



# AN ABSENT THERAPY FOR HEALTHCARE FINANCING

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## **ABBREVIATIONS**

EU-European Union

GDP- Gross domestic product

HIS- Health Information System

MFLT-Ministry of Finance, Labour and Transfers

MH-Ministry of Health

OECD- Organisation for Economic Co-operation and Development

SDS- Sustainable Development Strategy

SHS- Sectoral Health Strategy

UCC- University Clinical Center

UHCSK- University Hospital and Clinical Service of Kosovo

WHO-World Health Organization

## **1. EXECUTIVE SUMMARY AND RECOMMENDATIONS**

This report addresses the chronic issue of insufficient health financing in Kosovo. The objective is to argue the urgent need for a fundamental shift in addressing this problem. Despite the declared priority for healthcare in all post-war government programmes, this has never been achieved. Budgetary funds allocated to the healthcare sector have consistently ranged between 2.5 to 3.5 percent of Gross Domestic Product (GDP), approximately 10 percent of Kosovo's budget. This level of healthcare financing is significantly lower, not only compared to European Union (EU) and OECD countries, but also in comparison to neighbouring countries, except Albania (around 3 percent of GDP). Government spending on healthcare in Bosnia and Herzegovina reaches 6.5 percent of GDP, in Montenegro 6.5 percent, in Serbia 6.3 percent, and in North Macedonia 4.7 percent. The situation remains somewhat similar when analysing the financing of healthcare products and services through individual or family budgets (out-of-pocket expenses). This has negative consequences on population well-being, absorptive capacity for investments and human capital development, and the exploitation of the country's demographic dividend. This is particularly crucial at a time when birth rates are declining while having lower mortality rates and a smaller percentage of the population over 65 compared to neighbouring countries. The contribution of the healthcare sector to GDP growth and employment percentage remains much lower compared to EU and OECD countries.

Planned investments in the healthcare sector, although insufficient, are implemented at a low rate, especially when there is a pronounced need for investments in infrastructure and equipment. This creates difficulties for the Hospital and University Clinical Service of Kosovo (HUCSK) including regional hospitals, as well as at the primary level, to meet patient demands for services and exacerbates their need to seek these services in the private sector or institutions in neighbouring countries, as well as in Turkey and EU countries, whether for diagnostic analyses or surgical interventions. The prices of healthcare services in the private sector in Kosovo, which have seen continuous increases, are unaffordable for the majority of Kosovo citizens' household budgets. This significantly affects the standard of living for a considerable portion of the population and also results in the loss of a significant amount of funds that could have remained within the public healthcare sector. The non-functionality of the Health Insurance System and the Health Information System for nearly a decade and a half has also contributed to this situation. This could be a case study for inefficiency and poor management.

As a consequence of this situation and the level of salaries, the phenomenon of emigration of personnel, especially specialist doctors and nurses, has significantly increased in recent years. This emigration, particularly in certain sub-sectors, poses a considerable risk to the healthcare sector's capacity to meet patient demands and the developmental needs of the country.

Taking into account the findings of this report, we recommend the following:

1. The Kosovo Assembly and Government should increase the budget for this sector to at least the regional average level, which requires an increase in healthcare budget from 3.5 percent to around 6 percent of GDP within a period of 1-3 years;
2. Increase investments in infrastructure and equipment with specific interventions to overcome issues leading to long patient waiting lists due to equipment shortages or other conditions;
3. The Ministry of Health and budgetary agencies within the sector should enhance budget management levels and ensure responsible and effective utilization of allocated funds for this sector;
4. The Ministry of Health and healthcare institutions should establish and implement a human resources investment program, especially for experts in specific fields, ensuring continuous specialization and training, while also raising salaries to a level that prevents medical staff, especially those in high-demand, from emigrating;
5. All relevant stakeholders, primarily the Ministry of Health, should take responsibility for the effective functioning of the Health Insurance System and, interconnected with this, the Health Information System.

## 2. INTRODUCTION

The objective of this report is to influence policymakers and other stakeholders regarding the urgent need for the public healthcare sector to receive proper attention. This should be achieved primarily through increasing budgetary funds and other resources to implement the necessary turnaround for this sector to meet the needs of providing quality services at all three levels of healthcare. Citizens of Kosovo are faced with the need to seek these services in neighbouring countries, as well as in other countries such as Turkey and EU countries. The state of this sector is illustrated by the current Health Minister's statement in the introduction of the Health Development Strategy 2023-2030 document, emphasizing that *"... this document should enable the transition of our healthcare system from a survival and maintenance level to a developing healthcare system, changing the financing formats through clear identification of its resources, functionalizing the health insurance scheme, integrating services, ensuring transparency in accountability, and restoring trust..."*. Therefore, even after almost a quarter of a century since the war, the current state is described as a *"state of survival"*. Despite some qualitative developments in certain segments, the overall situation appears to be unsatisfactory considering the following factors:

- The level of government funding for healthcare is still very low compared to EU countries and those in the region;
- Even after 15 years of commitment to building and functionalizing an integrated healthcare information system, this project has not yet been completed, and it may take another 3-5 years to implement it;
- The Health Insurance Fund, even after nearly a decade and a half since its initiation, is not being implemented, leaving our country as the only one in Europe without health insurance;
- The import of healthcare services from abroad remains very high;
- Trust in the quality of healthcare services in the public sector is still inadequate.

For a long time, all these essential problems have been well identified, and their solution has been determined as a priority in the programmes of all governments. However, the continued lack of improvement indicates a chronic weakness in the management of healthcare policy implementation. This undoubtedly creates problems that not only harm citizens' rights to public healthcare services but also undermine their dignity by necessitating the pursuit of such services outside the country.

The Ministry of Health prepared the draft of the Healthcare Sector Strategy (2023-2030) in March 2023, but this document has not yet been approved. The introduction of this document rightfully observes that *"The long transition in Kosovo's healthcare, accompanied by a lack of health insurance, a fragmented and dysfunctional healthcare information system, extreme underfunding over the years, inadequate quality, and lack of certain services, are lessons learned to change the future of our healthcare system"*.

This report has been prepared based on the analysis of strategic documents and other documents reflecting public expenditures, including: annual budgets, their implementation reports, Medium-Term Expenditure Frameworks, and financial reports from the Hospital and University Clinical Service of Kosovo (HUČSK). Detailed discussions have also been held at HUČSK and the Kosovo Doctors Chamber. The report begins by analysing the correlation between healthcare expenditures, economic growth, and economic development, illustrating this with studies from OECD, EU, and the World Health Organization (WHO), and presenting Kosovo's situation in this context. Subsequently, it analyses budgetary policies in Kosovo that have targeted this sector and the evident problems in their implementation. Based on this analysis, conclusions and recommendations have been drawn, which are summarized in the executive summary at the beginning of the report.

This report has been prepared for discussion at "Forum 2015", supported by Kosovo Foundation for Open Society (KFOS), as well as within the framework of the Policy Answers Project (Horizon Europe), which the Riinvest Institute implements in Kosovo as part of a consortium of institutes from the EU and the region. The Riinvest Institute expresses gratitude to KFOS for supporting this project, as well as to HUČSK and the Kosovo Doctors Chamber for their cooperation and support during the preparation of this report.



### 3. HEALTHCARE EXPENDITURES AND ECONOMIC GROWTH

A well-organized and well-serviced healthcare system with necessary resources is considered one of the main pillars of social welfare and societal prosperity. A prerequisite for building such a system is predictable financing, which establishes a robust framework for preventive measures, supports evidence-based services and interventions, and ensures equal access to these services for all citizens. Such a system is considered a significant driver of sustainable long-term economic growth, especially for developing economies, as it primarily enhances the quality of human capital through investments, benefiting from what is often referred to as demographic dividends.<sup>1</sup>

A study by the European Commission (2005) finds that there is extensive theoretical and empirical evidence that the role of human capital in economic growth is decisive. Given that health is one of the key components of the quality of human capital, it is clear that investments in healthcare are of primary importance for the well-being and prosperity of a society. Furthermore, the report emphasizes that significant disparities in healthcare levels exist even within EU countries, assessed through life expectancy, which can differ by up to 10 years within member states. Therefore, narrowing this difference contributes to cohesion within the EU and demonstrates the success of the enlargement process. This means that addressing the advancement of healthcare services presents itself as an important issue for Western Balkan countries, especially for Kosovo, and its progress in the EU integration process.<sup>2</sup>

The evidence in the literature and empirical research regarding the relationship between healthcare expenditures and economic growth is extensive. A study focusing on OECD countries finds that the increase in healthcare spending is more pronounced in countries where these expenditures are at a lower level than 7.55 percent of GDP. Beyond this level, the marginal benefit of the impact on economic growth diminishes, meaning that the increase in the percentage of healthcare spending yields fewer effects on economic growth. This leads to the conclusion that this impact is much greater in countries where healthcare expenditures are lower, until reaching a level close to 8 percent of GDP.<sup>3</sup> Similarly, another study finds that an increase in the share of healthcare spending in GDP by 1percent correlates with an increase in the GDP growth rate by 0.09 percent. Meanwhile, an increase in out-of-pocket expenditures

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<sup>1</sup> Bloom, D. E., Kuhn, M., and Prettnner, K. (2018). "Health and economic growth" in Oxford Encyclopedia of Economics and Finance, Hamilton, J. H., Dixit, A., Edwards, S., and Judd, K., Eds. Oxford University Press.

<sup>2</sup> Suhrcke, M., McKee, M., Stuckler, D., Arce, R. S., Tsołova, S., & Mortensen, J. (2006). The contribution of health to the economy in the European Union. *Public health*, 120(11), 994-1001.

<sup>3</sup> Ozyilmaz, A., Bayraktar, Y., Isik, E., Toprak, M., Er, M.B., Besel, F., Aydin, S., Olgun, M.F. and Collins, S., 2022. The Relationship between Health Expenditures and Economic Growth in EU Countries: Empirical Evidence Using Panel Fourier Toda–Yamamoto Causality Test and Regression Models. *International Journal of Environmental Research and Public Health*, 19(22), p.15091.

by 1 percent would affect GDP growth by 0.04 percent.<sup>4</sup> Another empirical study has found a positive impact of increasing healthcare expenditures on economic growth in the case of Africa. An increase of one unit in healthcare spending results in an economic growth increase of 0.38 percent of GDP,<sup>5</sup> significantly higher than in the case of OECD countries, as they are far from saturation point, with participation rates of 2-4 percent compared to 7.55 percent of GDP for healthcare spending. According to the World Health Organization (WHO), every \$1 invested in immunization yields a return of \$16 in economic benefits globally. This includes savings in healthcare expenditures and increased productivity due to the reduction of diseases and disabilities.<sup>6</sup> The World Bank has emphasized the importance of health in economic development, highlighting that a healthy population is more productive and better able to contribute to economic growth. Their studies suggest that a 10 percent improvement in life expectancy can increase GDP per capita by around 0.3 percent annually.<sup>7</sup> Similarly, the IMF has published reports highlighting the positive correlation between health outcomes and economic growth. Countries with healthier populations tend to experience higher rates of economic growth compared to those with weaker health indicators.<sup>8</sup>

The level of healthcare expenditure as a share of GDP, or in relation to total government spending, reflects government policies regarding this vital sector. Another important indicator is healthcare spending per capita, representing the expenditure on healthcare per individual. Analysing the movement of these indicators is necessary to observe the dynamics and structure of development in this sector within a specified time period or to make comparisons between different countries and regions. In general, on a global scale, including OECD countries, there has been a trend of increasing the weight of healthcare expenditure according to the mentioned indicators.

On average, OECD countries allocate about 9 percent of GDP to healthcare products and services. The United States leads ahead of Switzerland with the highest expenditure (16.9 percent compared to 12.2 percent). Most other OECD countries spend between 8-11 percent, with Turkey standing out with expenditure of 4.2 percent. The average for EU countries is around 11 percent.<sup>9</sup>

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<sup>4</sup> Beylik, U., Cirakli, U., Cetin, M., Ecevit, E., & Senol, O. (2022). The relationship between health expenditure indicators and economic growth in OECD countries: A Driscoll-Kraay approach. *Frontiers in Public Health*, 10, 1050550.

<sup>5</sup> Piabuo, S. M., & Tieguhong, J. C. (2017). Health expenditure and economic growth-a review of the literature and an analysis between the economic community for central African states (CEMAC) and selected African countries. *Health economics review*, 7(1), 1-13.

<sup>6</sup> World Health Organization. (2016). "Immunization Saves Millions of Lives and Protects Against the Economic Burden of Infectious Diseases."

<sup>7</sup> World Bank. (1993). "Investing in Health." Retrieved from World Bank website.

<sup>8</sup> International Monetary Fund. (2017). "Health and Economic Growth: Time Series Evidence from OECD Countries." IMF Working Paper No. 17/229.

<sup>9</sup> OECD (2019), "Health expenditure in relation to GDP", in *Health at a Glance 2019: OECD Indicators*, OECD Publishing, Paris.

In countries within the region, significant differences are also observed. However, apart from Kosovo and Albania, most other countries in the region have achieved or are close to achieving this indicator compared to EU countries.

**Table 1** Healthcare expenditures as a percent of GDP in the Western Balkans (government and household expenditures)

Country	Government budget spending	Out of pocket	TOTAL
Montenegro	6.46	4.02	10.47
Serbia	6.26	3.58	9.84
BiH	6.53	2.94	9.47
North Macedonia	4.64	3.56	8.20
Albania	2.88	4.34	7.22
Kosovo	3.48	2.4	5.88

Source: WHO (2021) • According to the data of the Budget of Kosovo and KAS

Apart from Kosovo and Albania, other countries in the region are around the average of the EU and the OECD. Kosovo, in terms of this indicator, is more closely associated with African and Southeast Asian countries. With government spending on healthcare of around 3.5 percent relative to GDP, it remains at a level about one-third of the EU, nearly at the level of half of the region's countries. The healthcare spending rate has increased in almost all countries. In the case of Kosovo, despite the nominal increase in the healthcare budget during the period 2019-2024, the relative position of healthcare has not improved concerning this indicator, which nevertheless synthetically reflects government policies in this sector, regardless of electoral campaign statements. This is particularly evident when considering the budget execution relative to GDP (see Table 2).

Out-of-pocket spending usually account for about 20 percent of expenditures, with some exceptions where they can reach up to 40 percent. It is considered that the high level of these expenses may deprive citizens in need from seeking medical services or may postpone it until the last moment<sup>10</sup>. In Kosovo, these expenses account for around 41 percent of total expenditures on healthcare products and services.

Another indicator for assessing the level of healthcare is spending per capita. OECD countries reach spending of around 4000 USD per capita, in contrast to the United States where these expenses reach 10,000 USD. In Kosovo, these expenses, similar to what was mentioned above, reach 285 USD per capita, which is about 13 times smaller than the average of EU countries.

In addition to contributing to the quality of human and social capital in society and its absorptive capacities for investment and economic development, this sector also directly contributes to employing around 10 percent of the workforce and about 7 percent of GDP in

<sup>10</sup> OECD (2019), Health at a Glance 2019: OECD Indicators, OECD Publishing, Paris, <https://doi.org/10.1787/4dd50c09-en>

the case of the OECD and the EU countries.<sup>11</sup> Meanwhile, in Kosovo, this sector absorbs around 6 percent of the employed workforce and contributes around 2-3 percent of GDP.<sup>12</sup> This shows a very low productivity level in this sector.

The increase in the average age of the population, and the share of individuals of over 65 years old in the population, increases the demand for healthcare services and thus the need to increase spending in this sector. Kosovo, despite its relatively young population, is beginning to face this situation due to declining birth rates and migration of the younger population.<sup>13</sup>

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<sup>11</sup>OECD (2019), Health at a Glance 2019: OECD Indicators, OECD Publishing, Paris, <https://doi.org/10.1787/4dd50c09-en>.

<sup>12</sup> Agjencia e Statistikave të Kosovës-ASK (2023). Vjetari Statistikor i Republikës së Kosovës. Linku: <https://askapi.rks-gov.net/Custom/f291756d-7b09-41e9-a0fa-37de78de20fa.pdf>

<sup>13</sup> The birth rate in Kosovo has experienced a decline over the past three decades, while the population aged over 65 has increased its share in the population from 4% in 1982 to 7% in 2011.

#### 4. BUDGETARY FINANCING OF HEALTHCARE IN KOSOVO AND ASSOCIATED PROBLEMS

Almost every post-war government has declared healthcare as one of the priority sectors. This was also the case for the three governments during the period 2019-2024. However, there has been a chronic lack of effectiveness in implementing these assertions both in the planning phase, specifically in budgetary policies, and in the effective execution of funds allocated to this sector. As Table 2 shows, despite a faster budget growth rate for healthcare of around 61 percent compared to the 50 percent GDP growth rate, there has been no improvement in the position of this sector within this period. The increase in participation remains symbolic within this five-year period, ranging from 3.06 percent (execution in 2019) to 3.3 percent of GDP as planned by the budget law for 2024. The situation appears somewhat better in the years 2020-2021, influenced by the COVID-19 pandemic. However, viewed in this aspect, the situation becomes somewhat problematic if compared internationally as discussed in the previous chapter. It is expected that in the years 2023 and 2024 similar inefficiencies will be observed in terms of spending the allocated budget.

**Table 2.** Government Expenditure on Healthcare as a Percentage of GDP 2019-2024<sup>14</sup> (mil. Euro)

Years	2019	2020	2021	2022	2023 (Budget)	2024 plan/ budget	Change 2024/2019 in %
<b>Government Expenditure</b>	215,7	250,5	273,2	236,1	302,7	348,2	+61%
<b>GDP</b>	7,056	6,772	7,958	8,936	9,843	10,552	+49.5
<b>% of GDP</b>	3.06%	3.70%	3.43%	2.64%	3.08%	3.3%	

**Source:** Calculated by the authors based on data of the Budget of Kosovo, Reports of the National Audit Office, and KAS

Table 3 illustrates the allocations, namely the beneficiaries and government agencies that implement the government budget in the healthcare sector. As can be seen, the majority is absorbed by the HUCSK, which includes the University Clinical Center of Kosovo (UCCK) and regional hospitals (tertiary and secondary services, 51 percent), followed by primary healthcare with specific grants for health allocated to municipalities (23 percent) and the budget of the Ministry of Health (20 percent). There is a noticeable faster growth in the budget for the Ministry of Health and the specific health grant dedicated to municipalities at the expense of the HUCSK and Health Insurance Fund budget.

<sup>14</sup> Note: The executed budget values for the years 2019-2022 are provided in this sector, while those planned for the years 2023-2024.

**Table 3:** Structure of government spending in healthcare by institutions

	2022	% of total	2019	% of total
<b>Ministry of Health</b>	54,6	<b>20.4%</b>	40,9	<b>17.7%</b>
<b>HUCSK</b>	139,1	<b>52.1%</b>	125,3	<b>54%</b>
<b>Health Insurance Fund</b>	8,2	<b>3.1%</b>	9,5	<b>4.1%</b>
<b>Specific healthcare grant</b>	62,6	<b>23.4%</b>	53,4	<b>23%</b>
<b>Secondary healthcare financing</b>	2,6	<b>1%</b>	2,6	<b>1.1%</b>
<b>Total</b>	<b>267</b>	<b>100%</b>	<b>231,8</b>	<b>100%</b>

**Source:** Calculated by the authors based on data of the Budget of Kosovo, Reports of the National Audit Office, and KAS for corresponding years

In the following text, we focus on the allocations of the budget for capital investments and salaries in this sector. These two allocations have a crucial impact, especially on the sector's ability to provide access to required and necessary services for patients, including more complex services, as well as on preventing staff turnover and emigration. This would also reduce the need for importing services from countries in the region and beyond, especially in Turkey and EU countries.

**Capital investments** in this sector are of great importance for addressing infrastructure and equipment shortages. The number of beds per inhabitant remains below the regional average and that of EU countries. Additionally, at the HUCSK, due to equipment shortages, some diagnostic services cannot be performed, and the waiting list for some services remains long. Although there is an increase in projected investments within the period 2021-2024, especially in 2024, in terms of budget planning, compared to actual capital investments in 2021-2022 and for the first 9 months of 2023, serious issues are evident.

In 2022, HUCSK executed 73 percent of the planned capital investments, while the Ministry of Health has a significant lag, achieving only 8 percent of the planned investments for 2023 (for the first three quarters). The key responsible officials at HUCSK (the director and the financial director), during a working meeting, consider that the supply of previously lacking equipment has improved, and this will continue throughout this year. Investments totalling 19 million euros are planned for 2024. They consider that for urgent cases, there is no waiting list regarding radiology, while the problem of not performing some laboratory analyses is more related to the lack of reagents than to laboratory equipment, which is not costly on the market.<sup>15</sup> Mr. Gashi considers that, besides equipment, other factors, including the number of workers in the respective clinic, are also influencing longer waiting times. However, there

<sup>15</sup> From the conversation with Mr. Elvir Azizi, Head of HUCSK, and Enver Gashi, Head of Finance of HUCSK.

seems to be a long waiting list for magnetic resonance imaging (MRI), which could be reduced with subsequent investments to a level characteristic of other European countries for non-urgent cases. The cost of this service is very high in the private sector and unaffordable for a large part of the population. The director of HUCSK emphasizes the difficulty for HUCSK to optimize the use of equipment due to the outdated clinic distribution model and infrastructure built with an outdated concept. Logistics problems also affect the rational utilization of certain equipment, as they may be located in a facility distant from patients who are in another facility/clinic, making their rational use difficult. An emphasized waiting problem has recently arisen concerning the cardiothoracic surgery and invasive cardiology clinic, especially regarding long waits for coronary angiography, where there is a waiting list of 1,600 patients, with a wait of over a year. Waiting times seem to be quite present also for the vascular surgery and orthopaedic clinics for prosthetics.<sup>16</sup> According to Mr. Azizi, the waiting problem also arises due to the non-optimal utilization of equipment and pressure on HUCSK for services that could also be performed by regional hospitals if they were better equipped. Therefore, he considers creating a mandatory list of guaranteed services to be offered in each regional hospital as a possible solution.

**Table 4.** Capital investments in the Period 2021-2024 and their execution (million Euros)

Institution	2024 (plan)	2023 (Jan.- Sep.)	% e execution 2023 (Jan.- Sep.)	2022	% of execution 2022	2021	% of execution 2021
<b>HUCSK</b>	19,3	4,5	32%	5,7	73%	9,2	88%
<b>Ministry of Health</b>	32,5	1,8	8%	3,0	51%	11,9	39%

**Source:** Calculated by the authors based on data of the Budget of Kosovo, Reports of the National Audit Office, and the nine-month financial report of the MFLT for 2023

The main budgetary agencies for this sector, especially the Ministry of Health, need to carefully analyse the reasons for the delay in capital investments and overcome this apparent traditional and chronic inefficiency. It is also essential that as an immediate need for increased budget and other sources of funding, within the framework of an extraordinary intervention specifically allocated to capital investments for infrastructure and the completion of radiological and laboratory equipment and necessary reagents, so that regional hospitals, especially the University Clinical Centre, can be equipped to increase the level of services. The situation where, even after 52 years of operation, the University Clinical Centre cannot provide certain diagnostic or interventional services should be addressed through an extraordinary intervention within a period of 1-2 years.

<sup>16</sup> Radio Free Europe, February 2024.

**Table 5:** Personnel expenses and supplements by years and annual averages

	(2022) Expenditure on wages/salaries	(2022) Monthly average according to the number of workers at the end of the period	Change 2022-2021	(2021) Expenditure on wages/salaries	(2021) Monthly average according to the number of workers at the end of the period	Change 2021-2020	(2020) Expenditure on wages/salaries	(2020) Monthly average according to the number of workers at the end of the period
Ministry of Health	10.7	816	-2.36%	11.5	835	20.70%	8.2	692
UHCSK	70.2	832	-3.44%	73.8	862	-3.51%	76.2	893
Health Insurance Fund	0.3	662	0.31%	0.3	660	2.47%	0.3	644

**Source:** Calculated by the authors based on data of the Reports of the National Audit Office, and Financial reports of MFLT for the corresponding years

Although there has been a significant improvement in salaries for specialist doctors with the new salary law, as seen from Table 6, these salaries are still among the lowest in the region, especially compared to Bosnia and Herzegovina, Montenegro, Albania, and North Macedonia. Until the last salary increase, salaries have been very low. It seems that this, along with many other factors, has influenced and still influences significant turnover, namely the departure of staff from HUČSK in the form of emigration abroad and also to the private sector in Kosovo. Another issue to be addressed is the highlighting of the conflict of interest associated with the employment of medical staff in HUČSK while simultaneously engaging in the private sector. However, a merit-based approach to this problem requires that salaries in the public sector be higher and competitive.

**Table 6:** Average salaries of specialist doctors in the region and Kosovo (2024)

Country	Salary
BiH	2,090
Kosovo	1,320
Montenegro	2,065
North Macedonia	1,500
Serbia	1,260
Albania	1,540

**Source:** Ministries of Finance of the respective countries

Regarding the emigration of medical staff and other personnel outside the country, Dr. Pleurat Sejdiu, Chairman of the Kosovo Doctors Chamber, considers that judging by the withdrawal of certificates on ethical and professional culture, the issue of migration and turnover is quite current. In 2023, around 152 professionals have withdrawn their certificates and are awaiting departure or non-departure outside the country. Among them, 129 are



medical doctors, 16 are residents, and 7 are medical specialists. This figure, according to Dr. Sejdiu, from 2018 until the end of 2023, reaches 826 doctors, which is certainly a very high percentage. Concerningly, the dynamics of this turnover have increased by over 50 percent since 2021, and Dr. Sejdiu emphasizes that the reason is not only the salary but also the fact that residents and young doctors do not see perspective, are dissatisfied with the training, and other conditions. Among other reasons here are the working conditions, unemployment, and financial aspects. Regarding working conditions, these include: the quality of specialist training, long working hours especially in some regional hospitals (varies from department to department), outdated equipment. As for salaries, Dr. Sejdiu considers that there are problems with their level in terms of the mismatch of competencies and salary levels. Some positions have few competencies and have the same salary as another position that has much more competencies. Another problem has arisen in the lack of assessment of the performance of medical personnel, for example, how many surgeries have been performed by a doctor. According to his perspective, this implies that regardless of the level of commitment and work, salaries do not differ. These issues could be addressed through the functionalization of the Health Insurance Fund and the Health Insurance Fund.<sup>17</sup> Dr. Sejdiu also emphasizes the problem of around 590 unemployed doctors in Kosovo. Mr. Gashi, the head of finances at HUCSK, also notes that there is a growing trend of turnover not only among doctors but also among mid-level staff, both towards the private sector and abroad. The private sector "attacks" the public sector by recruiting the most qualified staff. An example can be taken from the case of anaesthesiologists, where until the new salary law was approved, there has been continuous movement of them from the public sector to the private sector, thus causing a shortage in the public sector.

In conclusion, the emigration of medical staff outside the country poses a serious problem that must be addressed with a comprehensive set of measures. This has been emphasized in many instances by deputies and other experts. An important innovation regarding the enhancement of human resources capacity in HUCSK is also the allocation of funds for professional training of staff in this year's budget. For the first time, funds have been allocated for professional training of staff, amounting to around 750 thousand euros. It should be noted that in this budget, the Kosovo Doctors Chamber has participated as a co-financier with approximately 200 thousand euros.<sup>18</sup> Financing for medicines: Regarding the financing for essential medicines, the head of HUCSK emphasizes that there is still a problem. Around 38 million euros have been allocated for the secondary and tertiary levels, while it is estimated that over 50 million euros are allocated for all levels. For this list, there is a need for additional budget, where it is estimated that an additional 5 to 6 million euros are needed. The essential medicines list requires additional products. The medicines on the existing primary allocation list are for patients diagnosed with cancer.<sup>19</sup>

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<sup>17</sup> From the conversation with Dr. Pleurat Sejdiu, Head of Kosovo Doctors Chamber.

<sup>18</sup> From the conversation with the head of HUCSK, Mr. Elvir Azizi, January 2024.

<sup>19</sup> Ibid.

## 5. STRATEGIC DEVELOPMENT DOCUMENTS

As emphasized at the beginning of this Report, the Ministry of Health approved and published for public discussion the Draft Healthcare Sector Strategy (2023-2030) with the aim that this document "serve as a political and professional guide in the development of the healthcare sector aimed at preserving and advancing the health of the population, as well as providing accessible and affordable quality healthcare services for all citizens of the Republic of Kosovo." The document contains a wealth of information on the achievements and challenges of the sector. It creates a suitable platform for this at the outset for changing the situation "through sustainable financing and strengthening the financial base of the healthcare sector, full functionality of the healthcare information system, promotion of quality and integrated healthcare services, promotion and implementation of the concept of family medicine, health promotion and education, services for the preservation and advancement of population health, maternal and child health services, mental health, increasing services for communicable and non-communicable diseases, increasing drug supply, as well as functionalizing the monitoring and evaluation system to monitor the implementation of the Health Insurance Fund", however, it seems that the text beyond does not continue in this spirit judging by the mission and vision and strategic objectives in this document which are defined as below:

### **VISION: Healthy Population**

The European Union has established Sustainable Development Goals (SDGs) as a political agenda and aims to achieve them by 2030. The principle is that all countries, regardless of their level of development, should develop their national strategies to achieve the SDGs. In the Republic of Kosovo, the European Union supports reform in the healthcare system to achieve the SDGs. The EU closely collaborates with the MoH, local authorities, and other relevant actors to support the mission, which includes strengthening the healthcare system, improving healthcare services, and promoting healthy behaviours.

### **MISSION: Providing quality and safe services for all citizens of the country.**

The mission and vision of this document will be achieved through the fulfilment of two strategic objectives, which are:

**OBJECTIVE I:** Improving the quality and access to healthcare services.

**OBJECTIVE II:** Maintaining and advancing health.

Considering the entire background outlined in this Report as well as other documents, this part of the strategy, which sets the stage for the entire text, appears overly static and generalized. Moreover, it lacks dynamism and specificity in elaborating on these two strategic objectives with respective specific goals, as well as with an initial draft of the action plan for implementing this document until 2026. The document is likely not yet approved, so it is necessary to rework it by setting more ambitious goals and specific objectives with clear

milestones. This should ensure that by the end of this decade, we achieve results around the regional average and the empowerment of the system to provide healthcare products and services that meet EU standards and at least respond to regional levels. This also applies to the financing of this sector. The Government and the Assembly of Kosovo, through this document, must determine to move from verbal commitments into concrete changes by increasing the funding level and improve implementation to ensure a healthcare system that meets the needs of the population so that they can enjoy healthcare protection and services worthy of a European country with ambitions to integrate into the EU. In this regard, the inclusion in the document of biannual monitoring reports to track the implementation progress is commendable.

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