

HEALTH CARE OF FOREIGNERS AS THE FACTOR EFFECTING THE INTEGRATION OF IMMIGRANTS IN THE CZECH REPUBLIC

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Abstract

The aim of this paper is to characterize the problems of health care, as one of the main factors which effect the integration of immigrants in the Czech Republic. The starting point is a brief perspective on the methods of payment of health care provided to foreigners in the Czech Republic with respect to advantages and disadvantages of commercial health insurance in comparison with public health insurance. As the costs of health care of foreigners are significant this paper provide a brief information on the statistical data on number of insured foreigners and the value of health care provided to foreigners in last three years with respect to the country of origin. The aspects discussed in particular are different methods of payment of health care provided to foreigners in the Czech Republic who signed health insurance contracts with the General Health Insurance Company of the CR. The analysis suggests a pivotal role of payment covered by foreign insurance and payment in cash.

Key words: foreigners, health insurance, public and commercial insurance

JEL Code: J15, J64, J81

Introduction

Health insurance for foreigners is problematic areas of migration policy in the Czech Republic. Sometimes it happens that foreigners owe medical device reimbursement for the provision of medical care, which leads to believe that the aliens trying to abuse the health care system in the Czech Republic. At the same time quite often happens that medical care is inaccessible to foreigners and gives rise to compassion for those foreigners who are in debt as a result of disease, not because of public health insurance (Trbola, R., Rákoczyová, M, 2010).

The possibility of the participation of foreigners in public health insurance system is determined by the law on public health insurance, or the European Union regulations

governing the free movement of people or international treaties. According to these standards, the system of public health insurance concerns foreigners with permanent residence in the Czech Republic, foreign nationals employed by an employer based in the Czech Republic and foreigners under the Asylum Act, the Act on Public Health Insurance. Part of foreigners living in the Czech Republic does not have access to public health insurance (estimated goes up to a hundred thousand people). The established system of medical care for foreigners, criticized a number of experts and, more recently, the UN does not change the proposed new Insurance Act, prepared by a group of deputies of the medical committee of Deputies.

1 Methods of payment of health care provided to foreigners

Health care in the Czech Republic is available to all foreigners, but there are differences in how it is paid for. Health care may be covered by the insurance for foreigners, or on the basis of bilateral treaties, or in exceptional cases, can be paid for in cash.

Health Insurance is a form of insurance which is used to cover health care. Health insurance is mandatory for all foreigners permanently residing in the Czech Republic and foreign nationals residing in the Czech Republic for more than 90 days. It can be divided into public and commercial insurance, here public insurance is available for a selected group of foreigners and commercial insurance must be arranged by foreigners who are not covered by public insurance.

The public insurance provides foreigners with the same rights as everyone else, and care is paid for in the same range as for the domestic population. This type of insurance applies to foreigners with permanent residence or an employee with an employer based in the Czech Republic. This includes citizens of the EU Member States, who must either meet the aforementioned criteria, or must be employed in the Czech Republic, receiving benefits from previous employment or be family members of such individuals. Public insurance can also be provided for foreigners who have been granted international protection respectively in other specifically defined cases.

An interesting example is the case when two foreigners with public insurance and at the same time without permanent residence in the Czech Republic have a new child. For that child, the parents' insurance does not transfer in any way and it is thus necessary to insure through commercial insurance: this is usually only possible after birth and so the baby is uninsured at the time of birth. This problem must be resolved through the insurance policy of

the mother who would cover this critical period of life. In connection with the necessity of commercial insurance for children, however, the insurance company can refuse to insure the child. This can occur precisely when the child is born with a serious problem, such as any handicapped child.

Commercial insurance is a form of insurance, which is required for foreigners, who are not covered by public health insurance and who stay in the Czech Republic for more than 90 days. This category includes self-employed people or family members of foreigners-employees such as their children, etc. Travel insurance is the condition for granting a residence permit with a minimum indemnity limit of 60 000 euro. The scope of healthcare covered may vary among different insurance companies and thus depends on the specific contract, but usually only necessary emergency care is included. Currently, comprehensive health insurance of foreigners (coverage range approaching public insurance) is offered by only five insurance companies.

Commercial health insurance in comparison with public health insurance has both advantages and disadvantages. Specific insurance offered by commercial insurers are cheaper than the premium that would be paid by foreigners in public health insurance system. Some insurance companies offer telephone assistance services in foreign languages. The drawback is mainly smaller range of cover due the whole range of exemptions and exclusions in the policy conditions: exclusions of relating to certain types of disease and types of medical care (e.g. Venereal diseases, congenital diseases, etc..), the exclusions relating to the causes or other circumstances of the insured event (along) the fault of the insured, regional, time and other restrictions on insurance coverage. Another disadvantage is the fact that insurance companies are not required to contract with any foreigners. If it was a foreigners to the insurance company economically disadvantageous (e.g. because he is sick), they have no duty to insure him. Insurance companies usually offer foreigners disadvantageous payment terms contracts (premiums are paid in advance for the entire duration of the insurance contract). The amount of the insurance is determined mostly by gender and age of the foreigners who enters into an insurance contract. Especially children and the elderly often pay substantially more than they would be discharged into the public health insurance system.

International bilateral agreements are agreements between the Czech Republic and other states, under which the two states are bound to provide medical care to citizens of the other state. Mostly it is for necessary and urgent health care. In this case, health care is paid for by the state.

Reimbursement of health care in cash. If foreigners for some reason do not have health insurance, they must pay for the care received in cash, i.e. at their own expense. In the event of a serious health problem, however, this may not be the ideal solution, especially in the case of costly medical care. A foreigner with permanent residence may lose his residence permit if he is uninsured. These solutions (i.e. payment in cash) are thus particularly useful where the individual current insurance does not cover the care provided (e.g. some dental treatments, etc.). This form of payment is also frequently used by illegal migrants (Jelínková, 2011).

In the case of **illegal immigrants**, the provision of health care is problematic because they generally do not have health insurance. As a result, illegal immigrants must pay for health care from their own resources. Though the majority of health care for migrants is paid, there are two exceptions where they are treated even if they are unable to pay the costs. The provision of necessary and urgent health care is mandatory by law, regardless of the residence status of individuals. At the same time, health care providers are committed to the treatment of infectious diseases, which is quite logical, to avoid spreading disease to other people in the population.

2 The costs of health care provided to foreigners

The costs of health care are significant and the value of care provided to foreigners in 2010 was CZK 588 million, see Table 1 (Institute of Health Information and Statistics 2010/2011). The number of insured foreigners was 46 318 (11 965 persons drawing insurance). The number of foreigners who use health care was about 79 500. These were mostly foreigners from Slovakia, Ukraine, Vietnam and Germany.

Tab. 1: Method of payment of health care provided to foreigners in 2010 (in thousands of CZK)

	Total	Insurance contract	Insurance contract	Cash	State authorities*	Not paid
Foreigners,total	587 559	154 280	179 656	172 148	16 930	64 545
Slovakia	171 329	42 986	95 945	18 522	1365	12 511
Ukraine	72 758	26 774	2862	28397	1639	13 085

Vietnam	39 781	22 858	1905	11 129	704	3185
Germany	38 755	4485	19 985	11 369	35	2882

Source: IHIS (2010, 2011).

As can be seen from Table 1, the method of payment of health care costs varies mostly according to the nationality of foreigners. For citizens of Slovakia, 'Insurance abroad' probably derives from the general vicinity of the two countries and the ease of migration between them. Unlike the Slovaks, the citizens of Ukraine, pay for the reimbursement of health care mostly in cash. (It should be noted that this distribution is gradually changing and that from 2009 there was an increase in contractual insurance in the Czech Republic.)

The number of insured foreigners decreased in 2011 to 23 584 persons (6365 persons drawing insurance) and downward trend in the number of contractually insured foreigners continued in 2012, although the decrease was lower than in 2011. The number of insured foreigners decreased in 2012 to 21 573 persons (5503 persons drawing insurance). From the comparison of the data on health care utilisation by foreigners in 2012 and 2011 it results that by about 8,5 % less foreigners managed health care insurance policies with the PVZP, a. s. The drop was caused mainly by citizens from the Ukraine.

The most foreigners of the total number of foreigners, who signed health insurance contracts with the PVZP, a.s. came again from the Ukraine, followed by the foreigners from the Russian Federation and Vietnam. Ukrainians participated in the total number of insured foreigners with 19,5 % (4208 persons), foreigners from the Russian Federation with 12,5 % (2702 persons), and foreigners from Vietnam 11,7 % (2523 persons), and so, to a certain extent, this corresponds with the total number of migrants from given nationalities (Table 2).

Tab. 2: Foreigners in the CR by citizenship (31st 12th 2010, 2011, 2012)

<i>citizenship / year</i>	2010	2011	2012
Ukraine	124 281	118 932	112 549
Slovakia	71 780	81 253	85 807
Vietnam	60 289	58 205	57 300
Russian Federation	31 807	32 377	32 961

Source: Czech Statistical Office, own elaboration

Numbers of foreigners treated in hospitals slightly increase every year; the share of persons from the EU is about 50 %. In 2012, Czech hospitals provided health care to 89 156 foreigners. Health care was provided most often as well as in the previous years to citizens of Slovakia (19,4 %, i.e. 17 261 persons), the Ukraine (13,7 %, i.e. 12 242 persons), Vietnam (8,5 %, i.e. 7541 persons) and Germany (7,7 %, i.e. 6828 persons). As can be seen from Table 3 citizens of Slovakia and Germany paid for the health care mostly from foreign insurance and the Ukraine paid in cash. (The table concerns foreigners with both long-term and short-term residence in the CR, who have concluded contractual health insurance policy with the PVZP, a. s.)

Tab 3. Method of payment of health care provided to foreigners in the Czech Republic in 2012

	Total	Insurance contract	Insurance contract	Cash	State authorities*	Not paid
Foreigners,total	89 156	22 929	18 447	41 058	2550	4612
Slovakia	17 261	3745	7701	4346	387	1147
Ukraine	12 242	4243	363	6606	397	697
Vietnam	7541	4511	150	2262	257	428
Germany	6828	941	2928	2594	71	342

* Ministry of Health of the CR, Ministry of the Interior of the CR, Ministry of Justice of the CR, regional offices, etc.

The cost of health care provided to foreigners in hospitals of the CR in 2012 was CZK 640 million. Costs on patients from the EU made 53,3 % (total amount of CZK 340 million). The costs of the health care provided were highest, as every year, for patients from Slovakia (CZK 173 million) and the Ukraine (CZK 75 million). The most often way of payment for health care for foreigners (33 %) was payment covered by foreign insurance: 211 million CZK, i.e. the same as in the previous year and payment in cash (also CZK 211 million, i.e. 33 %). At 31 December 2012 CZK 40 million remained unpaid after maturity date (i.e. 6,3 %).

Conclusion

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increased public health insurance up to CZK 400 million. The newly set conditions of health care for foreigners (which was prepared by a group of deputies of the medical committee of Deputies) ensure higher revenue of insurance companies at the expense of public health insurance.

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