmaceutical expenditures, including imposing several new contribution paid by the pharmaceutical industry. In the frame of the structural changes, steps were made towards the reduction of excess hospital capacity mainly by cutting the number of acute beds by 25 % in 2007, along with reshaping of the catching areas of the hospitals. However in the first half of 2008, some of the main structural elements of the health policy objectives were disintegrated after the referendum held in March 2008, which abolished the different type of user-charges in medical facilities introduced earlier. The law on the multi health insurance model, which was passed earlier in February 2008, was finally repealed in June 2008. The current health minister proposed the decentralization of the social health insurance system to regional level to enhance the efficiency and quality of services, but regional funding was not initiated, yet. The government decree on the new structure was passed, and the reorganization started in January 2009. Meanwhile, the care coordination system, which was one of the flagship of the health reforms earlier in this decade, was eliminated in December 2008. Just a couple of months later, in August 2009, as the Hospinvest, the flagship private company leading pilot role in the functional privatization of the local-government-owned health care facilities bankrupted, other important area of the reform strategy became highly problematic as well.

**Hungary has achieved almost universal coverage of its population with mandatory social health insurance.** Social health insurance is the main source of public funding for the health sector. Participation in the social health insurance scheme is mandatory for everyone who works in Hungary, including the self-employed. One of the aims of the health reform was to affirm the health insurance contribution of each patient utilizing health care, by checking effectively the legal registration status of the patients systematically through on-line by the providers. Universal coverage and the comprehensive benefit package are difficult to sustain at the current low level of public spending, which resulted in continuous budget deficits at the NHIF, especially in case of pharmaceutical reimbursements until 2006, but due to the strict measures in the financing the system, Health Insurance Fund closed with a surplus in 2007 and 2008.

**Long-lasting achievement in health reforms has been the introduction of family medicine as a specialty** and increasing the numbers of formally trained family practitioners. While the overall practicing general practitioners/population ratio is comparable to the rest of Europe, the geographic and inter-specialty distribution of human resources is unbalanced. Certain geographic areas do not have enough doctors and nurses, and some lucrative specialties attract relatively more staff. The government tries to make significant efforts to increase the attractiveness of family practice as a specialty.

**The stewardship role of the Ministry of Health (MoH) is gradually improving.** After many years of slow pace of reforms a series of reform measures came under way in order to address the weaknesses of the current system. These measures such as restructuring service delivery capacities and rationalize pharmaceutical expenditures had been long due but there is still an ongoing debate on the optimal structure of the necessary delivery capacities and the way how the facilities should be operated.

**Noncommunicable diseases are the leading causes of morbidity and mortality.** The high mortality rate among men aged 40-65 is of particular concern. Ischemic heart disease and cerebrovascular disease accounted for 37.8% of total deaths in 2005.<sup>b</sup> High blood pressure affects more than 50% of those aged 25-64 years and type 2 diabetes affects approximately 10% of the population. Hungarians have the highest death rates for lip, colorectal, larynx, trachea, bronchus and lung cancers in Europe; cancer causes every fourth death in Hungary.<sup>c</sup> Hungarian males have the world's highest lung cancer mortality rate. Suicide rates are among the highest in Europe. **Lifestyle-related risk factors** are prevalent, particularly smoking, unhealthy diet and lack of physical activity. Unhealthy diet, high intake of animal fat, cholesterol, salt, a low intake of vegetables, minerals and dietary fibre, compounded with low physical activity (only about 21% of men and 14% of women aged 15-64 exercise regularly) lead to obesity, high blood pressure and nutritional deficiencies.

**Unhealthy environments are important contributors to poor health.** About 11.5% of the country (inhabited by 48% of the population) can be considered as polluted. Air pollution, mainly from vehicle emissions, is a major causal factor for respiratory disease. Pollution of surface waters from geologically-based arsenic is a health hazard.

**Communicable disease incidence is very low.** Compulsory vaccination programmes with extremely high coverage and an effective alert and response system for outbreaks have kept most diseases under control. Tuberculosis is recognized as a re-emerging problem, but the number of new cases is decreasing year by year. Estimated HIV/AIDS incidence is low compared with other EU countries and it remains stable.

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Total population (2010 February) <sup>1</sup>	10 009 000
% under 15 (2008) <sup>1</sup>	15
Population distribution % rural (2010 Jan) <sup>1</sup>	31.42
Life expectancy at birth (2007) <sup>1</sup>	73.3
Under-5 mortality rate per 1000 (2008) <sup>2</sup>	6.51
Maternal mortality ratio per 100 000 live births (2005) adjusted <sup>2</sup>	6
Total expenditure on health as % of GDP (2006) <sup>3</sup>	7.6
General government expenditure on health as % of total government expenditure (2006) <sup>2</sup>	10.4
Human Development Index Rank, out of 182 countries (2007) <sup>2</sup>	43
Gross National Income (GNI) per capita USD (2007) <sup>1</sup>	12852.2
Adult (15+) literacy rate (1999-2007) <sup>2</sup>	98.9
Adult male (15+) literacy rate (1999-2007) <sup>2</sup>	98.8
Adult female (15+) literacy rate (1999-2007) <sup>2</sup>	99
% population with sustainable access to an improved water source (2004) <sup>2</sup>	99
% population with sustainable access to improved sanitation (2004) <sup>2</sup>	95

Sources:

<sup>1</sup> Hungarian Central Statistical Office

<sup>2</sup> Human Development Report of UNDP (2007-2008)

<sup>3</sup> The World Health Report

Sources:

<sup>a</sup> Hungarian Central Statistical Office

<sup>b</sup> Ministry of Finance, Hungary

OPPORTUNITIES	CHALLENGES
<ul style="list-style-type: none"> <li>• Joining the EU in 2004 has created new opportunities for strengthening public health services and scaling up investments in the health sector. The government announced health care investments with the help of EU funding in rapidly growing number since the second half of 2008.</li> <li>• The Government has highlighted health care, social issues and improving living standards with a focus on vulnerable groups as priority areas for development.</li> <li>• Consensus is growing even among economists that the public expenditure on health that is 5.2 % of the GDP is considered low, and therefore the political commitment to increase this level seems to strengthen.</li> <li>• All political parties are strongly committed to implement health system reform steps both in service delivery and health care financing.</li> <li>• Abundant accessible health information which, if used effectively, can provide valid evidence for policy-making in various areas.</li> <li>• Universal health insurance coverage with the mandatory social health insurance system provides the opportunity to deliver cost-effective, evidence-based interventions, address major public health challenges and to protect the most vulnerable groups.</li> </ul>	<ul style="list-style-type: none"> <li>• Financial instability of the health insurance system due to the fragmented pooling and collecting system has negative consequences for access and equity.</li> <li>• With increasing deficit of the HIFA up to 10.5 % of the total expenditure in 2009, which is approximately 150 billion HUF, the financial consequences of the economic crisis had effect on the health care financing, influencing by the worsening employment situation in combination of the sharply decreasing employee contribution as policy response for the crisis</li> <li>• Ageing population and related increases in resource needs for the health system.</li> <li>• Relatively high public and private expenditure on pharmaceuticals, although recently this was addressed efficiently by the HS reform in some respect.</li> <li>• High prevalence of lifestyle-related risk factors, inadequate health promotion and preventive health services.</li> <li>• Human resource shortage due the migration of health workers to other countries and the declining attractiveness of the health care career because of low wages in the sector. Long term strategy plan for human resources is prepared.</li> <li>• Health sector reform bypass public health services and health functions with regard to health promotion and prevention.</li> </ul>

## PARTNERS

Hungary has extensive and continuously growing cooperation with different countries and international organizations. Integration with the EU provides new opportunities as well as challenges for the health sector.

Multilateral partners include the EU, the World Bank and the European Investment Bank. Bilateral partners such as Canada, Israel, Japan, Norway or the United States of America provide continuous support for training and education initiatives. The Council of Europe provides professional expertise, supports the Healthy Schools initiative, and drug prevention and rehabilitation.

OPPORTUNITIES	CHALLENGES
<ul style="list-style-type: none"> <li>• Participating in professional co-operations offered and supported by our accession to EU</li> <li>• Potential financial assistance from the EU for structural adjustments in different sectors.</li> </ul>	<ul style="list-style-type: none"> <li>• Moderate coordination, planning and management capacity of the Government</li> <li>• Human resources migration to other countries.</li> <li>• Compliance with the EU health system standards.</li> </ul>

## WHO STRATEGIC AGENDA (2004-2011)

WHO in Hungary will work to support the Government and other actors in the health sector towards the major strategic directions of the *Decade for Health* programme and recent Health System reform steps.

- **Improving the control and prevention of major noncommunicable diseases.** Provide support to strengthen the Government's stewardship role and articulate evidence-based policy options for service delivery in mental disorders, injury prevention, tobacco control, prevention of alcohol abuse and with ensuring healthy nutrition and food safety environment; strengthening the public health system to ensure epidemiological and environmental safety support; scaling up health promotion and health education among the youth; improving the capacity of the surveillance mechanism on NCD risk factors.
- **Scaling up cost-effective interventions with improving access of services.** Increase the market efficiency of the essential generic medicines with further controlling inflation of pharmaceutical expenditures, improving vulnerable groups' access to care.
- **Strengthening core health system functions in the functional and structural reorganization of the health service delivery to meet the changing population health care needs.** Provide technical support and setting standards to increase the capacity of stewardship of the HS, with developing a monitoring tool for quality and safety as well as for health financing in order to collect more reliable and accessible evidences for preparing reform measures, and closely monitor the recent health sector reform process and evaluate health system performance ensuring that access, solidarity and quality of care are not damaged but continuously improved.

## ADDITIONAL INFORMATION

WHO country page: <http://www.who.int/countries/hun/en/>

EURO country page: <http://www.euro.who.int/countryinformation/CtryInfoRes?COUNTRY=HUN&CtryInputSubmit>

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