Legal Framework Regarding a Minimum Income, Health and Care Services for Older Persons in Romania

Chișinău, 14 March 2007
1. Relevant Social and Economic Indicators

► GDP registered a continuous growth:
  ▪ 2.1% in 2000;
  ▪ 5.7% in 2001;
  ▪ 6.0% in 2006.

The Romanian GDP/capita reached 32% of the EU 15 Member States average in 2004, and it is estimated to reach about 33.4% of the EU 25 Member States in 2007.

► The inflation rate:
  ▪ under 10% in 2004;
  ▪ about 8.6% in 2005;
  ▪ about 5% in 2006;
  ▪ the prognosis: around 4% in 2007
The employment rate: 57.7% in 2005, against 63.0% in UE -25.
The employment rate of elderly persons: 39.4% in 2005, lower than the European average.
The overall unemployment rate is decreasing:
- 11.8% in 1999;
- 7.2% in 2006.

The poverty rate:
- 20.1% in 1996;
- 35.95% in 2000;
- 25.1% in 2003;
- 18% in 2006.

The elderly 65+ poverty rate: 24.9%.
2. Data Related to the Pension System

► Total number of pensioners:
  - 5,614,689 - average pension 363 RON (108 Euro);
  - 4,645,281 state public insurance system;
    - average pension 363 RON (108 Euro);
  - 969,408 farmer pension system;
    - average pension 140 RON (108 Euro);

► The minimum wage: 390 RON (116 Euro).
3. Pension System - Legal Framework

► Pension system reform started at 01.04.2001, through enforcement Law no. 19/2000 on public pension system and other social insurance benefits:
  ▪ regulate the first pillar of the system, based on inter-generation solidarity and publicly administrated, with a defined benefit regime.

► Law no. 411/2004 on pension funds privately managed:
  ▪ a mandatory component of the systemic component, whose organising and function framework is settled through Law no. 249/2004 on occupational pensions.

► Law no. 249/2004 on occupational pensions
  ▪ an optional component of the system.
4. Social Assistance System

A. Benefits

- Guaranteed minimum income
  - criteria: single person, income = 96 RON (78 Euro);
- Financial aid for dwellings
  - to cover the costs of heating during the winter time;
- Financial aid for difficult situations,
  - based on social assessment of the needs, approved by Governmental Decisions;
- Financial aid for emergency situations (natural disasters, floods, etc)
  - based on social assessment of the needs, approved by Governmental Decisions;
- Financial aid for burial;
- Personal budget for disabled elderly persons (according to the disability level);
- Financial aid for war veterans and their widows;
- Financial aid for elderly persons, politically persecuted.
5. Social Assistance System

B. Facilities

► Free access to public transport, in urban areas;
► Discount for inter-urban travels tickets;
► Access to special food stores;
► Discount for TV, radio, cable subscription;
► Free access to social canteens.
6. **Social Assistance System**

**C. SOCIAL SERVICES**

- Domiciliary care services;
- Residential care services:
  - Hostels
  - Care and assistance centres for the disabled persons (nursing homes)
  - Respite centres
  - Socio-medical units (health units for chronically ill persons with social problems);
- Advocacy social services;
- Meals on wheels services.
7. Social Services for the Elderly – Legal Framework

- Law No.17/2000, regarding the social assistance system for elderly persons
  - establishes principles and concepts of community services, the administrative responsibilities for domiciliary and residential care;
- New draft regarding the Law regarding the protection of the elderly persons rights – scheduled for approval in 2007.
- Law no. 47/2006 regarding the social assistance system;
- Governmental Ordinance no.68/2003 regarding social services, modified in 2004;
- Governmental Decision no.541 to approve the National Strategy of social assistance development for elderly persons – 2005-2008;
- Law no. 48/2006 regarding the protection of disabled person's rights.

- Designed in respect to the provisions of the International Plan of Action on Ageing adopted in 2002- Madrid. The general objectives of the strategy are:
  - Promoting a coherent, coordinated and integrated social assistance system for elderly;
  - Combating the risk of social exclusion and improving the quality of life;
  - Promoting the elderly participation to social life;
9. **National Strategy for the Elderly – Specific Measures**

- Improving the present legislation;
- Setting up a data basis regarding the elderly and their needs;
- Encouraging studies and research concerning the ageing phenomenon;
- Improving the quality of services by developing integrated social services, long term care services;
- Setting up a national network of care services for elderly;
- Developing the quality of personnel training;
- Providing adequate financial support for care services;
- Providing facilities for family informal careers.
9. **National Strategy for the Elderly – Specific Measures**

- Implementing national programs to prevent the early ageing;
- Developing domiciliary and residential care according to the real needs of population;
- Promoting the public–private partnership to support the development of social care services;
- Promoting regulations to prevent elderly abuse or neglect;
- Organizing national public campaigns to promote a better image of the elderly;
- Promoting the admission on the labour market of the elderly;
- Encouraging elderly volunteers and supporting their activity.

► Governmental Decision no.1024/2004 regarding the accreditation of services providers;
► Ministerial Order no.246/2006 to approve the quality standards for domiciliary and residential care for the elderly;
► Ministerial Order no./2006 which establishes the priority of the programs for the elderly to access the governmental subsidies provided to the NGOs active in social services field (Law no.34/1998);
   ▪ In 2006 the approved budget for the governmental subsidies provided to NGOs was doubled; this programme is covering the costs of care services for approx.5,500 elderly persons;
   ▪ about 45% of the total fund is spent for elderly care services.

- **The law no.366/2001 regarding Social Solidarity Fund**
  
  \[ \textbf{19,940,486 RON (5,864,849 Euro)} \] were allocated from the state budget in 2005 and 2006 to rehabilitate 69 social assistance units for elderly and disabled persons (hostels, day centers, socio-medical units, nursing homes);

- **Governmental Decision no.197/2006** regarding national programs of social services for the elderly, disabled and victims of domestic violence; one of the programs is targeted on the development of domiciliary care for the elderly and has a budget of \[ \textbf{7,600,000 RON (2,235,294 Euro)} \].
11. Problems Related to the Healthcare System

The main negative aspects of the system are:
► Social and geographical polarization of access to health services;
► Continuous growth of the medicines cost demanding a financial effort from the insurance system and from the population (full instant liberalization of imports, the decline of domestic pharmaceutical production, inadequate medicine procurement procedures and prescription rules);
► Not enough developed Prevention activities and community services;
► Low social dimension of the healthcare system and the lack of coordination between health and social services - the health system is more oriented on acute intervention and cure;
► An important part of population not registered on family physician`s list or not insured (more than 1 million people).
12. The New Legal Framework Regarding Healthcare System

The Law no. 95/2006 regarding the health reform package is focusing on:

- Improving the quality and security of health care;
- Developing domiciliary health care;
- Reducing the present polarization of the access to health care, based on the income and residence of the patients;
- Securing a minimum package of healthcare services for all members of the community;
- Focusing on preventive services and promoting healthy attitudes and early treatment;
- Increasing the emphasis on health education and improving the access of the population to health education programmes;
- Developing the social model and providing social services units within hospitals;
- Encouraging medical staff to work in poor regions and in rural areas.
13. Healthcare Facilities for the Elderly

► Free accessibility of pensioners to health care services, their contributions being covered from the social fund for pensions;
  ▪ beginning with 2007, the pensioners having an income similar to the average wage will pay the contribution for health insurance (6.5%).

► Free access to health system of the elderly with low income, elderly who suffered for political or ethnical reasons, disabled elderly persons;
  ▪ their contributions is supported from the state budget

► Access to subsidized medicine;
  ▪ the costs of medicine drugs are covered from the health insurance fund in different percentages: 50%, 80% and 100%;
  ▪ the minister of public health approves annually the list of subsidized medicines;

► access of chronically ill persons with social problems to health care delivered by hospitals;
  ▪ socio-medical units for poor and chronically ill persons, providing health care services after the hospitalization in a unit for acute diseases;

► access to domiciliary health care at the discharge of the patient from acute hospitals;
  ▪ services are delivered by non profit organizations
14. The Quality of Life

The most important progress in the field is represented by the new draft of the Law concerning the protection of the elderly rights.

The main provisions are related to:

► Limitation of the risk of social exclusion;
► Increasing the involvement of the elderly to all aspects of society;
► Strengthening intergeneration relationships;
► Decreasing the number of the admission claims in acute hospitals or in nursing homes;
► Development of active social protection measures for the elderly;
► Increasing the responsibility of each citizen regarding his own future, considering also the situation of dependency;
► Increasing the access to social care and insuring more flexibility for social and care services;
► Providing protection measures against abuse or neglect.
15. **Long-term Care Services**

**Present situation**

- Inequitable distribution of domiciliary care services at national level;
- Limited number of residential units providing long term care services according to the waiting lists;
- Low number of formal carers;
- Lack of professionals;
- Lack of special legislation on long term care;
- Lack of interest of local authorities.
16. Perspectives for the Long-term Care development

For the first time, the long term care is defined in a law and the entire process of care is regulated:

► Needs assessment of the elderly;
► Eligibility criteria;
► Levels of dependency;
► Type of activities (ADL and IADL);
► Type of services;
► Informal and formal care, domiciliary and residential care;
► Admission criteria and beneficiary rights and obligations;
► Contributions and payments;
► Case management and interdisciplinary teams;
► Family obligations and support for informal carers.
Thank you!