



Estonian Health Insurance Fund **annual report 2021**

Name	Estonian Health Insurance Fund
Registry code	74000091
Address	Lastekodu 48, 10113 Tallinn
Phone	+372 669 6630
E-mail	info@haigekassa.ee
Website address	www.haigekassa.ee
Beginning of the financial year	1 January 2021
End of the financial year	31 December 2021
Principal activity	National health insurance
Management board	Rain Laane (Chairman) Pille Banhard Maivi Parv Karl-Henrik Peterson
Company of auditors	KPMG Baltics OÜ

Table of Contents

Management board's address	2
Management report	4
Report on the execution of the budget	6
Number of insured persons	8
Revenue	9
Expenses	11
1. Health services	18
1.1 Disease prevention	19
1.2 Primary medical care	21
1.3 Specialised medical care	24
1.4 Nursing care	35
1.5 Dental care	37
1.6 Emergency medical care	40
1.7 Emergency treatment of uninsured persons	41
1.8 Reimbursement of the cost of personal protective equipment	41
2. Health promotion	42
3. Pharmaceuticals	43
3.1 Reimbursable pharmaceuticals for the insured	44
3.2 Additional benefit for pharmaceuticals	46
3.3 HIV medications, antidotes and immune preparations	47
4. Benefits for temporary incapacity for work	48
5. Benefits for medical devices	52
6. Treatment of an Estonian insured person abroad	54
7. Other expenses	57
7.1 Support activities	57
7.2 Health services for European insured persons	58
7.3 Other health care costs	58
Operating expenses of the Health Insurance Fund	60
Legal reserve	61
Risk reserve	62
Retained earnings	62
Annual accounts	63
Balance sheet	64
Profit and loss statement	65
Cash flows	65
Statement of changes in net assets	66
Notes to the annual accounts	67
Signatures to the annual report	77

Management board's address

We are pleased to say that thanks to the taxes paid by the Estonian people, we have been able to invest more and more money in the health care system. In 2021, we covered people's health care costs for both prevention and treatment of diseases, financed the purchasing of pharmaceuticals and medical devices and paid health care benefits to the extent of nearly 1.8 billion euros. This was 160 million euros or 10% more than in 2020.

We try to maintain a balance between different patient groups in funding. Even when a large share of resources and the work and time of service providers is still needed to fight the coronavirus. The unexpected journey in the fight against the invisible enemy brought with it new challenges this year, too. Although the virus can surprise us again and again, it has become clear that we must learn to live with it. Only when we use knowledge-based information and the practical experience in the field of health care can we all keep the virus under control.

We contributed to the fight against **the coronavirus, incl. in the prevention of serious illness**. In order to boost vaccination, in addition to the regular vaccination service, we paid additional remuneration to those health care providers who contributed more to COVID-19 vaccination. In addition, we paid standby fees to ensure that county vaccination centres were open and improved the availability of vaccination against the coronavirus among the local population. We paid a total of 18 million euros for the treatment of those infected with the coronavirus and for the prevention of serious illness.

Disease prevention and health promotion continue to be important to us. We devote more resources to these activities every year. In 2021, we financed disease prevention activities with more than 16 million euros and health prevention activities with more than two million euros. We spent more than a million euros more on disease prevention and health promotion than in 2020. We fund cancer screening, vaccines for children and the elderly in nursing homes, prevention and treatment of dental diseases in children and adults, as well as medical examinations and counselling, mental health services and many other health care projects.

Holistic approach to patient care starts with the family physician and the family nurse. Over the years, our family physicians and family nurses have been introducing new and flexible ways to improve the availability and quality of medical care. In 2021, the option to use e-consultation was available in 29 specialties. In addition, e-consultation was offered as a pilot project in the field of paediatric ophthalmology, which was added to the list of health care services from January 2022. In 2021, the health information system received 51,076 digital referrals for e-consultation from family physicians. Compared to 2020, the number of e-consultations increased by 33%.

More and more family physicians have opened their practices at larger **health care facilities** that provide better conditions for the treatment of patients. By the end of 2021, the number of primary care centres totalled 52, having increased from 39 the previous year. The **home nursing service at health care facilities** has launched very well in order to expand the range of services offered to people by the family physician.

We will continue updating and expanding our specialised medical care services package to provide up-to-date services to as many people as possible. As an innovation of 2021, a pilot project on ischemic stroke was fully implemented in specialised medical care, the aim of which is to implement a comprehensive care pathway and new reimbursement methods, first in stroke treatment, but subsequently also for other diseases with long-term rehabilitation. This project is unique in Estonia because, for the first time, health outcomes are measured systematically by monitoring the patient's quality of life and coping. Inspired by the good results of the pilot project on ischemic stroke, we commenced with the implementation of a pilot project on endoprosthesis of hip and knee joints.

Every year, we add new and high-quality pharmaceuticals to the list of reimbursable pharmaceuticals and health care services. 14 new hospital pharmaceuticals and five new reimbursable pharmaceuticals were added to the list of health care services that came into force at the beginning of 2021, most of which are antitumour medications. The medications are used to treat breast tumour, head and neck tumour, pancreatic tumour, and haematological tumours (various lymphomas and leukaemia). The list also includes three new medications for lung tumour needed by an estimated 120 patients a year.

We reimburse for medical devices that can be used to treat diseases and injuries or which help to prevent the aggravation of diseases. In 2021, we reimbursed 80,864 people for medical devices and started reimbursing for 102 new devices. The main focus in 2021 was on improving the availability of medical devices necessary for diabetics to monitor their blood sugar levels and administer medications.

To ensure the quality of health care, we continue to support the development of clinical and patient guides, conduct clinical audits and publish the results of treatment quality indicators.

Innovation supports the development of medicine. We are strongly geared towards the development of a human-centred health care and needs-based services. The integration of services of different fields in combining social and health services is the best example of cooperation for the benefit of the patient. In 2021, we continued with the **integrated service PAIK** (pilot project on the integration of regional health and social services) initiated by Viljandi Hospital and the Ministry of Social Affairs and financed by the Health Insurance Fund and developed the IT platform necessary for the operation of the service.

In order to encourage people with signs of illness to stay home, the methodology for paying sickness benefits was changed in 2021 so that only the first sick leave day was subject to co-payment. Subsequent sick leave days were financed by the employer if a sick leave certificate had been issued, and the Health Insurance Fund assumed the obligation to pay the fee from the sixth sick leave day. By the end of 2021, the payment for three extra days brought an additional cost of 23.6 million euros. The same methodology in reimbursing for sick leave certificates will continue in 2022.

We know that health continues to be the most precious asset for us all and each of us wants to receive high quality and accessible care in facing health concerns, even during the wide spread of the coronavirus. We do our best to support the functioning of the health care system and provide funding according to the capabilities of our shared budget for treatment expenses.

Treating diseases is still very important and we remain committed to preserving the people's sense of security. At the same time, we must still remember that the key to maintaining good health is in everyone's own hands. Move, rest, eat healthily, and take care of your loved ones – this is one of the easiest formulas for living a healthy life.



*Management board
(from left: Karl-Henrik Peterson,
Maivi Parv, Pille Banhard, Rain Laane)*

Management report

Health insurance system and Health Insurance Fund

The Estonian health care system is based on compulsory solidarity-based health insurance. The Estonian Health Insurance Fund (hereinafter: Health Insurance Fund) is an organisation governed by public law that operates in accordance with the principles of social justice and solidary health insurance.

Estonian medicine can offer world-class treatment with modern medical devices, pharmaceuticals, and qualified health care professionals. There is an expectation in today's society that the health insurance system is also able to provide it fully in terms of finances as needed. Given the aging population, the expectations of people about medical advances and the limited resources available for health care, we need to find a balance to meet those expectations by investing significantly more in health promotion, disease prevention, early intervention, and different care pathways. It is therefore important to pay much more attention to the need to maintain health, which is facilitated by using the name Health Insurance Fund instead of the Estonian Health Insurance Fund as one of the measures. This is also the case in our management report below, which describes the overall situation, developments and impact of 2021.

The purpose of the Health Insurance Fund is to ensure smooth health and treatment pathways for people.

The purpose is to provide health insurance benefits, fund health services and perform other tasks related to the organisation of health services in accordance with the Health Insurance Act, the Health Services Organisation Act and other legislation.

We follow two principles when organising health insurance.

Solidarity – currently employed insured persons cover the costs of health insurance for currently unemployed insured persons. The cost of health services for children, students and pensioners is fully covered by those currently employed. This also means solidarity between employed persons whose financial contribution to health insurance depends on their income, not on their personal health risks, and who receive health insurance benefits on an equal basis, regardless of the size of their financial contribution.

Equal treatment – we guarantee equal rights and equal treatment for all insured persons and partners in accordance with applicable legislation.

The Estonian health insurance system complies with internationally approved principles:

- as much of the population as possible must be covered with health insurance;
- the scope of health insurance must be as wide as possible, i.e. based on the principle of solidarity, health insurance must offer a package of health services that is as comprehensive, coherent and modern as possible;
- health insurance must be as far-reaching as possible, i.e. the out-of-pocket expenses of a person in the total cost of treatment have to be optimal and should not lead to poverty risk.

Our vision is to create a sense of security for members of society when they face health problems and seek medical care so as to increase the number of healthy life years.

Our mission is to ensure the availability of health insurance benefits to insured persons. In carrying out its mission, the Health Insurance Fund shall act according to the following:

- the planning of health insurance benefits is transparent and with a long-term view;
- appropriate contractual relationships are established between health care providers and the Health Insurance Fund;
- the pricing and financing of health services is clear, transparent, flexible and financially sustainable;
- The Health Insurance Fund is one of the best public sector organisations in Estonia in terms of efficiency of managing work processes and quality of service.

Core values

Aspiration – we aim for continuous and sustainable development, relying on competent, loyal and result-oriented employees.

Consideration – we are reliable, open and friendly. Our decision-making is transparent and considerate of others.

Cooperation – we create an atmosphere of trust within our organisation and in relations with our partners and clients.

Organisation and management

The supreme body of the Health Insurance Fund is the supervisory board, the members of which represent the interests of employers, insured persons, and the state. The chairman of the supervisory board is the Minister of Health and Labour. The daily work of the Health Insurance Fund is managed by a four-member management board. As at 31 December 2021, the Health Insurance Fund had a total of 199 positions, 189 of which had been filled as of 31 December.

Table 1. Key indicators in 2017–2021

	2017 actual	2018 actual	2019 actual	2020 actual	2021 actual	Change compared to 2020
Number of insured persons at the end of the period	1,240,927	1,251,617	1,262,381	1,265,601	1,273,743	1%
Revenue of Health Insurance Fund (thousand euros)	1,133,971	1,318,541	1,476,102	1,654,076	1,931,195	17%
Health care costs (thousand euros)	1,117,192	1,287,860	1,424,249	1,623,984	1,781,388	10%
Operating expenses of EHIF (thousand euros)	9,975	11,514	13,383	13,356	13,879	4%
Number of people who used health services and benefits						
Number of people who used health services	1,137,156	1,141,044	1,145,078	1,138,389	1,181,966	4%
Family medical care	1,027,837	1,035,493	1,037,415	1,031,601	1,099,474	7%
Specialised medical care	784,175	779,027	778,197	730,200	742,696	2%
outpatient treatment	767,185	761,799	761,279	713,665	726,950	2%
day treatment	58,000	60,086	61,301	53,921	54,005	0%
inpatient treatment	131,749	131,978	131,871	118,748	118,913	0%
Nursing care	18,387	19,045	19,326	23,729	27,482	16%
Dental care	168,092	167,367	171,975	170,265	169,103	-1%
Number of people who used benefits						
Dental care benefit	78,579	223,619	263,657	284,523	318,909	12%
Benefit for dentures	43,323	38,653	40,957	35,312	37,927	7%
Reimbursable pharmaceuticals	846,554	861,925	863,060	832,075	841,074	1%
Medical devices	71,297	75,157	78,681	77,951	80,864	4%
Benefit for incapacity for work	179,012	186,223	183,659	209,237	267,178	28%
Number of appointments						
Number of family physician appointments	6,573,234	6,955,358	6,941,853	7,064,725	8,394,246	19%
family physician appointments	4,710,294	4,961,469	4,867,540	4,723,332	5,048,907	7%

family nurse appointments	1,494,205	1,635,461	1,726,106	2,020,657	2,954,519	46%
incl. family physician and family nurse remote appointments	2,086,631	2,476,701	2,645,907	3,975,216	5,233,709	32%
prophylactic appointments	368,735	358,428	348,207	320,736	390,820	22%
Number of outpatient appointments for specialised medical care	3,976,540	3,936,966	3,972,992	3,384,600	3,521,016	4%
physician's appointments	2,979,179	2,893,274	2,857,921	2,329,810	2,365,329	2%
nurse's appointments	496,053	531,087	589,481	621,919	688,792	11%
incl. physician's and nurse's remote appointments	-	-	-	363,932	283,682	-22%
other appointments	501,308	512,605	525,590	432,871	466,895	8%
Number of nursing care appointments	320,350	332,921	360,351	360,032	348,373	-3%
physician's appointments	62,811	66,948	74,013	75,524	70,815	-6%
nurse's appointments	246,673	254,769	272,974	283,453	276,851	-2%
other appointments	10,866	11,204	13,364	1,055	707	-33%
Number of appointments for nursing care services*	-	-	-	327,321*	626,673*	91%*
Number of surgeries	134,631	140,950	144,406	130,670	130,989	0%
outpatient treatment	15,132	15,674	16,644	15,346	17,435	14%
day treatment	52,352	57,923	58,557	50,963	51,833	2%
inpatient treatment	67,147	67,353	69,205	64,361	61,721	-4%
Number of births	13,197	13,803	13,594	12,701	12,712	0%

*As of 2021, (full) nursing care service in general care homes was added to the indicators, so the numbers of appointments of the two years are not comparable.

Report on the execution of the budget

Table 2. Execution of the budget in thousands of euros

	2020 actual	2021 budget	2021 actual	Execution of the budget	Change in 2021 compared to 2020
REVENUE OF THE HEALTH INSURANCE FUND					
Health insurance component of social tax	1,381,987	1,362,900	1,490,379	109%	8%
Operating support	164,656	335,704	335,935	100%	104%
Revenue from insurance contracts	1,576	1,500	1,632	109%	4%
Recoveries and revenue from health insurance benefits	1,633	1,350	1,660	123%	2%
Financial revenue	153	50	0	0%	-100%
Other revenue	3,397	5,500	9,210	167%	171%

TOTAL REVENUE OF THE HEALTH INSURANCE FUND	1,553,402	1,707,004	1,838,816	108%	18%
ADDITIONAL FUNDS FOR COVID-19 FROM THE STATE BUDGET	100,674	0	92,379	-	-8%
TOTAL BUDGET REVENUE	1,654,076	1,707,004	1,931,195	113%	17%
TERVISHOIUKULUD					
Health insurance costs for health services	1,129,437	1,265,655	1,255,275	99%	11%
Disease prevention costs	14,450	17,918	16,198	90%	12%
Primary medical care costs	159,889	178,021	179,396	101%	12%
Specialised medical care costs	771,596	835,549	849,579	102%	10%
Nursing care costs	45,485	53,772	49,090	91%	8%
Dental care costs	54,831	64,744	61,978	96%	13%
Emergency medical care costs	57,771	61,021	61,392	101%	6%
Emergency treatment of uninsured persons	7,942	9,380	9,263	99%	17%
Personal protective equipment	17,473	39,000	22,757	58%	30%
Reserves	0	6,250	5,622	90%	-
Health promotion costs	2,741	4,050	2,242	55%	-18%
Costs of pharmaceuticals	176,747	188,979	183,973	97%	4%
Costs of reimbursable pharmaceuticals for the insured	152,746	158,879	158,159	100%	4%
Additional benefit for pharmaceuticals	7,488	8,000	7,994	100%	7%
HIV and AIDS medications, antidotes and immune preparations	16,513	22,100	17,820	81%	8%
Costs of benefits for temporary incapacity for work	191,867	194,967	222,933	114%	16%
Costs of benefits for medical devices	11,633	13,340	12,728	95%	9%
Treatment of Estonian insured persons abroad	11,785	13,300	9,060	68%	-23%
Other expenses	18,922	30,113	20,703	69%	9%
Total health care costs, excluding COVID-19 expenses	1,523,310	1,710,404	1,689,207	99%	11%
COVID-19 expenses	100,674	0	92,181	-	-
TOTAL HEALTH CARE COSTS	1,623,984	1,710,404	1,781,388	104%	10%
OPERATING EXPENSES OF THE HEALTH INSURANCE FUND					
Labour expenses	7,979	7,990	8,381	105%	5%
Management expenses	1,937	2,301	2,030	88%	5%
Information technology expenses	2,150	3,003	2,249	75%	5%
Development expenses	339	450	254	56%	-25%
Other operating expenses	951	1,256	965	77%	1%
Total operating expenses of the Health Insurance Fund	13,356	15,000	13,879	93%	4%
TOTAL BUDGETARY EXPENDITURE	1,637,340	1,725,404	1,795,267	104%	10%
BUDGET OUTCOME	16,736	-18,400	135,928	-	-
RESERVES					
Change in capital reserve	7,712	6,967	6,967	-	-
Change in risk reserve	2,821	2,583	2,583	-	-
Change in retained earnings	6,203	-27,950	126,378	-	-
Total change in reserves	16,736	-18,400	135,928	-	-

Number of insured persons

Table 3. Number of insured persons

	31.12.2019	31.12.2020	31.12.2021	Change compared to 2020 (number of people)	Change compared to 2020, %
Employed insured persons	639,904	620,564	637,336	16,772	3%
Persons considered equal to insured persons	576,743	586,058	582,662	-3,396	-1%
Other insured persons	45,734	58,979	53,745	-5,234	-9%
State-insured persons	41,591	54,651	49,006	-5,645	-10%
Persons insured under international agreements	3,620	3,771	4,122	351	9%
Persons considered equal to the insured persons under a voluntary contract	523	557	617	60	11%
Total	1,262,381	1,265,601	1,273,743	8,142	1%

Every permanent resident of Estonia as well as those living in Estonia by virtue of a temporary residence permit or by the right of permanent residence or temporary basis to stay are entitled to health insurance, provided that social tax has been paid for them. In addition, the state provides health insurance for children under the age of 19, pupils and students, conscripts, pregnant women, unemployed people, people on parental leave, dependent spouses, pensioners, caregivers of disabled persons and voluntary insurance contractors of Health Insurance Fund. In health insurance statistics, insured persons are divided into five groups, based on different grounds for insurance:

- **employed insured persons** – persons working under an employment contract, self-employed persons (including spouses involved in their activities), members of the management or control body, persons who have signed a contract under the law of obligations, persons who pay taxes on business income, persons with partial or no capacity to work;
- **persons considered equal to insured persons** – old-age pensioners, children, students, pregnant women, dependent spouses, nuns or monks registered in a religious association;
- **state-insured persons** – persons registered in the Unemployment Insurance Fund, persons on parental leave, parents of dependent children, caregivers of disabled persons, conscripts, recipients of doctoral studies allowances, recipients of support for creative activity, recipients of rescue service support, non-working retirement age persons, beneficiaries of international protection;
- **persons insured under international agreements** – old-age pensioners from another European Union (EU) Member State residing in Estonia, workers posted in Estonia from another EU Member State, Estonian pensioners leaving to reside in another EU Member State, military pensioners of the Russian Federation;
- **persons considered equal to insured persons under a voluntary contract** – people insured under a contract for the equalisation with insured persons pursuant to the Health Insurance Act.

In statistics, the category of employed insured persons is taken into account in particular. This means that if a person has several valid insurance covers, these data are not duplicated in health insurance statistics. The data of a person insured both as a pensioner and an employed person are therefore only recognised in the category of employed insured persons.

There have been major changes in the structure of insured persons in the last two years. In 2020, the number of employed persons declined due to the restrictions accompanying the wave of the COVID-19 virus and the number of state-insured persons increased by the same amount. The reasons for this are redundancies due to the restrictions and increase in registration as unemployed. However, from the second quarter of 2021, the number of employed insured persons started to increase again, coinciding with the decline in the number of unemployed according to Statistics Estonia, moving towards the pre-crisis indicator. According to the statistics of insured persons in 2021, the number of employed insured persons increased in 2021 compared to 2020 by 3% and the number of state-insured persons decreased compared to 2020 by 10%.

Revenue

The current budget of the health care system depends the most on the receipt of labour taxes, incl. mandatory social tax. The health insurance component of social tax makes up nearly 90% of the revenue of the Health Insurance Fund. A decrease in the revenue of the health insurance component of social tax of -1% per year was predicted for 2021, i.e. nearly 19 million euros less compared to the budget of 2020. Both the summer economic forecast of the Ministry of Finance and the actual tax receipt were, in fact, much more positive than predicted.

Table 4. Execution of the revenue budget in thousands of euros

	2020 actual	2021 budget	2021 actual	Execution of the budget
Health insurance component of social tax	1,381,987	1,362,900	1,490,379	109%
Operating support	164,656	335,704	335,935	100%
Revenue from insurance contracts	1,576	1,500	1,632	109%
Recoveries and revenue from health insurance benefits	1,633	1,350	1,660	123%
Financial revenue	153	50	0	0%
Other revenue (excluding COVID-19 related costs)	3,397	5,500	9,210	167%
ADDITIONAL FUNDS FOR COVID-19 FROM THE STATE BUDGET	100,674	-	92,379	-
Total	1,654,076	1,707,004	1,931,195	113%

Health insurance component of social tax

In 2021, the health insurance component of social tax was 1.5 billion euros, which exceeded the planned budget by 127 million euros. The better receipt of social tax was mostly due to the better development of the labour market in 2021.

Operating support

Operating support is the second largest source of revenue for the Health Insurance Fund after social tax. The purpose of operating support is to extend the health insurance revenue base in order to reduce its dependence on employment-based funding. From 2018, the budget of the Health Insurance Fund has been earmarked for additional allocation from the state budget, which is calculated from the old age pensions of non-working old-age pensioners. From 2020, revenue of the operating support includes an allocation from the state budget to cover health care costs. The purpose of the support allocated to cover health care costs is to maintain the availability of health services to people even in the event of the predicted decrease in social tax revenue. This may be due to the effects of the declining working-age population as well as, for example, the impact of COVID-19 on the economy and receipt of social tax.

In 2021, the budget of the revenue of operating support increased by more than 171 million euros compared to the previous accounting year. The increase is mainly due to the state's allocation of 143 million euros to the Health Insurance Fund. As at the beginning of the year, a lower receipt of social tax was predicted due to the spread of the COVID-19 disease and, as a result, a smaller sum of health insurance to be received in the budget of the Health Insurance Fund, the state allocated additional funds to the Health Insurance Fund to compensate for this.

In 2021, the amount of the allocation from old-age pensions of non-working old-age pensioners was 12% of the total amount of pensions of non-working pensioners (11% in 2020). Revenue from old-age pensions were received in the total amount of 190 million euros, which is 26 million euros more than in 2020.

Revenue from insurance contracts

These are the revenues received from the contract under which a person is considered equal to insured persons and from the insurance of military pensioners of the Russian Federation living in Estonia.

Pursuant to section 22 of the Health Insurance Act, an uninsured person can insure themselves by signing a contract with the Health Insurance Fund and paying monthly insurance premiums. The insurance premium is calculated based on the average gross monthly wage in Estonia of the previous calendar year as published by Statistics Estonia, multiplied by 0.13.

The amount of the insurance premium changes each year after the Statistics Estonia publishes the average gross wage of the previous calendar year in Estonia. The amount of the insurance premium for one calendar month was 170.30 euros until 30 June 2021 and 188.20 euros from 1 July onwards. As at 31 December, there were 617 people insured based on the contract under which a person is considered equal to insured persons, and in 2021 the revenue was 1.2 million euros. (As at 31 December 2020, there were 557 people insured based on the contract under which a person is considered equal to insured persons, and in 2020 the revenue was 1.1 million euros).

In 2021, revenue from the insurance of non-working military pensioners of the Russian Federation amounted to 411 thousand euros (453 thousand euros in 2020). As at 31 December, there were 189 insured persons (248 persons in 2020). Until 28 February 2021, the Russian Federation paid 148 euros a month (134.92 euros in 2020) and from 1 March onwards 151.50 euros a month (148 euros in 2020) for each military pensioner. The monthly fee of health insurance premium is based on the average cost of treatment in 2021 in the age group of 70 to 79 years.

Recoveries and revenue from health insurance benefits

Claims submitted to insurance companies for health care costs paid as a result of traffic injuries as well as receivables from health care providers, pharmacists and insured persons as a result of inspection are registered as recoveries.

In 2021, 1.7 million euros of revenue (1.6 million euros in 2020) were received as receivables, which was almost 310 thousand euros higher than the budget planned for 2021 (execution of the budget 123%). In 2021, 53% of the recoveries consist of receivables for traffic injuries submitted to insurance companies, 33% are receivables from health care providers, and 14% consist of amounts registered as revenue calculated on the basis of private persons' claims.

Financial revenue

Based on the deposit contract entered into with the Ministry of Finance, the Health Insurance Fund earns interest on the balance of funds held on the state's group account at the rate which equals the profitability of the state cash reserve. The profitability of a period depends on the events that influenced the price fluctuations on the bond market and on short-term deposit interest rates.

In the financial year 2021, the Health Insurance Fund did not earn any interest on the balance of funds held on the state's group account.

Other revenue

Other revenue includes claims from the Health Insurance Fund to the competent institutions of EU Member States for medical services provided in Estonia to insured persons of these states, income from processing of medical service invoices, and exchange rate gains related to operating expenses and health insurance costs. Other revenue also includes funds allocated to cover COVID-19 expenses in 2021.

In 2021, the execution of the budget for other revenue was influenced the most by the state budget allocation to the Health Insurance Fund to cover COVID-19 expenses. As the state budget prepared for 2021 did not foresee a sharp increase in the COVID-19 disease and the accompanying effects, the Health Insurance Fund did not plan allocations related to the COVID-19 diseases from the state budget in the revenue at the beginning of the year. COVID-19 expenses were to be covered by the Health Insurance Fund's ordinary revenue.

However, as the spread of the COVID-19 disease accelerated already at the beginning of the year and the number of hospital patients increased rapidly, a total of more than 92 million euros were allocated to the Health Insurance Fund from the state budget to cover COVID-19 expenses (incl. 67 million euros were received for targeted financing revenues, 4.7 million euros as operating support, and 26.5 million euros as a state budget allocation).

Of this amount, nearly 85 million euros from the additional budget for 2021 was allocated to cover the additional COVID-19 expenses of hospitals, emergency medical care and other medical institutions, incl. 26.5 million euros to restore the statutory legal reserve. A total of 7.3 million euros were allocated from the reserve capital of the Government of the Republic, incl. 2.6 million euros to cover the additional costs of sick leave days open from January to April and 4.7 million euros to family health centres to increase the coverage of COVID-19 vaccination.

92.2 million euros (incl. health services 74 million euros and benefit for incapacity for work nearly 18 million euros) was used and recognised to cover COVID-19 expenses. The sources of revenue and coverage of COVID-19 expenses are described in more detail in the section of the report on the implications of the budget for expenses.

In 2021, 9 million euros allocated from the REACT-EU support fund was received in the budget for other revenue to cover the additional costs of vaccination.

Of the receivables from competent institutions of Member States recognised under other revenue, revenue of 3.2 million euros for medical services provided in Estonia to insured persons of the Member States were received, which was 669 thousand euros more than in 2020.

A total of nearly 60 thousand euros were received from economic activity, incl. as other revenue from economic activity, fines for late payment, contractual penalties and exchange gains, which is nearly 78 thousand euros less than in 2020.

Expenses

The Health Insurance Fund's budget for expenses is divided into health care costs and operating expenses.

In planning of the health care budget for the year 2021, we were guided by the following principles:

- provide insured persons with an extended range of evidence-based health services, pharmaceuticals and medical devices;
- pay close attention not only to the diagnosis and treatment of diseases but also to the prevention of health risks;
- finance health services of persons insured by the Health Insurance Fund in accordance with the assessed demand and budgetary resources;
- account for the change in the wage component in service prices as of 1 April 2021;
- take into account the continued spread of COVID-19, including pay close attention to the prevention of the health risk of COVID-19.

The execution of the budget for 2021 was influenced by:

- execution of the budget for health services;
- the spread of the COVID-19 virus and coverage of the expenses involved;
- execution of the budget for the benefits for incapacity for work.

Execution of the budget for health care costs

The execution of the budget for health care costs during the reporting period was 1.8 billion euros. In 2021, we were able to cover health care costs, incl. costs for disease prevention and treatment, finance the purchase of pharmaceuticals and medical devices and pay financial benefits, in total, nearly 157 million euros more (10%) than in 2020. Compared to the last ten years, we are currently able to contribute 2.5 times more resources to health care costs.

The Health Insurance Fund used the largest share of the increase in the budget for health care costs, i.e. nearly 126 million euros, to finance health services to a greater extent. Health services includes family medical care, specialised medical care, nursing care, dental care, emergency medical care as well as health prevention – all the services provided

to patients by the Health Insurance Fund's contract partners, i.e. service providers (doctors, family physicians, dentists, nursing care providers and ambulance). A total of 1.2 billion euros were spent on health services in 2021, which is 11% more than in the previous reporting period.

In 2021, the costs of specialised medical care increased the most, by 78 million euros (10%). Nearly 14 million euros or 2% more than planned were used for specialised medical care services. The budget for specialised medical care in 2021 was influenced the most by the use of outpatient specialised medical care, which was nearly 27 million euros higher than planned, while the use of inpatient specialised medical care was 16 million euros lower. As hospitals were busy with inpatient treatment of COVID-19 patients in the first and last quarters of 2021, i.e. the beds were occupied, it was possible to focus more on outpatient treatment at the same time.

The budget for primary medical care was planned at 178 million euros, however, the actual amount of funding was 179 million euros, which is 12% higher than in 2020. The planned budget was executed by 101%. In 2021, the budget for primary medical care was influenced the most by the execution of the budget for basic allowance.

The higher-than-planned use of specialised medical care and primary medical care expenses was balanced by the lower-than-planned reimbursement of COVID-19 personal protective equipment. Assuming that the need for personal protective equipment in 2021 would be similar to the previous year, 39 million euros were planned in the budget for health services for the reimbursement of the costs of personal protective equipment. 58% of this amount, i.e. nearly 23 million euros, was used in 2021. The lower use was due to both the lower prices of personal protective equipment (compared to the deficit at the beginning of the pandemic in 2020) as well as the lower demand for personal protective equipment.

The execution of the budget for health services was 99%, which is nearly 10 million euros less than planned. The budget for health services does not include additional COVID-19 funds for the reorganisation of the work of primary medical care, specialised medical care, emergency medical care and nursing care service nor for paying additional remuneration to health care professionals. COVID-19 expenses are included in the budget for other expenses.

Impact of the COVID-19 disease

The surge in the COVID-19 disease and the accompanying impact was not foreseen in the state budget for 2021 and no operating support related to the COVID-19 disease was planned in the Health Insurance Fund's budget. COVID-19 expenses were to be covered by the Health Insurance Fund's ordinary revenue, and the Health Insurance Fund was allowed to budget expenses at 18 million euros higher than revenue.

However, as the spread of the COVID-19 disease accelerated already at the beginning of the year and the number of hospital patients grew rapidly, the Government of the Republic decided, on the proposal of the Supervisory Board of the Health Insurance Fund, to utilise 26.5 million euros from the legal reserve of the Health Insurance Fund. 21 million euros of this were for health care providers to cover additional costs related to the COVID-19 disease, 4.5 million euros for health care providers to cover vaccination costs related to the COVID-19 disease and one million euros for the Health Board to cover the costs of purchasing pharmaceuticals related to the COVID-19 disease.

With the utilisation of the legal reserve at the beginning of 2021, the Health Insurance Fund had additional funds to reorganise the work of primary medical care, specialised medical care, emergency medical care and nursing care service as well as to pay additional remuneration to health care professionals. The funds were used solely to cover such earmarked expenses that could not be paid from the budget of the Health Insurance Fund on the basis of the Government of the Republic Regulation No. 98 "List of health care services of the Estonian Health Insurance Fund".

The use of the legal reserve made it possible to reimburse the wages of the staff working in the COVID-19 department, level III intensive care departments as well as in emergency medical care departments. Costs related to overtime work were also reimbursed to hospitals and owners of ambulance crews covered by the hospital network development plan, COVID-19 medication was purchased and vaccination related to the COVID-19 disease was paid for.

The utilisation of the reserve capital was intended as a short-term solution but as the spread of the virus intensified, the Government of the Republic approved the draft supplementary budget for 2021 in March to combat the coronavirus and overcome the health crisis. From the supplementary state budget adopted by the Riigikogu in April, 85 million euros were allocated to the Health Insurance Fund to cover the emergency additional COVID-19 expenses of hospitals, emergency medical care and other medical institutions. 26.5 million euros of this were allocated to restore the statutory legal reserve of the Health Insurance Fund.

In addition in 2021, 2.5 million euros were allocated to the Health Insurance Fund from the reserve capital of the Government of the Republic to cover the additional costs of sick leave days open from January to April and 4.7 million euros to family health centres to increase the coverage of COVID-19 vaccination.

To cover the vaccination costs of COVID-19, the Health Insurance Fund applied for nearly 9 million euros from the REACT-EU support fund, which was received in the Health Insurance Fund revenue at the end of 2021.

Coverage of COVID-19 expenses

In 2021, a total of 92.4 million euros of additional funds were allocated to the Health Insurance Fund from the state budget to cover COVID-19 expenses, of which nearly 92.2 million euros were used and recognised in 2021. Additionally, the Health Insurance Fund paid nearly 23 million euros of health care costs for COVID-19 personal protective equipment. In two years, the Health Insurance Fund has used nearly 200 million euros to cover COVID-19 expenses.

Table 5. Reimbursement of COVID-19 costs in 2021 in thousands of euros

	Usage of additional funds of COVID-19 in 2021
Disease prevention (school health care)	289
Primary medical care	5,571
Family physician advisory line	850
Specialised medical care	34,120
Emergency medical care	5,705
Nursing care	3,156
Pharmaceuticals	7,065
COVID-19 vaccination	17,718
Benefits for incapacity for work	17,707
Total	92,181

In 2021, we paid 289 thousand euros for the **prevention of the COVID-19 disease**, which covered the costs related to vaccination in school health care.

In 2021, in connection with the COVID-19 disease, we paid **family physicians** for working at the on-call centre outside their appointment times or for additional staff on the practice list if a family physician or a nurse had either become ill or sent for isolation and replacing them within their own practice was not possible. We also paid for attending to patients outside the practice list or without a family physician with a suspicion of the COVID-19 disease and who were not in the service area of their family physician. In 2021, we paid a total of more than 635 million euros as COVID-19 standby fees and more than 4.7 million euros as performance fees to family physicians. In total, we paid more than 5.5 million euros to family physicians to cover COVID-19 expenses, 4.7 million euros of which were covered with funds allocated to the Health Insurance Fund from the reserve capital of the Government of the Republic and 635 million euros with funds allocated from the supplementary budget.

We increased the **fee of the family physician advisory line** for improving the ability to refer people to the test. Referral to the test was guaranteed on weekends and public holidays from 8–17 o'clock. Persons were referred to the test daily from 8–22 o'clock. We paid 850 thousand euros to improve the capacity of the family physician advisory line in 2021.

In specialised medical care, we reimbursed wages in the infectious disease departments (incl. level I and II intensive care) and level III intensive care departments as well as emergency medical care departments attending to COVID patients. In infectious disease departments and level III intensive care departments, the additional remuneration was calculated according to the number of beds allocated to attending to COVID patients in the medical institution, based on the instructions given to medical institutions by the Health Insurance Fund pursuant to subsection 59 (1) and clauses 59 (2) 1) and 3) of the Health Services Organisation Act. Upon admission of COVID patients to the department, medical institutions were able to submit additional treatment invoices to the Health Insurance Fund, which we reimbursed

pursuant to the list of health care services. Based on the treatment invoices submitted, we implemented an additional bed day fee related to the COVID-19 disease for the treatment of each patient in the standard and intensive care department. In 2021, we paid a total of more than 34 million euros for the standby of beds related to the COVID-19 disease and for the costs of treatment of the COVID-19 disease.

We reimbursed hospitals and **owners of ambulance crews** of the hospital network development plan for costs related to overtime work because some of the staff was ill/self-isolating and the existing staff had to work overtime. Remuneration was paid if the medical institution had implemented at least plan A3 according to the decision of the Director General of the Health Board. In total, we paid 5.7 million euros of overtime remuneration to emergency medical care in 2021.

In care homes, we paid for the additional nursing resource in connection with the spread of the COVID-19 disease. The total cost of inpatient nursing care service was more than 3 million euros. In total, more than 7 million euros were spent on COVID-19 **medications**.

The additional cost arising from the change in the reimbursement of sick leave days in 2021 was 23.5 million euros, which was related to the amendment of the procedure for the payment of benefit for temporary incapacity for work. 17.7 million euros of this were covered by the supplementary budget of 2021 for the coverage of COVID-19 expenses from the allocated budget.

Coverage of COVID-19 expenses to the hospitals of the hospital network development plan

COVID-19 expenses to the extent of nearly 42 million euros were reimbursed to the hospitals of the **hospital network development plan**, the majority of which was spent on covering the standby fees and additional fees of inpatient specialised medical care. Tartu University Hospital (7.8 million euros), the North Estonia Medical Centre (6.8 million euros) and the West Tallinn Central Hospital (5.2 million euros) received the most reimbursement.

Table 6. Reimbursement of COVID-19 costs for hospitals in the hospital network (in thousands of euros)

Paid in 2021	
	Amount
Specialised medical care	36,964
Regional hospital	14,717
Central hospital	16,068
General hospital	8,180
Inpatient nursing care	1,462
Regional hospital	87
Central hospital	1,033
General hospital	342
Emergency medical care	1,955
Regional hospital	723
Central hospital	410
General hospital	822
Total	42,381

COVID-19 vaccination

The aim of vaccination is to protect the most vulnerable people in Estonia, i.e. the risk groups, to reduce/prevent illnesses and deaths caused by COVID-19, to reduce the burden on the health care system and the economy, to protect workers providing vital services, and to protect the population against the COVID-19 disease. In 2021, vaccination against the COVID-19 disease was free of charge for everyone in Estonia.

The Health Insurance Fund paid an ordinary fee for vaccination to health care providers and, from July, a fee for boosting vaccination, performance fee and standby fee in addition to the ordinary fee. The performance fee was paid from 1 July to 31 December to all health care providers, and various remuneration methods were developed for family health centres, hospitals of the hospital network development plan as well as private health care partners participating in vaccination. From July, the Health Insurance Fund paid the standby fee to all the hospitals of the hospital network development plan to ensure that county vaccination rooms would be permanently open.

In 2021, the Health Insurance Fund paid 18 million euros as vaccination fees. 9 million euros of this were covered by funds applied for and allocated to the Health Insurance Fund from the REACT-EU support fund to cover vaccination costs.

Table 7. Vaccination fee, performance fees and standby fees in 2021 (in thousands of euros)

	Paid in 2021
	Amount
Vaccination	11,286
Hospital of the hospital network development plan	4,019
Hospital outside the hospital network development plan	3,242
Primary care	3,932
Other	92
Performance fees	5,830
Hospital of the hospital network development plan	1,966
Hospital outside the hospital network development plan	2,067
Primary care	1,709
Other	82
Standby fees	891
Hospital of the hospital network development plan	891
Total	18,006

In 2021, the Health Insurance Fund paid the most for ordinary **vaccination** against COVID-19, totalling 11 million euros. For vaccination, the Health Insurance Fund assumed the obligation to pay for all COVID-19 vaccinations administered, excl. vaccination of own staff within the institution. The Health Insurance Fund paid the most for vaccination to the hospitals of the hospital network development plan (4 million euros). Vaccination fees were paid the most to the University of Tartu Hospital (1.1 million euros), West Tallinn Central Hospital (800 thousand euros) and East Tallinn Central Hospital (368 thousand euros).

In 2021, the Health Insurance Fund paid **performance fees** in the total amount of 5.8 million euros. The Health Insurance Fund paid additional fee for vaccination for each certain number of vaccinations administered pursuant to the terms and conditions established by the decision of the management board of the Health Insurance Fund. The Health Insurance Fund paid the most performance fees to contract partners (2 million euros). Vaccination fees were paid the most to Confido Medical Centre (641 thousand euros), Eldred OÜ (482 thousand euros) and Qualitas Arstikeskus AS (343 thousand euros). Among the hospitals of the hospital network development plan, performance fees were paid the most to Tartu University Hospital (525 thousand euros) and West Tallinn Central Hospital (309 thousand euros).

In 2021, the Health Insurance Fund paid **standby fees** in the total amount of 891 thousand euros. The Health Insurance Fund paid standby fees only for the staff administering vaccination at county vaccination rooms or to those who were ready to do so at the required moment as a monthly payment from August to December. Hospitals of the hospital network development plan were responsible for ensuring that county vaccination rooms were permanently open. Fees were paid the most to Tartu University Hospital, Narva Hospital and West Tallinn Central Hospital (73 thousand euros to each).

In addition to vaccination fees, the Health Insurance Fund entered into contracts with 12 county vaccination coordinators in 2021 to streamline the vaccination process locally in each county. In addition, the help of lecturers was used in promoting vaccination to raise the awareness of the population of their vaccination.

In the distribution of vaccines until the end of April, vaccination focused on the age group 70+, people at risk, front-line workers and providers of vital services with a higher risk of infection. From May 2021, vaccination was available to everyone who was at least 16 years of age; from 17 June to children from the age of 12, and from 17 December to children from the age of 5.

As at 31 December, 61.4% of the Estonian population had received two doses of vaccine. 290,383 had received an additional or booster dose.

Benefits for temporary incapacity for work

In 2021, an amendment to law came into force to reduce the risk of people going to work when ill and to reduce the employee's co-payment and thereby limit the spread of the COVID-19 disease. This allowed people to stay home from work even when the first symptoms appeared or when they turned out to have been in close contact with an infected person, thereby helping to maintain their income.

Therefore, given the wide spread of COVID-19, people stayed home with a sick leave certificate more often. The number of sick leave certificates compensated in 2021 was the highest throughout the years, i.e. 486,181, which is 129,323 certificates (36%) more than in 2020. The budget for sickness benefits has been exceeded by 35 million euros, i.e. 37%.

In total, we paid nearly 223 million euros in benefits for temporary incapacity for work in 2021, which is nearly 31 million euros (16%) more than in the same period of the previous year. Compared to the planned budget, the budget for benefits for temporary incapacity for work was used to the extent of 28 million euros or 14% more than planned, which is due to the higher-than-planned payment of sickness benefits and carer's allowances.

The additional cost of 23.5 million euros arising from the change in the reimbursement of sick leave days related to the change in the procedure for payment of benefits for temporary incapacity for work was covered by funds allocated from the reserve capital of the Government of the Republic to the extent of 2.5 million euros and from the supplementary budget of 2021 allocated for the coverage of the costs of the COVID-19 disease to the extent of 17.7 million euros.

Average expenses per insured person

The calculation of average expenses is based on the costs of health services, reimbursed pharmaceuticals and medical devices and benefits reimbursed by the Health Insurance Fund to insured persons in Estonia. Average expenses per insured person have increased year by year. Compared to the previous year, the average monthly expenses per insured person increased by 10% in 2021.

According to the age of the insured people, the average expenses are the most expensive in the age group 80–89 years of age.

Table 8. Average expenses per insured person in 2021 (in euros)

Age	Number of insured persons	Prevention	Primary medical care	Specialised medical care	Nursing care	Dental care	Pharmaceuticals, incl. additional benefit for pharmaceuticals	Benefit for incapacity for work	Medical devices	Total
0-9	141,526	18	143	287	-	88	26	187	6	756
10-19	145,085	58	109	216	-	164	33	21	13	615
20-29	120,277	9	117	375	-	17	59	258	4	839
30-39	181,884	2	119	440	2	17	73	344	5	1,002
40-49	168,720	3	126	452	4	17	101	204	6	913
50-59	159,683	9	157	667	12	22	143	228	10	1,249
60-69	162,386	9	165	990	32	42	247	156	16	1,657
70-79	113,003	-	191	1,324	90	44	355	28	19	2,051
80-89	68,236	-	186	1,306	268	31	346	4	16	2,156
90-99	12,719	-	168	1,064	554	13	239	3	9	2,050
100-109	224	-	143	595	499	7	119	1	5	1,368
Total	1,273,743	12	142	623	34	48	138	175	10	1,183

1. Health services

The budget for health services is a budget for services that are reimbursed to health care providers under contracts entered into between the Health Insurance Fund and medical institutions. The budget for health services includes disease prevention, family medical care, specialised medical care, nursing care, dental benefits for children and adults, emergency medical care, and emergency treatment of uninsured persons. These are so-called non-monetary health insurance benefits – the Health Insurance Fund pays for services and personal protective equipment directly to service providers.

One of the major purposes of the Estonian solidary health insurance is to ensure equal access to medical care and other health insurance benefits to all insured persons. To achieve this purpose, a methodical assessment of the need for medical care, i.e. the demand for health services, is carried out every year prior to planning contracts for financing treatment. We assess demand in all specialties and types of services. In the assessment, we take into account the expected need of the insured persons for health services in the coming year. From 2020, the demand for health services is assessed at a more general level compared to previous years, i.e. the need for the service is assessed in Estonia as a whole, not by county.

Demand for financed health services is a very important input in the planning for contract offers to medical institutions. Based on this, we draw up contracts and consider treatment needs of insured persons by specialty as well as their admittance for treatment in different medical institutions.

In 2021, the budget for health services was planned at 1.27 billion euros, 1.25 billion euros or 99% of which was used by the end of the year. A reserve of 6.2 million euros were planned in the budget for health services, which covered changes to the list of health care services that came into effect from 1 April 2021 to the extent of 5.6 million euros.

Table 9. Execution of the budget for health services (in thousands of euros)

	2020 actual	2021 budget	2021 actual	Execution of the budget
Disease prevention	14,450	17,918	16,198	90%
Primary medical care	159,889	178,021	179,396	101%
Specialised medical care	771,596	835,549	849,579	102%
Nursing care	45,485	53,772	49,090	91%
Dental care	54,831	64,744	61,978	96%
Emergency medical care	57,771	61,021	61,392	101%
Emergency treatment of uninsured persons	7,942	9,380	9,263	99%
Personal protective equipment	17,473	39,000	22,757	58%
Reserves	0	6,250	5,622	90%
Total	1,129,437	1,265,655	1,255,275	99%

The execution of the budget for health services in 2021 was within the planned budget, being 1% or more than 11 million euros lower than planned. The under-execution of the budget for health services was mainly due to the use of the budget for personal protective equipment by 16 million euros less than planned. The reason for the lower-than-planned use of the benefit for personal protective equipment was, on the one hand, the decrease in the price of personal protective equipment as well as the fact that health care providers no longer required the same amount of personal protective equipment compared to the time of the onset of the pandemic.

In 2021, we financed both specialised medical care as well as primary medical care more than planned, which means that more people received the treatment they needed. The budget for specialised medical care was exceeded by nearly 14 million euros.

1.1 Disease prevention

The preventive actions funded by the Health Insurance Fund are activities that are directly related to the national health plan and strategic objectives of the Health Insurance Fund. Only a small portion of preventive actions funded by health insurance are financed from the budget for disease prevention, many of the actions are included in various health services. In addition, we also compensate our insured persons, to a large extent, for pharmaceuticals and medical devices dispensed for preventive purposes – thus, the disease prevention takes place at all levels of health care.

We support preventive actions that enhance early detection of diseases (child health checks, monitoring of pregnant women and new-born infants, cancer screening) as well as the activities aimed at reducing or preventing the onset of chronic diseases and their complications. Rapidly aging population with an increase in chronic diseases causes, on the one hand, increases demand for health services, but on the other hand, changes the demand. The development and effective implementation of activities for the elderly and chronic patients can help postpone or prevent early incapacity for work, disability, and death.

The most significant changes made to the list of health care services that took effect from 2021 and influenced the 2021 budget and execution of the budget are as follows:

- all national screening extended to uninsured people, reducing inequalities in access to preventive services. Screening allows detecting potential cases of cancer at an early state, which makes their subsequent treatment cheaper;
- cervical cancer screening commenced with a new methodology from 1 January 2021 in which the conventional PAP test was substituted with a human papillomavirus test by nucleic acid (DNA and/or RNA) sequencing;
- cervical cancer screening become procurement-free from 1 October 2021. This increased the number of offices providing the service and ensures better access to the service.

The 2021 budget for prevention was planned at nearly 18 million euros, nearly 16 million euros of which or 90% was used by the end of the year. At the same time, nearly 2 million euros more were used for carrying out preventive action in 2021 than in 2020 (increase 13%). The under-execution of the budget for preventive action has been influenced by a number of factors but was contributed to by the spread of the COVID-19 disease, which led to people continuing to postpone their appointments.

Nevertheless, nearly 16,000 more people used prevention services in 2021 compared to the previous year. The number of participants in cervical cancer screening and breast cancer screening increased the most, while the number of people who received counselling on colorectal cancer and quitting tobacco decreased the most. Compared to 2020, the coverage of breast cancer increased by 5% and coverage of cervical cancer by 14%. There was less participation in colorectal cancer screening, where coverage was 3% lower compared to 2020. Nearly 1,500 uninsured people received prevention services, with the participation being the highest in breast and cervical cancer screening.

Table 10. Execution of the budget for disease prevention (in thousands of euros) and the number of treatment cases

	2020 actual		2021 budget		2021 actual		Execution of the budget	
	Amount	Number of treatment cases	Amount	Number of treatment cases	Amount	Number of treatment cases	Amount	Number of treatment cases
School health care	8 824	-	9 303	-	9 267	-	100%	-
Reproductive health counselling for young people	1 345	26 092	1 938	45 913	1 467	24 201	76%	53%
Young athletes' health check	998	8 537	1 573	12 591	1 298	8 736	83%	69%
Early detection of breast cancer	1 869	42 533	2 821	61 453	2 117	47 080	75%	77%
Early detection of cervical cancer	389	15 474	1 243	26 622	1 347	29 396**	108%	110%
Early detection of colorectal cancer	676	1 714	826	44 801	590	1 536	71%	3%
Men's health project	227	3 131	-	-	-	-	-	-

Counselling to quit using tobacco	17	663	104	0	16	651	15%	-
Other prevention	105	0	110	0	96	15	87%	-
Total	14 450	98 144	17 918	191 380	16 198	111 615	90%	58%

*The number of treatment cases does not include the volume of school health care, as school health care is financed based on the number of students.

**The number of treatment cases does not include the volume of the cervical cancer pilot study conducted by the National Health Foundation

The main purpose of **school health care service** is to systematically monitor the health and development of school-age children, to inform parents in case of possible problems, and refer the child to a relevant specialist for further examinations and help. School health care service includes preventive health check of students together with collecting nursing anamnesis and evaluation of health status. A modernised code of conduct for school nurses came into force from 1 April 2020. The school health care service with specified content is aimed at health promotion and disease prevention, the creation of a healthy school environment, health supervision and, if necessary, the provision of first aid. The school health care service is paid for to the partners on a fixed fee basis. From autumn 2021, school nurses also administer vaccinations against COVID-19.

In 2021, a total of 84,200 students, i.e. nearly 51% of the total number of students, used the school health care service. The number of students who used school health care services increased by 17% compared to 2020. The increase in the number of students using the service is related to COVID-19 vaccination and COVID-19 testing by a school nurse.

Reproductive health counselling for young people and prevention of sexually transmitted diseases is, as of 1 July 2018, targeted at young people of both sexes up to the age 26 years. In cooperation with the Estonian Sexual Health Association, the Estonian Gynaecologists Society and the Estonian Midwives Association, we described the content of the reproductive health service for young people, the competencies of service providers, the scope of the service and the infrastructure. In 2021, a total of 14,510 young people, i.e. nearly 5% of the total number of young people, used reproductive health counselling for young people, remaining at the same level as the previous year.

Young athletes' health check is aimed at young people up to the age of 19 who regularly engage in sports at least three times a week in addition to physical education classes at school. The broader purpose of sports medical examinations is to protect the health of an athlete and ensure training that is safe for health as well as to reduce the risk of future health problems/injuries associated with sports through counselling and preventive activities. A total of 8,297 children and young people, which is 1.3% more than in the previous year, underwent young athletes' health check.

From 2021, a test for determining GALT enzyme activity was added to **new-born screening**, as a result of which new-born galactosemia screening is carried out in Estonia like in the majority of European countries.

The purpose of **breast cancer screening** is to increase the proportion of breast cancer detection in the early stages and to reduce breast cancer mortality. From 2018, in accordance with the updated national guidelines for breast cancer screening, we also started inviting women up to the age of 69 for screening. The step-by-step expansion of the target group will end in 2022 when all women aged 50–69 will be screened for breast cancer in Estonia. This is in line with the European Commission's recommendations. In 2021, a total of 46,532 women participated in breast cancer screening; the coverage of screening was 59%, which is 5% higher than in 2020.

The purpose of **cervical cancer screening** is to detect and treat pre-cancerous conditions in a timely manner to reduce the incidence of cervical cancer. The further objective of the cervical cancer screening project is to reduce the mortality and incidence of cervical cancer and to increase the 5-year survival rate.

Cervical cancer screening has undergone a methodological update. From this year, the primary screening test changed (HPV test is performed instead of the current PAP test), an additional LBC test taken from the same biomaterial is added to the HPV test if necessary, and the target group for screening was extended by two age cohorts (women up to 65 years of age are invited for screening). The changes will improve the quality, availability and data acquisition of screenings.

From October 2021, it is also possible to enter into a contract for the cervical cancer prevention service without a procurement. This allows more medical institutions to provide prevention services. As a result, the number of offices offering cervical cancer prevention services increased by almost a third. As a result of these changes, the participation of women in screening was more active than the previous year. Coverage was 42%, which is 14% higher than in 2020.

Screening for early detection of colorectal cancer was launched on 1 July 2016. The screening consists of a faecal occult blood test and, if necessary, an additional colonoscopy. Colorectal cancer screening is coordinated by family physicians whose responsibility is to advise the target group and make faecal occult blood testing available. Insured persons aged 60–69 are invited to the screening every two years. In 2021, a total of 1,532 people participated in colorectal cancer screening. Coverage was 39%, which is 3% lower than in 2020.

The purpose of **counselling to quit using tobacco** is to raise public awareness of the dangers of tobacco and tobacco-related diseases. Attention is also paid to tobacco use and people are counselled on giving up tobacco. In 2021, a total of 382 people used the counselling service to quit using tobacco (390 people in 2020).

1.2 Primary medical care

A timely primary contact with the health care system is a prerequisite for achieving a high-quality treatment outcome. Therefore, we consider it important to strengthen and expand the role of family physicians as a treatment coordinator and health advisor. Family medical care must contribute to the development of patient-centred health care, which in turn means providing holistic and integrated treatment in cooperation with different levels of the health care system, which includes close cooperation with the social sector.

As at the end of 2021, the Health Insurance Fund had contracts with 416 primary medical care providers who provide services to 786 practice lists. There are 52 primary care centres, which is 13 more than in 2020. Health centres provide services to 268 practice lists. With the operation of health centres, we support a comprehensive approach to patients, and the range of health services provided by the family physician to people has expanded. In addition to the services of family physicians and family nurses, primary care centres also provide physiotherapy, midwifery and home nursing service.

The budget for 2021 takes into account the impact of the change in the financing of the family medical care substitution system and the increase of home nursing service at health centres. The increase in the distance surcharge in the budget is due to the fact that the principle of the payment of the fee changed from April 2020.

The most significant changes made to the list of health care services that took effect from 2021 and influenced the 2021 budget and execution of the budget are as follows:

- Two new services related to cervical cancer screening were added to the activity base from 2021 because we believe primary care to have a major role in improving the availability and coverage of screening.
- Reimbursement of travel expenses of the substitution service provider to both doctors and nurses was added as a new service.
- The basic allowance for individual family physician practices and health centres related to the modernisation of software licence fees and the addition of a web registry component was increased.
- The cost of the equipment of a physiotherapy room was added to the basic allowance of a health centre.
- An additional fee for a full-time nurse, health care support specialist, mental health nurse or clinical psychologist working at the health centre was added, which helps to expand the competence of health centres.
- The set of instruments for a family physician's appointment was supplemented with an infrared thermometer.
- Additional fee was established for primary care nursing service provided outside the home.
- The costs of infection control were supplemented, but this did not include the SARS-CoV-2 coronavirus, which causes the COVID-19 disease.

Table 11. Execution of the budget for primary medical care (in thousands of euros)

	2020 actual	2021 budget	2021 actual	Execution of the budget
Basic allowance	20 959	21 379	23 843	112%
Distance surcharge	3 489	4 427	4 764	108%
Surcharge for the second family nurse	11 677	12 804	13 159	103%
Total capitation fee	82 489	86 688	86 877	100%
Capitation fee for up to 3-year-old insured persons	4 875	5 135	5 023	98%

Capitation fee for 3–6-year-old insured persons	4 843	5 141	5 146	100%
Capitation fee for 7–49-year-old insured persons	32 978	34 564	34 718	100%
Capitation fee for 50–69-year-old insured persons	22 939	24 240	24 121	100%
Capitation fee for over 70-year-old insured persons	16 854	17 608	17 869	101%
Examinations fund	27 320	35 542	31 999	90%
Operational fund	4 415	4 746	6 561	138%
Therapy fund	1 454	1 857	2 014	108%
Home nursing at health centres	1 018	1 360	1 223	90%
Early detection of colorectal cancer (family physicians)	433	509	415	82%
Early detection of cervical cancer (family physicians)	-	256	32	13%
Surcharge for out-of-hours appointments	371	513	431	84%
Surcharge for quality	5 316	5 868	6 089	104%
Travel expenses of substitution service provider	-	749	344	46%
Surcharge for other staff at the health centre	-	403	180	45%
Family physician advisory line	948	920	1 465	159%
Total	159 889	178 021	179 396	101%

The budget for primary medical care in 2021 was planned at 178 million euros, but the actual amount of funding ended up at 179 million euros, which is nearly 12% higher than in 2020. 101% of the planned budget was executed.

In 2021, the budget for primary medical care was influenced the most by the execution of the budget for basic allowance. The use of basic allowance grew by approximately 14%, which was due to the change in basic allowance and an increase in the number of primary care centres. As at the end of 2021, **basic allowance** was paid to 419 family physician practices (to 785 practice lists).

The only amount to decrease in 2021 was the amount spent on early detection of colorectal cancer, while amounts spent on other areas increased.

Table 12. The number of practice lists of family physicians, the number of insured persons in the practice list and the number of out-of-hours appointments

	2020 actual	2021 actual	Change compared to 2020
Number of practice lists	786	786	0%
Number of practice lists receiving distance surcharge	397	396	0%
Number of practice lists receiving surcharge for the second family nurse	544	594	9%
Average size of a practice list (number of insured persons)	1 589	1 597	0%
Number of insured persons			
Total number of people for whom capitation fee has been paid	1 249 050	1 255 167	0%
Insured persons of up to 3 years of age	41 473	40 706	-2%
Insured persons of 3–6 years of age	56 119	56 794	1%
Insured persons of 7–49 years of age	644 725	647 975	1%
Insured persons of 50–69 years of age	316 354	317 302	0%
Insured persons of 70 years of age and older	190 379	192 390	1%

Number of hours of family physician's out-of-hours appointments	12 158	7 029	-42%
Number of hours of family nurse's out-of-hours appointments	10 894	7 830	-28%
Number of insured persons			
Number of calls to the family physician advisory line	324 235	521 400	61%

As at the end of 2021, the Health Insurance Fund had contracts with 416 primary medical care providers who provide services to 786 **practice lists**.

The group of recipients of **distance surcharge** was extended in 2020 to all family physicians operating outside major centres, and the distance surcharge rate was multiplied. In 2021, the total number of practice lists receiving distance surcharge was 396, which is one list more than in 2020.

The number of practice lists receiving a surcharge for the **second family nurse** has increased every year. In 2021, the Health Insurance Fund provided funding for second family nurses in 594 practice lists, which is 9% more than in the previous year.

Family physician's examinations fund is allocated to family physicians to carry out necessary examinations and procedures on patients. In 2021, the funding of the examinations fund increased by 17% compared to the previous year.

The purpose of the **operational fund** is to support the activities within the competence of a family physician so that they would remain at the primary care level. The operational fund mainly finances ambulatory surgery and gynaecology services. The financing of the operational fund is service-based and therefore, the e-consultation service and autopsies ordered by family physicians are recognised under the operational fund expenses. While the volume of financing of the examinations fund has been agreed upon between the Health Insurance Fund and the health care provider, the volume of the operational fund is left an open obligation. The financing of the operational fund increased by 49% compared to the previous year. The increase in the financing of the operational fund is due to the addition of two new services related to cervical cancer screening to the operational fund in 2021.

The purpose of e-consultation is to improve the quality of information transferred from the family physician to a medical specialist and to save the patients' time as the patient no longer has to turn to the medical specialist themselves – the family physician consults with the medical specialist electronically and the entire treatment is coordinated by the family physician. In 2021, the option to use e-consultation was available in 29 specialties. Additionally, e-consultation was offered as a pilot project in paediatric ophthalmology, which was added to the list of health care services from January 2022. In 2021, the Health Information System received 51,076 digital referrals for e-consultation from family physicians, in total from 424 institutions. The service was provided for 1,9 million euros. Consultations were offered the most in neurology (13%), followed by orthopaedics (11%), endocrinology (6%), cardiology (6%), and allergology-immunology (6%). Compared to 2020, the number of e-consultations increased by 33%.

The purpose of the **therapy fund** is to extend the role of a family physician as a coordinator of a patient's treatment process from the beginning to the end. The therapy fund allows family physicians, if necessary, to order the services of a clinical psychologist, speech therapist and physiotherapist for their practice list patients without them having to visit a medical specialist, and to pay the providers for their services. In 2021, a total of 400 family health centres used the option of the therapy fund and services were provided to nearly 21,900 patients in the total amount of 2 million euros. Compared to 2020, the number of people who used the options of the therapy fund increased by 15%. In 2021, individual physiotherapy service was used the most (by 62,560 people), followed by individual psychotherapy session (20,007 people) and speech therapist service (13,251 people).

In 2020, **home nursing at a health centre** was added as a new service to expand the range of services provided to people by family physicians. In 2021, nearly 2,000 people used the home nursing service in a health centre, which is 54% more than in the previous year.

In cooperation with our important partners, the **development of the quality bonus scheme** for family physicians continues in order to motivate family physicians to focus on disease prevention, monitoring of chronic patients and increasing their competence.

At the initiative of the Health Insurance Fund, a **mentorship programme** was developed for family physicians in cooperation with the company Fontes and the Estonian Association of Family Physicians, which provided 15 family physicians across Estonia with mentors whose guidance and support helped to manage the practice even better. The mentorship programme supported doctors in their self-development and improved their management competence, ultimately providing an opportunity to develop a stronger family physician system.

As of the beginning of 2021, **reimbursement of travel expenses of a substitution service provider** was added as a new service. The service is necessary to ensure better access to family medical care during a longer absence of the family physician or in the event of an unforeseen and urgent need. Travel expenses of a nurse are paid if the nurse joins the substitution list. In 2021, travel expenses of a substitution service provider were paid in the amount 344 thousand euros.

The number of calls to the **family physician advisory line** increased by 61% compared to the same period of the previous year. In 2021, 521,400 calls were made to the advisory line, which is almost 197,000 more calls than in 2020. The number of calls increased the most in October compared to the same period of 2020 (by 33,125 calls), followed by February (22,978 more calls than in 2020). The increase in the number of calls was mostly related to the COVID-19 disease, which placed a heavy burden on family physicians and the family physician advisory line helped to disperse this burden. From December 2020, people were also referred for the coronavirus test on weekends when family physician are generally not working. The staff of the advisory line continued to renew prescriptions on weekends.

Table 13. Number of family physician and family nurse appointments in 2017–2021

	2017	2018	2019	2020	2021
Family physician appointments	4 710 294	4 961 469	4 867 540	4 723 332	5 048 907
Family nurse appointments	1 494 205	1 635 461	1 726 106	2 020 657	2 954 519
including family physician and family nurse remote appointments	2 086 631	2 476 701	1 645 907	3 975 216	5 233 709
Prophylactic appointments	368 735	358 428	348 207	320 736	390 820
Total appointments	6 573 234	6 955 358	6 941 853	7 064 725	8 394 246
Number of people attending the appointment	1 024 118	1 031 449	1 033 047	1 025 967	1 093 870
Number of people in the family physicians' practice lists	1 234 046	1 238 045	1 246 402	1 265 601	1 273 743
Proportion of people who visited a family physician of all the people in the family physicians' practice lists	83%	83%	83%	81%	86%

In 2021, family physicians and nurses had a total of 8,394,246 appointments, which is one million appointments, i.e. 19%, more than in 2020. At the same time, the number of family physician's appointments increased by 7% and the number of family nurse's appointments increased by 46%. The number of family nurse's appointments increased significantly because the large additional burden arising from COVID-19 fell on family nurses.

In 2021, family physicians and nurses had a total of 5,233,709 remote appointments, which is nearly 1,258,500 appointments, i.e. 32%, more than the previous year. Remote appointments are either telephone or e-mail appointments that were used more often than usual during the period of the extensive spread of COVID-19.

1.3 Specialised medical care

A patient needs specialised medical care if the family physician believes that their health concerns require the intervention of a medical specialist in a narrower specialty. The insured has the right to choose a suitable medical specialist and book an appointment at any medical institution that has entered into a contract with the Health Insurance Fund. Our priority is to support the introduction of modern diagnostic and therapeutic methods, both by including new services in the list of health care services as well as by enabling wider deployment of services included in previous years. In cooperation with professional associations, we regularly update the structure of services, standard expenses, maximum reference prices, and implementing conditions of services. The purpose is to provide patients with modern and evidence-based treatment, and to ensure effective use of health insurance resources.

The most significant changes made to the list of health care services that took effect from 2021 and influenced the 2021 budget and execution of the budget are as follows:

- new services (inter alia telemedicine, cardiology services, nuclear medicine service, palliative oxygen therapy) were added. Telemedicine such as telephysiotherapy and occupational teletherapy are important to ensure patients' access, particularly in rural areas;
- various diagnostic options (endoscopic examinations, nuclear medical examinations) were added and the conditions of existing services were extended (stereotactic body radiation therapy, polysomnography, medical air transport from the European Union and Liechtenstein, Norway, Iceland or Switzerland to Estonia);
- the prices of existing services (ECMO, bed day for a child's caregiver, SARS coronavirus-2 RNA determination, standby fee in connection with the removal of the cost of TEHIK) were updated to ensure better treatment options for insured persons and to ensure optimal prices;
- the option to pay performance fee to motivate video appointment and therapies;
- a new service was created for e-consultation. The purpose of the service is to launch and strengthen consultation between health care providers and specialties in order to improve the continuity of treatment and availability of services;
- the list of urology and cardiology services, reference prices and terms for application were updated;
- reference prices of DRG were changed due to the addition of new services and changes in the reference prices of existing services.

As an innovation of 2021, a pilot project on ischemic stroke was fully implemented in specialised medical care, the aim of which is to implement a comprehensive treatment pathway and new reimbursement methods, first in stroke treatment, but also in other health conditions with long-term rehabilitation. For the first time in Estonia, the project is implementing systematic measurement of health outcomes, monitoring the patient's quality of life and coping. In 2021, we commenced with developing funding for the treatment pathway of endoprosthesis of hip and knee joints and in the coming years we will be focusing on creating a treatment pathway for mental health.

In 2021, special attention was paid to mental health. On 1 October 2021, the project "Organisation of primary care of psychiatric patients in South-East Estonia" was launched under the leadership of the Estonian Psychiatric Association. The main purpose of the project was to improve the access of people with mental health concerns to mental health care. To achieve this, we intensified cooperation between medical specialists and family physicians and supported the Estonian Psychiatric Association in training family physicians. In addition, we ordered comprehensive e-training organised by the University of Tartu for family physicians and family nurses, participation in which is free of charge.

Execution of the budget for specialised medical care by types of service

Table 14. Execution of the budget for specialised medical care (in thousands of euros) and the number of treatment cases by types of services

	2020 actual		2021 budget		2021 actual		Execution of the budget	
	Amount	Number of treatment cases	Amount	Number of treatment cases	Amount	Number of treatment cases	Amount	Number of treatment cases
Total of specialised medical care	645 640	2 841 649	702 748	2 933 275	714 440	2 906 518	102%	99%
total of outpatient care	250 856	2 629 898	260 528	2 681 908	287 150	2 696 571	110%	101%
total of day treatment	30 983	56 651	32 083	60 480	32 977	57 443	103%	95%
total of inpatient care	363 801	155 100	410 137	190 887	394 313	152 504	96%	80%
Special cases	73 948	42 429	77 647	43 552	78 643	45 830	101%	105%
High-cost treatment cases	6 686	49	8 182	53	9 472	66	116%	125%
Other special cases	67 262	42 380	69 465	43 499	69 171	45 764	100%	105%

Periodic fees	52 008	305	55 154	556	56 496	330	102%	59%
Monthly fee of specialised medical care**	2 938	12	3 035	12	3 025	12	100%	100%
Standby fee	49 070	293	52 119	544	53 471	318	103%	58%
Total	771 596	2 884 383	835 549	2 977 383	849 579	2 952 678	102%	99%

** The number of specialised medical care treatment cases includes the treatment cases of Hiiumaa Hospital, which are financed from the monthly fee for specialised medical care.

The budget for primary medical care in 2021 was planned at 836 million euros, however, the actual amount of funding was 849 million euros, which is 2% higher than planned. Compared to 2020, we were able to fund treatment in specialised medical care in a 10% higher volume.

The 2021 budget for specialised medical care was influenced the most by the execution of the budget for outpatient treatment. The use of outpatient treatment improved by approximately 2%, despite the fact that the spread of COVID-19 was very wide during the year. This explains the fact that as hospitals were busy with inpatient treatment of COVID-19 patients in the first and last quarters of 2021, i.e. the beds were occupied, it was possible to focus more on outpatient treatment at the same time.

During the reporting period, 3,521,016 outpatient appointment were carried out. The number of appointments has increased by 4% or by 136,416 appointments compared to the same period of the previous year. The number of doctor's appointments has increased by 2% (35,519 appointments) and the number of nurse's appointments has increased by 11% (66,873 appointments) compared to the previous year. As the Health Board never once shut down scheduled appointments in 2021 despite the extensive spread of COVID-19 while inpatient beds were occupied by COVID-19 patients who required more nursing resources and less attendance by medical specialists, medical specialists were able to focus on outpatient work.

There were 283,682 doctor's and nurse's remote appointments, which accounted for 8% of all appointments (11% in 2020). The number of remote appointments decreased by 80,250 appointments (-22%). In addition to the fact that doctors and nurses preferred to return to regular appointments, remote appointments were also impacted by the restriction of the service implementation conditions by the Health Insurance Fund, which allows remote appointments in specialised medical care only when the patient is recalled (repeat appointment). Nevertheless, the coronavirus crisis has significantly accelerated the more extensive uptake of remote services.

The proportion of emergency medical care in treatment cases and treatment costs has not changed during the reporting period compared to the same period of the previous year. The proportion of emergency medical care in all treatment cases is the highest in the field of oncology (32% of treatment cases in the specialty) and surgery (29% of treatment cases in the specialty). Treatment costs are the highest in the main specialty of internal medicine (57% of the costs of the specialty), while in the subspecialty of infectious diseases and internal diseases, emergency medical care accounts for 81% of the costs.

In 2021, the Health Insurance Fund paid nearly 50 million euros for inpatient treatment of COVID-19 patients (more than 7.5 million euros in 2020). In 2021, 11,023 people received inpatient treatment for the COVID-19 disease (2,627 people in 2020). The average duration of treatment was 12.5 treatment days. The highest need for hospital treatment was in the age group of 60–89-year-olds who used 67% (nearly 33 million euros) of the funds spent on inpatient treatment of COVID-19.

We paid the most for the treatment of patients to Tartu University Hospital (14 million euros for the treatment of 1,743 people) and the North Estonia Medical Centre (nearly 10 million euros for the treatment of 1,139 people). These hospitals also admitted patients with the most severe illness whose treatment costs were higher, reaching up to 288 thousand euros in the most expensive case. In most cases, these were patients who had co-morbid conditions together with the COVID-19 diagnosis, which complicated and prolonged the illness. This was followed by East Tallinn Central Hospital (6.5 million euros for the treatment of 1,671 people), West Tallinn Central Hospital (6 million euros for the treatment of 2,097 people) and East Viru Central Hospital Foundation (4 million euros for the treatment of 120 people).

In 2021, we financed the treatment of 11 births more than in the same period of the previous year: while in 2020, there were 12,701 birth treatment cases, in 2021, there were 12,712 cases.

Execution of the budget and treatment cases by specialties

In the budget for specialised medical care, the main specialties are primary follow-up treatment, surgery, ophthalmology, oncology, paediatrics, psychiatry, internal medicine, gynaecology, and rehabilitation.

Table 15. Execution of the budget for specialties of specialised medical care (in thousands of euros) and the number of treatment cases

	2020 actual		2021 budget		2021 actual		Execution of the budget	
	Amount	Number of treatment cases	Amount	Number of treatment cases	Amount	Number of treatment cases	Amount	Number of treatment cases
Surgery	164 373	722 252	115 129	756 456	181 118	757 389	103%	100%
Outpatient treatment	43 650	653 557	47 293	681 532	52 053	688 304	110%	101%
Day treatment	12 330	21 926	12 464	22 363	13 936	23 326	112%	104%
Inpatient treatment	108 393	46 769	116 046	52 561	115 129	45 759	99%	87%
Ophthalmology	21 430	330 178	21 027	313 821	24 772	331 792	118%	106%
Outpatient treatment	18 288	327 119	17 785	310 593	21 292	328 481	120%	106%
Day treatment	635	1 244	689	1 387	833	1 533	121%	111%
Inpatient treatment	2 507	1 815	2 553	1 841	2 647	1 778	104%	97%
Oncology	107 414	173 336	116 209	185 183	103 597	167 197	89%	90%
Outpatient treatment	56 646	151 977	55 932	160 491	60 566	149 011	108%	93%
Day treatment	4 392	6 258	4 501	7 235	3 815	5 579	85%	77%
Inpatient treatment	46 376	15 101	55 776	17 457	39 216	12 607	70%	72%
Gynaecology	44 501	402 527	47 915	410 701	49 057	411 905	102%	100%
Outpatient treatment	30 988	380 708	31 521	383 337	34 876	390 395	111%	102%
Day treatment	4 050	13 025	4 515	15 472	4 356	13 163	96%	85%
Inpatient treatment	9 463	8 794	11 879	11 892	9 825	8 347	83%	70%
Paediatrics	24 079	105 402	37 563	124 195	27 390	117 194	73%	94%
Outpatient treatment	7 059	92 811	8 929	100 665	8 790	104 361	98%	104%
Day treatment	1 466	2 651	1 856	3 401	1 688	2 192	91%	64%
Inpatient treatment	15 554	9 940	26 778	20 129	16 912	10 641	63%	53%
Psychiatry	38 315	262 558	42 552	259 282	40 618	263 212	95%	102%
Outpatient treatment	11 336	253 842	11 958	249 084	12 222	254 494	102%	102%
Day treatment	291	373	637	629	237	322	37%	51%
Inpatient treatment	26 688	8 343	29 957	9 569	28 159	8 396	94%	88%
Internal medicine	225 972	765 745	238 018	795 363	266 959	775 430	112%	97%
Outpatient treatment	76 206	699 275	79 483	719 801	89 433	707 365	113%	98%
Day treatment	7 786	11 121	7 396	9 944	8 049	11 256	109%	113%
Inpatient treatment	141 980	55 349	151 139	65 618	169 477	56 809	112%	87%
Primary follow-up treatment	3 691	3 211	4 181	3 924	3 182	2 683	76%	68%
Inpatient treatment	3 691	3 211	4 181	3 924	3 182	2 683	76%	68%

Rehabilitation	15 865	76 440	19 480	84 350	17 747	79 716	91%	95%
Outpatient treatment	6 683	70 609	7 627	76 405	7 918	74 160	104%	97%
Day treatment	33	53	25	49	63	72	252%	147%
Inpatient treatment	9 149	5 778	11 828	7 896	9 766	5 484	83%	69%
Total	645 640	2 841 649	702 748	2 933 275	714 440	2 906 518	102%	99%
Outpatient treatment	250 856	2 629 898	260 528	2 681 908	287 150	2 696 571	110%	101%
Day treatment	30 983	56 651	32 083	60 480	32 977	57 443	103%	95%
Inpatient treatment	363 801	155 100	410 137	190 887	394 313	152 504	96%	80%

In 2021, we paid for the treatment of a total of 742,696 people in specialised medical care, incl. a total of 741,472 people received treatment in the main specialties of specialised medical care. Compared to 2020, the number of people who received treatment in main specialties has increased by almost 2%. The increase has taken place at the expense of outpatient treatment, where the number of service users decreased by 12,506 people. By specialties, the number of service users in 2021 was the highest in the field of outpatient treatment of internal diseases (310,045 people). The number of people in this specialty has increased by 3%, i.e. by 10,278 people, compared to the previous year. The increased use of the specialty of internal medicine is due to the wide spread of COVID-19 in 2021.

The specialty of **surgery** includes cardiac surgery, paediatric surgery, neurosurgery, face and jaw surgery, orthopaedics, otorhinolaryngology, thoracic surgery, urology, vascular surgery and general surgery treatment services.

In 2021, we paid for the treatment of 351,415 people in the specialty of surgery, which is 9,301 fewer people than in 2020. The financing of laboratory tests increased the most.

During the reporting period, we financed 35,137 more treatment cases in the specialty of surgery than planned in the budget. The increased use of the budget for treatment cases is influenced the most by orthopaedics, where 10,065 more treatment cases were carried out than planned. Only cardiac surgery had fewer than planned treatment cases: 30 fewer treatment cases.

In the specialty of **ophthalmology**, we paid for the ophthalmologist services of approximately 162,162 people. The number of people who used the service has increased by 3,891 people compared to the previous year (2% increase), financing increased by 16%.

The main specialty of **oncology** also includes the use of haematology treatment services. In the main specialty of oncology, we paid for the treatment of 43,125 people. The number of people receiving treatment has declined compared to the previous year by 6%, i.e. by 2,675 people. Financing of oncology has decreased by 4%, i.e. by 3.8 million euros. The decrease in financing is influenced by the decrease in the use of the majority of services; financing of laboratory tests and examinations as well as financing of procedures has increased – by 4% for both services, the financing of pharmaceuticals increased by 1%.

During the reporting period, 179,459 people used **gynaecology services**, which included about 411,906 treatment cases for which the Health Insurance Fund paid to medical institutions 49.1 million euros. The number of people receiving treatment has decreased by 5%, i.e. by 8,239 people, compared to the previous year, whereas financing has increased by 10%. The increase in financing has been impacted by a 15% increase in the use of examinations and procedures.

In **paediatrics**, we paid for the treatment of 55,166 children. The number of children receiving treatment has increased by 11%, i.e. 5,464 children, compared to the previous year, in particular at the expense of children receiving outpatient treatment. The 13% increase in financing is influenced the most by the increase in laboratory tests.

In **psychiatry**, the Health Insurance Fund paid for the treatment of 68,273 people. The number of people receiving treatment has increased by 1%, i.e. 878 people, compared to the previous year. The number of people has increased in outpatient care and is related to the increased number of outpatient appointments. The increase in the financing of the psychiatry specialty compared to the previous year is influenced the most by the increase in laboratory tests.

The specialty of **internal medicine** covers the treatment services of medical services of dermatovenerology (skin diseases), endocrinology (hormonal diseases), gastroenterology (gastrointestinal diseases), infectious diseases, cardiology, occupational diseases, nephrology (kidney and urinary tract diseases), neurology, pulmonology (lung diseases),

rheumatology and internal diseases. In 2021, the Health Insurance Fund paid for the treatment of 328,466 people in the specialty of internal medicine. The number of people receiving treatment has increased by 4%, i.e. 11,275 people, compared to the previous year. It was influenced the most by the increase in the number of people who received outpatient treatment.

The number of people receiving **primary follow-up treatment** as well as the number of treatment cases have decreased. In 2021, 2,544 people received follow-up treatment. Compared to the previous year, their number has decreased by 15%.

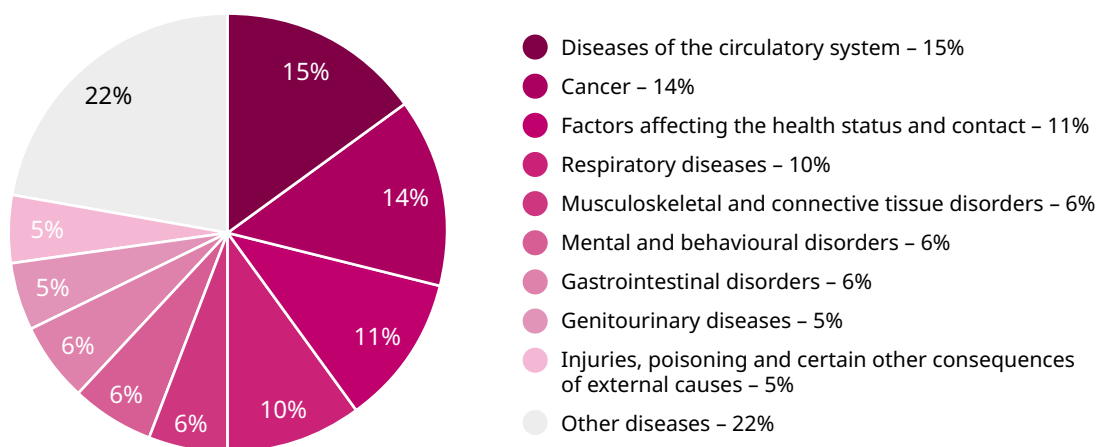
In the **rehabilitation** specialty, we paid for the treatment of 53,439 people. The number of people receiving treatment has increased by 5%, i.e. 2,339 people, compared to the previous year, which is due to increase in the number of people who received outpatient care. Financing has increased by 1.9 million euros.

The use of health services of specialised medical care by main diagnosis groups indicated on treatment invoices

The largest diagnosis groups that we funded in 2021 were diseases of the circulatory system, tumours, factors affecting the health status and contact with health services, and respiratory diseases.

Compared to the previous year, the number of people receiving treatment has increased in the majority of diagnosis groups, the most in the diagnosis group “factors affecting the health status and contact with health services”. Financing increased the most compared to the previous year in the treatment of respiratory diseases but decreased only in the treatment of the diseases of the circulatory system and certain conditions occurring during perinatal or the birth period.

Figure 1. Distribution of funding for specialised medical care by health conditions



1 Main diagnosis groups indicated on the treatment invoices under the International Classification of Diseases ICD-10.

Health services indicated on specialised medical care treatment invoices

The biggest part of the services included in the specialised medical care treatment invoices in 2021 were examinations and procedures (25%) and bed days (25%).

The volume of examinations and procedures increased compared to the same period of last year by 10% in use cases and 12% in terms of the amount. The number of bed days has increased compared to the previous year by 1%, while financing has increased by 10%. Compared to the same period of the previous year, the number of uses of the service and financing has increased the most with regard to laboratory tests, 13% and 26% respectively. The number of outpatient appointments has decreased by 15%, while financing has increased by 7%. Financing has decreased only for surgeries and additional resources during surgeries (-2%).

Table 16. Proportion of service groups in treatment invoices by amounts

	2020 actual	2021 actual	Change compared to 2020
Examinations and procedures	25%	25%	0%
Bed days	25%	25%	0%
Laboratory tests	15%	17%	2%
Surgeries and additional resources	11%	10%	-1%
Outpatient appointments	9%	9%	0%
Pharmaceuticals	9%	9%	0%
Anaesthesia	3%	3%	0%
Blood and blood products	2%	2%	0%
Other services	1%	0%	-1%

Reimbursement for treatment services exceeding the contract volume, i.e. overtime work

The Health Insurance Fund pays overtime in outpatient treatment and day treatment with a coefficient of 0.7, and in inpatient specialised medical care with a coefficient of 0.3. The Health Insurance Fund assumes the agreed obligation to pay for treatment cases exceeding the total amount of obligations if the health care provider provides services to insured persons in excess of the total amount agreed upon the contract period.

The proportion of medical services exceeding the contract amount in specialised medical care was 2% for treatment cases and 1% for the amount. Compared to 2020, the volume of overtime in treatment cases has increased more than four times and the amount more than five times. This is due to the fact that planned treatment was limited in 2020, resulting in health care providers submitting a minimal amount of overtime invoices compared to other years.

Table 17. Treatment cases provided in excess of the contractual volume (in thousands of euros) and the number of treatment cases

	2020 actual		2021 actual		Change compared to 2020	
	Amount	Number of treatment cases	Amount	Number of treatment cases	Amount	Number of treatment cases
Outpatient treatment	1 041	15 829	6 461	74 366	521%	370%
Day treatment	29	67	287	566	890%	745%
Inpatient treatment	295	438	592	742	101%	69%
Total	1 365	16 334	7 340	75 674	438%	363%

Execution of the budget for special cases and treatment cases

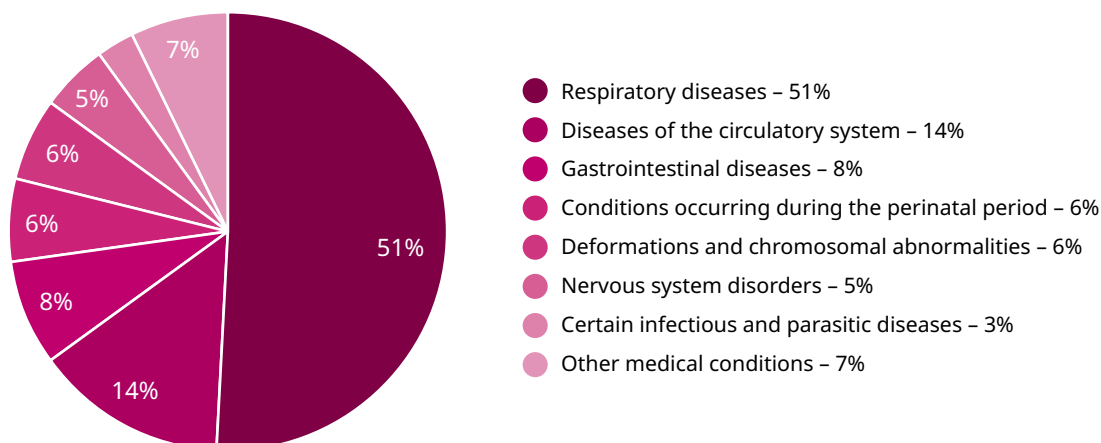
Special cases are specialised medical care services that do not fall under the main specialties of specialised medical care. The budget for special cases includes high-cost treatment cases and other special cases – organ transplantation, bone marrow transplantation, childbirth, haemodialysis, peritoneal dialysis, endoprostheses, infertility treatment, cochlear implants and cataract surgeries.

High-cost treatment cases

From 1 April 2020, a treatment invoice with a cost of at least 104 thousand euros for regional hospitals and at least 73 thousand euros for other health care providers is considered a high-cost treatment invoice.

In 2021, health care providers submitted 66 high-cost treatment cases in the amount of 9.5 million euros to be reimbursed. Among the main diagnosis groups, high-cost treatment cases were the most frequent for respiratory diseases (51%) and diseases of the circulatory system (14%). The biggest number of high-cost treatment cases occurred at the North Estonia Medical Centre (26 cases) and Tartu University Hospital (18 cases).

Figure 2. Distribution of funding for high-cost treatment cases by health conditions



Other special cases

Other special case is an earmarked case for financing and the content of such service is described in appendix 2 to the treatment financing agreement published on the website of the Health Insurance Fund.

In 2021, we paid for special cases of 33,501 people, which is 2,699 fewer people than in 2020. The number of people was the highest in cataract surgeries and births.

Table 18. Other special cases (in thousands of euros) and the number of treatment cases

	2020 actual		2021 budget		2021 actual		Execution of the budget	
	Amount	Number of treatment cases	Amount	Number of treatment cases	Amount	Number of treatment cases	Amount	Number of treatment cases
Childbirths	18 894	12 701	20 839	13 637	20 067	12 712	96%	93%
Endoprostheses	17 490	3 561	16 987	3 438	17 363	3 468	102%	101%
Haemodialysis	12 660	4 709	12 893	4 716	13 238	4 747	103%	101%
Cataract surgeries	9 531	16 854	10 388	17 860	9 668	16 733	93%	94%
Infertility treatment	2 852	3 324	2 258	2 663	3 060	3 427	136%	129%
Bone marrow transplantation	2 764	439	2 680	399	2 852	376	106%	94%
Organ transplantation	1 705	223	2 118	221	1 239	153	58%	69%
Peritoneal dialysis	978	549	943	537	1 054	596	112%	111%
Hearing implants	388	20	359	28	534	26	149%	93%
Influenza vaccination	-	-	-	-	96	3 526	-	-
Total	67 262	42 380	69 465	43 499	69 171	45 764	100%	105%

In 2021, more than 17,300 cataract surgeries were performed on 11,785 people. The number of operated people decreased by 3% and the number of surgeries by 2%, i.e. 436 fewer surgeries were performed than in the previous year.

Slightly fewer endoprostheses were performed during the reporting period than in the same period of the previous year. While in 2020, 3,684 endoprosthesis surgeries were performed on 3,422 people, in 2021, 3,640 surgeries were performed on 3,344 people.

In 2021, we financed births in a 6% higher amount than at the same time the previous year: while in 2020, we financed 12,701 birth treatment cases, the number was 12,712 in 2021.

Execution of the budget for periodic fees

In 2021, the Health Insurance Fund paid a total of 55 million euros for standby and periodic fees (52 million in 2020).

In 2021, we paid a total of 3 million euros as **specialised medical care** monthly fee, which is nearly 87 thousand euros more than the previous year. We paid specialised medical care monthly fee to Hiiumaa Hospital where the budget-based financing model is being implemented since 1 April 2018. The change in the remuneration method has so far been justified in the case of Hiiumaa Hospital as it ensures the continued provision of specialised medical care and people's satisfaction. The purpose of introducing a budget-based financing principle is to ensure the sustainability of a hospital in a region with small a population and difficult access, and to continue providing people with medical care in their home place. According to the new system, the Health Insurance Fund pays to Hiiumaa Hospital on the basis of a budget, which means that the Health Insurance Fund does not purchase services from the hospital by treatment cases or by services.

In 2021, **standby fees** were paid the amount of nearly 53 million euros, i.e. nearly 4 million euros more than the previous year.

From 1 January 2020, the list of health care services includes the principles of financing emergency medical care. In 2021, the Health Insurance Fund paid a total of 33 million euros (31.7 million euros in 2020) as standby fees of emergency medical care.

Since 2020, the Health Insurance Fund has taken over the tasks of the state-regulated transplant institution. To this end, the financing model of the national transplant centre has been updated and standby fee of the transplant centre has been included in the list of health care services. In 2021, the Health Insurance Fund paid 546 thousand euros as standby fees of the transplant centre.

Availability of specialised medical care

As of December of the previous year, contract partners no longer submit regular reports on the waiting list to the Health Insurance Fund.

Medical institutions are obligated to provide the Health Information System with information on all bookings and visits made at the medical institution, which must be linked to a specific referral if available. Based on these data, the Health Insurance Fund in cooperation with the Health and Welfare Information Systems Centre (TEHIK) has compiled a new report on waiting times. Waiting times are measured from the time of booking until the appointment and are presented as median waiting times. In addition, the proportion of appointments with a waiting time of 42 days can be highlighted. The new data make it possible to estimate waiting times for all medical institutions providing specialised medical care. Also regarding the fields/specialties and regarding each service (corresponding medical specialist's and nurse's appointment), including access to a doctor's appointment via teleconsultation.

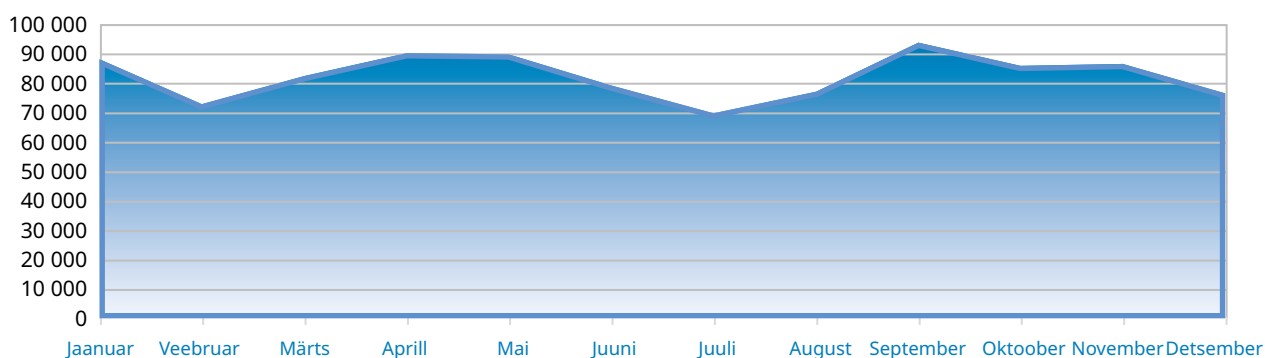
As data on availability can be calculated automatically, contract partners no longer submit regular reports on the waiting list to the Health Insurance Fund. The new report is also available on the [website of the Health Insurance Fund](#), which shows the median waiting times of medical institutions offering outpatient specialised medical care.

In 2021, almost 1.2 million bookings, incl. bookings made via e-consultation, were made for all primary appointments of a doctor, nurse and midwife of outpatient specialised medical care. The majority, i.e. 84%, of bookings were made at hospitals of the hospital network development plan.

The availability of outpatient medical care has improved in 2021, meaning that access to an outpatient appointment of a medical specialist was somewhat quicker than in 2020. As hospitals were busy with inpatient treatment of COVID-19 patients in the first and last quarters of 2021, i.e. the beds were occupied, it was possible to focus more on outpatient treatment at the same time.

According to the data of the Health Information System, initial bookings with a waiting time of up to 42 days constituted 77% in 2021. A year earlier, this indicator was 72%. Initial bookings with a waiting time of up to 42 days at regional hospitals constituted 69%, at central hospitals 77%, and at general hospitals and local hospitals 86%. Compared to the same period of the previous year, availability has improved in all types of hospitals of the hospital network, the most in central hospitals (in 2020, initial bookings with a waiting time of up to 42 days constituted 69% in these hospitals). The number of initial bookings with a waiting time of up to 42 days at contract partners has also increased (from 81% to 84%).

Figure 3. Number of reservations for doctors' and nurses' appointments in specialised medical care at the hospitals of the hospital network development plan in 2021



There have been no major changes in waiting lists of specialties. Waiting times are longer usually in narrower specialties (areas) of specialised medical care. In 2021, waiting times were the longest in medical genetics (median waiting time 61 days) and in cardiac surgery (median waiting time 57 days). Prolonged waiting was also required in neurosurgery (median waiting time 40 days), orthopaedics and traumatology (median waiting time 35 days) and speech therapy (29 days).

In the comparable period of the previous year, patients had to wait longer for their appointment in cardiac surgery (median waiting time 78 days), neurosurgery (median waiting time 59 days), and facial and maxillofacial surgery (median waiting time 42 days).

In 2021, special attention was paid to mental health, and we made it a goal to reduce the waiting list for psychiatry by one week. Although access has not improved in psychiatry compared to the previous year, hospitals and clinics have made efforts to make appointments with a mental health nurse more easily available. It is the nurse who administers the initial assessment and, if necessary, refers the patient to a psychiatrist. In this area, the treatment of patients has changed in 2021. The proportion of mental health concerns in society has increased, which is understandable given that the pandemic situation has lasted for more than a year. Hospitals have responded to this by making the mental health nurse as the primary contact, meaning that people no longer turn directly to the psychiatrist themselves very often.

Figure 4. Median waiting times registered in waiting lists of hospitals of the hospital network development plan

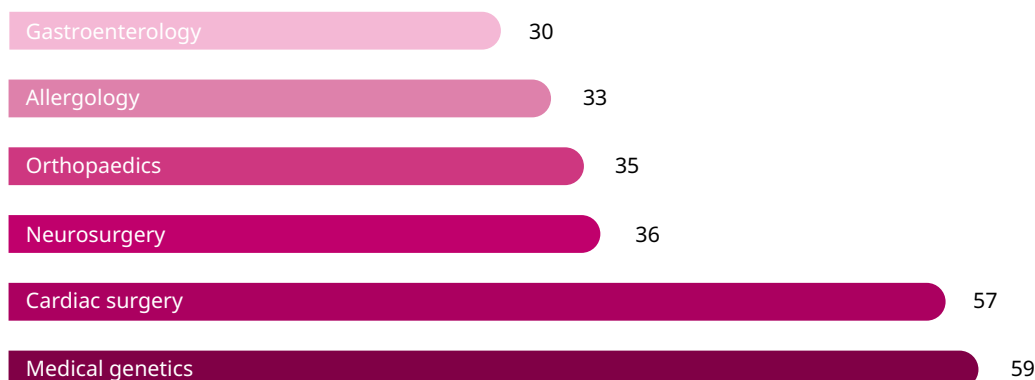
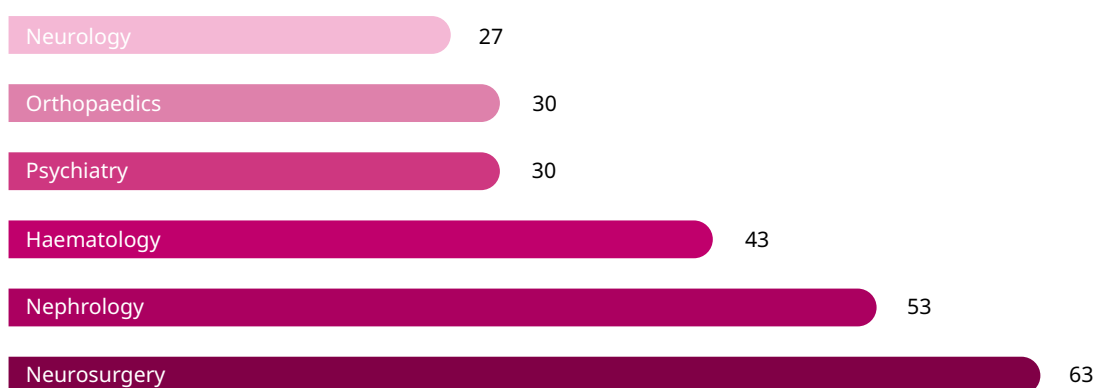


Figure 5. Median waiting times registered in waiting lists of partners outside the hospital network development plan



Performance of specialised medical care contracts

Table 19. Performance of specialised medical care contracts (in thousands of euros)

	2020 contract		Performance of the 2020 contract		2021 contract		Performance of the 2021 contract	
	Amount	Number of treatment cases	Amount	Number of treatment cases	Amount	Number of treatment cases	Amount	Number of treatment cases
Hospitals of the hospital network development plan	743 627	2 346 392	98%	103%	805 896	2 415 249	100%	102%
Regional hospitals	411 059	982 520	99%	104%	440 017	1 040 990	100%	103%
Central hospitals	235 076	949 551	99%	102%	260 060	941 880	100%	103%
General hospitals, local hospital, rehabilitation hospital	97 492	414 321	95%	101%	105 819	432 379	98%	100%
Partners outside the hospital network	45 744	516 048	93%	93%	43 195	460 356	102%	104%
Total	789 371	2 862 440	98%	101%	849 091	2 875 605	100%	103%

The performance of the 2020 contracts includes the costs of COVID-19-related treatment and testing, which were financed from the additional money allocated from the state budget. There are no COVID-19-related costs in the performance of 2021 contracts.

Compared to 2020, the amount paid to hospitals of the hospital network development plan increased by 10% and the number of treatment cases increased by 3%. The amount paid to partners outside the hospital network increased by 3%, and the number of treatment cases was the same as in 2020.

The amounts paid to **regional hospitals**, (North Estonia Medical Centre, Tallinn Children's Hospital and Tartu University Hospital) increased by 8% in 2021 compared to the previous year, the number of treatment cases increased by 5% compared to 2020. The treatment cases of regional hospitals constituted 36% and the amount constituted 52% of the total performance of specialised medical care contracts.

The amounts paid to **central hospitals** (East Tallinn Central Hospital, Ida-Viru Central Hospital, West Tallinn Central Hospital, Pärnu Hospital) increased by 13% in 2021 compared to the previous year, the number of treatment cases provided in central hospitals increased by 5% compared to 2020.

General hospitals, local hospital, and rehabilitation hospital (Hiiumaa Hospital, Järvamaa Hospital, Kuressaare Hospital, South Estonian Hospital, Läänemaa Hospital, Narva Hospital, Põlva Hospital, Rakvere Hospital, Raplamaa Hospital, Viljandi Hospital, Jõgeva Hospital and Haapsalu Neurological Rehabilitation Centre) administered 12% more treatment cases than in 2020. The amount paid to these medical institutions did not change compared to the previous year. In 2021, the proportion of treatment cases of general hospitals and local hospitals constituted 33% and the amount constituted 31% of the total performance of specialised medical care contracts.

In 2021, **partners outside the hospital network** administered the same number of treatment cases than in 2020. For these treatment cases, we paid 3% more than in the previous year. In 2021, the proportion of partners outside the hospital network in the performance of specialised medical care contacts is 16% with regard to treatment cases and 5% with regard to the amount.

An overview of the amounts and performance of specialised medical care contracts by hospitals is available on the website of the Health Insurance Fund on the health statistics subpage <https://statistika.haigekassa.ee/>.

1.4 Nursing care

The purpose of nursing care is to help a patient achieve or maintain the best possible quality of life and coping. Patients in need of nursing care are those who are not able to independently cope with various disorders and disabilities caused by chronic diseases. These are mostly elderly people.

Nursing care services are becoming more available to the population, as nurses have started providing independent appointments, also home nursing services and nursing care in primary care centres have expanded.

Caregiving is a subject of both the health care and care systems. The Health Insurance Fund finances nursing care service provided by various health care providers.

Below, nursing care includes the services provided according to the patient's need as a health service both as inpatient (nursing care at the hospital or care institution) and outpatient (home nursing, home supportive care for cancer patients) care also as nursing service at a general care home. This does not include home nursing services provided by nurses at primary care centres and in primary care nor services provided by nurses in specialised medical care (incl. independent appointments).

The most significant changes made to the list of health care services that took effect from 2021 and influenced the 2021 budget and execution of the budget are as follows:

- care homes with fewer than 20 beds are permitted to employ a part-time nurse, paying them capitation fee for 20 people, to improve the availability of nursing care at care homes;
- a nurse's replacement fee component was added to the pricing model of nursing service, which allows for finding a replacement for a nurse during their leave better.

In cooperation with the Ministry of Social Affairs, we developed common principles and guidelines for assessing the need for care and nursing care in 2021. In this regard, we have directed additional resources to inpatient nursing care. In planning the budget for nursing care, we used the assessment of the treatment need of insured persons, i.e. the demand for nursing care as a health service.

Since 2020, the Health Insurance Fund has financed the nursing services in general care homes, which gives care homes the opportunity to offer free nursing care to their residents. Health services provided in a general care home improve the availability of medical care and help to ensure that residents' health is constantly monitored under the direction of a nurse and, in case of health concerns, a suitable solution is found in cooperation with a doctor.

From 1 April 2020, overtime is also paid in nursing care: home nursing with a coefficient of 0.7 and inpatient nursing care with a coefficient of 0.3.

Table 20. Execution of the budget for nursing care (in thousands of euros) and the number of treatment cases

	2020 actual		2021 budget		2021 actual		Execution of the budget	
	Amount	Number of treatment cases	Amount	Number of treatment cases	Amount	Number of treatment cases	Amount	Number of treatment cases
Home nursing	9 209	43 275	9 672	41 481	9 538	41 570	99%	100%
Inpatient nursing care	33 740	17 579	37 908	19 990	34 126	17 463	90%	87%
Nursing care in general care services	2 536	35 344	6 192	-	5 426	70 027	88%	-
Total	45 485	96 198	53 772	61 471	49 090	129 060	91%	210%

The number of treatment cases includes the treatment cases of Hiiumaa Hospital, which are financed from the monthly fee for specialised medical care.

The budget for nursing care in 2021 was planned at 53 million euros, however, the actual amount of funding was 49 million euros, which is 9% lower than planned. Compared to 2020, the financing of the service increased by 8%.

In 2021, we financed the nursing care service of more than 27,482 people. The number of people who received the service increased by about 16% compared to the previous year.

The number of people using nursing care service in general care homes has increased the most (by more than 3,000 people), which indicates an increase in the use of the service launched last year. The number of nursing care appointments offered in general care homes indicates the same – in 2021, a total of 626,673 appointments were administered in general care homes (the statistics of 2020 showed 327,321 appointments). The reason for the almost two-fold increase in the number of appointments is better feedback on appointments to the Health Insurance Fund, which was modest last year as the service was launched.

In 2021, home nursing service was provided to 9,702 people and 276,860 home nursing visits were made. The number of persons who received the service has decreased by 7% compared to the previous year. This shows an increasing availability of home nursing service provided at primary care centres, i.e. people increasingly prefer this to separate outpatient home nursing service. In 2021, nearly 2,000 people used the home nursing service in a health centre, which is 54% more than in the previous year.

As nursing care services were not restricted by the spread of the COVID-19 disease compared to the previous year, fewer remote appointments were also administered.

Performance of nursing care contracts

Table 21. Performance of nursing care contracts in thousands of euros

	2020 contract		Performance of the 2020 contract		2021 contract		Performance of the 2021 contract	
	Amount	Number of treatment cases	Amount	Number of treatment cases	Amount	Number of treatment cases	Amount	Number of treatment cases
Hospitals of the hospital network development plan	25 848	25 176	96%	95%	27 204	25 571	87%	94%
Regional hospitals	4 647	4 215	100%	100%	4 857	4 379	90%	96%
Central hospitals	10 500	7 988	97%	94%	11 041	8 125	87%	89%
General hospitals, local hospital	10 701	12 973	94%	94%	11 306	13 067	87%	97%
Partners outside the hospital network	19 236	36 712	99%	101%	20 437	33 717	97%	103%
Total	45 084	61 888	98%	98%	47 641	59 288	92%	100%

The performance of the 2020 contracts includes the costs of COVID-19-related treatment and testing, which were financed from the additional money allocated from the state budget.

There are no COVID-19-related costs in the performance of 2021 contracts.

Compared to 2020, the amount paid to the hospitals of the hospital network development plan for nursing care services increased by 5%, while the number of treatment cases decreased by 226 cases. The amount paid to partners outside the hospital network remained almost at the same level as in 2020, while the number of treatment cases increased by 45%. The latter was due to the fact that the average cost of treatment case decreased with the new option.

1.5 Dental care

Our goal is to gradually increase the availability of dental services and benefits, taking into account people's needs related to their age and treatment specificity. The majority of dental care services is made up of planned dental care for adults and dental care for children under the age of 19. Some groups of society (children, the elderly and disabled people) have received treatment benefits at a rate higher than healthy adults, and dental care for people with poor dental hygiene is free of charge.

The priority for 2021 was to harmonise and improve the prevention of children's dental diseases and access to treatment services. To this end, we simplified entry into the contract for dental care for children to increase regional coverage. The activities of the children's dental health project focused on information work, the focus of which was on dental care at home.

The most significant changes made to the list of health care services that took effect from 2021 and influenced the 2021 budget and execution of the budget are as follows:

- the unemployed and recipients of subsistence benefit started receiving higher dental care benefit, and free dental care was extended to cancer patients;
- from 2021, orthodontic treatment is also available to patients 19 years of age and older with congenital malformations of the cleft lip and palate or other rare diseases requiring treatment at a later age.

In 2021, a total of 169,103 people used dental care services, which is 1,162 fewer people than the previous year. The decrease has been mainly at the expense of emergency care. This is largely due to the fact that last year, planned treatment was restricted for a certain period of time and people used emergency care instead, the annual volume of which was therefore higher.

Table 22. Execution of the budget for dental care (in thousands of euros) and the number of treatment cases

	2020 actual		2021 budget		2021 actual		Execution of the budget	
	Amount	Number of treatment cases	Amount	Number of treatment cases	Amount	Number of treatment cases	Amount	Number of treatment cases
Prevention and treatment of children's dental diseases	24 260	317 952	30 308	409 804	27 181	333 824	90%	81%
Orthodontics	7 038	64 508	7 637	74 138	8 960	76 941	117%	104%
Emergency dental care for adults	2 161	32 105	2 251	22 082	1 954	25 031	87%	113%
Planned dental care for adults	21 334	458 598	24 507	360 723	23 842	510 333	97%	141%
Planned dental care for adults	66	114	74	106	111	196	150%	185%
Life-long dental care	160	1 391	170	407	232	2 013	136%	495%
Non-monetary dental benefit for adults	14 422	410 310	16 563	318 210	16 289	457 771	98%	144%
Non-monetary dentures benefit for adults	6 686	46 783	7 700	42 000	7 210	50 353	94%	120%
Standby	38	26	41	12	41	8	100%	67%
Total	54 831	873 189	64 744	866 759	61 978	946 137	96%	109%

The amount of financing for dental care in 2021 was planned at 65 million euros. The actual volume of financing was nearly 62 million euros, but this is 13% higher than in 2020. Compared to 2020, almost all costs and treatment cases increased in 2021. The increase was the highest in orthodontics: costs increased by 27% and treatment cases by 19% compared to the previous year. This was followed by planned dental care for adults (both costs and treatment cases increased by 11%) and prevention and treatment of children's dental diseases (costs increased by 12% and treatment cases increased by 5%).

Prevention and treatment of children's dental diseases

Dental care for children at contract partners of the Health Insurance Fund is financed according to the price list established by the Health Insurance Fund. Dental care for children is free of charge in Estonia, i.e. the Health Insurance Fund pays for the dental care of insured persons under 19 years of age.

In 2021, there were a total of 247,554 children aged 3 to 19 years of whom almost 145,541, i.e. 59% of the target group, visited the dentist in 2021. In 2021, the coverage increased by 1% compared to the previous year (in 2020 the coverage was 58%).

According to the age, the coverage of the target group is the highest among children of 6 to 11 years of age. This shows that school-aged children are taken to the dentist quite often. However, the coverage is decreasing among adolescents aged 14 to 19 years.

In 2021, the coverage was the highest in Saare, Võru and Jõgeva Counties (64%), Tartu County (63%) and Lääne County (62%), and the lowest in Lääne-Viru County (53%) and Ida-Viru and Valga Counties (54%).

Orthodontics

The Health Insurance Fund also pays for children's orthodontics services (including braces), but only for specific cases.

In 2021, the Health Insurance Fund financed the orthodontics services of 20,444 children. Compared 2020, the number of children receiving treatment increased by 3%.

Emergency dental care for adults

All adults have the right to free emergency dental care, whether or not they have health insurance. Free dental care is provided if the postponement or non-provision of care could result in the death or permanent damage to the health of the person in need. Funding for emergency dental care for adults decreased by 207 thousand euros as compared to the previous year. This is 10% less than in 2020. During the reporting period, adult emergency dental services were provided to 19,251 people. The number of treated people decreased by 20%, i.e. 4740 people, compared to the previous year. The number of people receiving emergency dental care for adults decreased due to that fact that in 2021, planned dental care was also available to people during the extensive spread of the COVID-19 disease, while in 2020, emergency dental care service was used during the period when outpatient treatment was restricted due to the COVID-19 restrictions.

Planned dental care for adults

Planned dental care for adults includes planned dental care for adults, life-long dental care and non-monetary dental and dentures benefits.

The non-monetary dental care benefit for essential services for insured adults entered into force on 1 July 2017. A person receiving pension for incapacity for work or old-age pensioner, a person with partial or no capacity for work, a person over 63 years of age, a pregnant woman, a mother of a child under the age of 1 year and a person who has an increased need for dental care as a result of receiving health care or a diagnosed illness are entitled to an increased benefit (85 euros per calendar year). Co-payment of these people is 15% of the maximum reference price of services. For other adult insured persons, the compensation limit is 40 euros per calendar year, and their co-payment is 50% of the maximum reference price of the service. An insured person can use the benefit at the contract partner of the Health Insurance Fund. The Health Insurance Fund enters into a financing contract with all persons who hold a dental care activity license and apply for the financing contract without carrying out a selection procedure.

In 2021, 318,909 people received dental care benefit for adults. As at 31 December 2021, the total number of dental care benefit and dentures benefit service providers was 406, and 347 partners who had entered into a contract with the Health Insurance Fund provided dental care service for adults. In 2021, nine service providers entered into a primary contract for non-monetary dental care benefit for adults with the Health Insurance Fund, and 18 medical institutions added dental care service for adults to the current dentures benefit contract.

The amount of non-monetary dentures benefit for three years is 260 euros. 37,927 people used the dentures benefit for adults in 2021 (35,312 people in 2020).

In addition to the reformed dental benefit for adults, the Health Insurance Fund expanded free dental care for people with severe physical and mental disabilities who are unable to take care of their dental hygiene from 2019. The Health Insurance Fund pays for the dental care of these people in full, i.e. they will have free dental care for the rest of their life. The Health Insurance Fund has set the criteria that the condition of a disabled person has to meet in order to qualify for free dental care for the rest of their life. The right for free dental care is determined by the patient's family physician or medical specialist (dentist).

Criteria that the patient's family physician or medical specialist has to comply with when prescribing life-long dental care were established in the first year. The main basis for reimbursement of dental care is a person's ability to cope based on their state of health due to which the patient is not able to take care of their oral hygiene even with adequate instruction. In the first year, the service was provided to 141 people, in 2020 to 427 people, and in 2021 to 623 people.

Performance of dental care contracts

Table 23. Performance of dental care contracts (in thousands of euros)

	2020 contract		Performance of the 2020 contract*		2021 contract		Performance of the 2021 contract	
	Amount	Number of treatment cases	Amount	Number of treatment cases	Amount	Number of treatment cases	Amount	Number of treatment cases
Hospitals of the hospital network development plan	3 850	49 917	84%	85%	4 013	50 840	91%	87%
Regional hospitals	2 089	29 182	86%	86%	2 151	29 683	91%	87%
Central hospitals	1 335	15 393	85%	84%	1 439	16 029	91%	89%
General hospitals, local hospital	426	5 342	74%	76%	423	5 128	87%	83%
Partners outside the hospital network	32 726	414 438	93%	90%	36 089	433 197	97%	91%
Total	36 576	464 355	92%	90%	40 102	484 037	96%	90%

*The performance of the 2020 contracts includes standby costs related to COVID-19, which were financed from the additional money allocated from the state budget.

In 2021, the performance of dental care contracts was affected the most by the addition of new partners. The number of contract partners increased in 17 venues in dental care and in 1 venue in orthodontics compared to the previous year, increasing the execution of the budget by 778,857 euros.

1.6 Emergency medical care

From 2019, contracts with the emergency medical care providers are entered into and the emergency medical care service is paid for under the terms and conditions set out in the Health Services Organisation Act by the Health Insurance Fund. As at 31 December 2021, there were 10 service providers and 107 ambulance crews in emergency medical care.

Table 24. Execution of the budget for emergency medical care (in thousands of euros)

	2020 actual	2021 budget	2021 actual	Execution of the budget
Total ambulance	57 771	61 021	61 392	101%

Nearly 61 million euros were planned for emergency medical care service in 2021. Compared to what was planned, the actual financing of emergency medical care was higher by 101%, i.e. 371 thousand euros. The execution of the higher-than-planned budget was largely due to the increase in transport costs and the cost of additional crews responding in 2021. It cost nearly 690 thousand euros than in 2020.

In 2021, there were a total of 307,780 calls for emergency medical care. In 2021, the number of calls increased by 10%, i.e. 28,548 calls, in 2021. On average, emergency medical care had more than 25,000 calls a month, the most in March (27,740).

By the order of the Health Board, emergency medical care can use additional reduced ambulance crews in responding to calls. In 2021, nearly 150 additional ambulance crews were added in order to respond to calls: 27 additional reduced ambulance crews were added in January, 28 in February, 17 in March. From March, the number of additional crews decreased for the spring and summer months in connection with the decrease in the COVID-19 disease and because additional crews worked on a longer schedule (temporary additional crews were therefore used less). The number of additional crews increased again in the autumn when 13 additional crews were added in October, 25 in November and 9 in December. In 2020, the number of additional crews was nearly halved (approximately 70).

Additional crews were added mostly due to the increase in COVID-19 illnesses, but they were also used for COVID-19 testing and transporting patients from one hospital to another, moving the emergency medical department of East Tallinn Central Hospital, transporting victims of the gas explosion in Tartu city to North Estonia Medical Centre in Tallinn. A crew was added in October to help people injured in severe weather.

1.7 Emergency treatment of uninsured persons

From 2019, the Health Insurance Fund is financing emergency treatment of uninsured persons. This includes treatment of the coronavirus in the hospital and COVID-19 tests prescribed by the family physician.

Table 25. Execution of the budget for emergency treatment of uninsured people, in thousands of euros

	2020 actual	2021 budget	2021 actual	Execution of the budget
Total emergency treatment of uninsured persons	7 942	9 380	9 263	99%

A total of 51,576 people received treatment in 2021 (26,780 people in 2020) and nearly 1.3 million euros, i.e. 17% more than the previous year, was paid for their treatment invoices. The budget planned for the medical service of uninsured persons was executed by 99%.

Compared to 2020, the number of people who received emergency treatment increased by 52%, i.e. by 24,795 people. The largest increase compared to the previous year was in the number of uninsured people who needed outpatient treatment and primary care services. As more cost-effective services were used compared to the previous year, the amount paid for services did not increase in proportion to the increase in the number of people who received treatment.

1.8 Reimbursement of the cost of personal protective equipment

From 2020, the Health Insurance Fund is reimbursing the cost of personal protective equipment and disinfectants for health care providers. While before 2020, the price of personal protective equipment was included in the price of the service, medical staff used personal protective equipment in 2020 to both protect themselves and to provide personal protective equipment to patients in preventing the spread of the COVID-19 disease in such an amount that required compensation.

Table 26. Execution of the budget for personal protective equipment (in thousands of euros)

	2020 actual	2021 budget	2021 actual	Execution of the budget
Total compensation for personal protective equipment	17 473	39 000	22 757	58%

In 2020, we compensated personal protective equipment from the budget for health services for a total of 17 million euros. If we add to this the cost of personal protective equipment covered by the budget for COVID-19 in the amount 30 million euros, the amount reimbursed in 2020 was nearly 50 million euros. Assuming that the need for personal protective equipment in 2021 is slightly lower, 39 million euros were planned in the budget for health services for the reimbursement of the costs of personal protective equipment in 2021. 58% of this amount, i.e. nearly 23 million euros, was used in 2021.

The lower-than-planned use of personal protective equipment benefit was, on the one hand, due to the decrease in the price of personal protective equipment – the shortage of personal protective equipment that occurred rapidly after the onset of the coronavirus pandemic raised the price of personal protective equipment very high in 2020 – as well as due to the fact that health care providers no longer needed the same amount of personal protective equipment as at the beginning of the pandemic.

2. Health promotion

The field of health promotion has been receiving more and more attention every year, as there is a growing awareness of the importance of health promotion activities in disease prevention. In connection with this, funds for promotion have also been increasing every year. The budget planned for 2021 was 1.3 million euros higher than in 2020.

Table 27. Execution of the budget for health promotion, in thousands of euros

	2020 actual	2021 budget	2021 actual	Execution of the budget
Activities aimed at children's health development	597	1 100	597	54%
Activities aimed at raising patients' awareness	1 211	1 850	1 098	59%
Development of the health care system	933	1 100	547	50%
Total	2 741	4 050	2 242	55%

For 2021, 4 million euros were budgeted for health promotion, 55% of which was used. The execution of the budget continued to be affected by the spread of the COVID-19 disease during which some of the activities of the prevention campaign had to be implemented differently than planned or partially postponed to be included in the activities of 2022.

In our activities aimed at children's health development, we continued with health-promoting activities such as children's dental health, promotion of mental health, online sexual counselling, pregnancy crisis counselling and health promotion in kindergarten and school. The children's oral health campaign planned for 2021 was postponed and will take place in March 2022.

In activities aimed at patient awareness, we are focusing on promoting mental health this year as well. In cooperation with the Estonian Health Museum, an exhibition titled Congratulations!? ("Palju õnne!?!") on mental health, well-being and balance was opened to visitors in May 2021. In cooperation with the project partner peaasi.ee, a social campaign focusing on maintaining mental health was held in January. Additionally, we continued to work with the team of the TV series Selge pilt! in order to prepare for the new season.

In May, we launched an intervention study to increase participation in breast cancer screening with the aim of finding ways to make the invitation more effective for the recipient to increase participation in screening. The study is being prepared in cooperation with Andero Uus, a behavioural researcher at the University of Tartu, and the data is being analysed by the National Institute for Health Development. We will have the results of the intervention study by March 2022.

We also focused largely on informing the target group about screening and involved separate communication experts to do so. A publicity campaign on breast cancer screening was held in May, the second wave of which was launched in the second half of August mostly in social media and digital channels and lasted until the end of the year with short breaks. Advertisements for mammography buses ran on social media, targeted at women living in the area based on where the bus would stop. A publicity campaign on cervical cancer screening was held in September. We cooperated with the pharmacy chain Apotheka whose additional system application notifies when entering the ID-card if the customer is included in the target group of screening so that the pharmacist could remind them of the necessity of participating in the screening and share additional information.

In addition to the campaigns above, activities aimed at raising patient awareness included three more major social campaigns:

- heart health and children's exercise habits;
- family physician advisory line 1220 and summer health risks;
- organ donation.

In mid-September, the annual health promotion conference titled "On sexual health – borders and without borders" was held as an online conference for the second year in a row. For the first time in 25 years of the conference being held, the focus was on sexual and reproductive health.

In activities aimed at [developing the health care system](#), activities related to treatment guidelines, clinical audits and treatment quality indicators were central. In 2021, we continued developing the system of calculating treatment quality indicators: we developed monitoring indicators to assess compliance with the recommendations of the treatment guidelines. We made the display of the results of treatment quality indicators more user-friendly.

3. Pharmaceuticals

Pharmaceuticals and vaccines are very expensive, so the Health Insurance Fund helps to pay for them partially or in full. Offering pharmaceutical benefit, i.e. paying for pharmaceuticals in full or partially, is one way to ensure that people have access to affordable pharmaceuticals. This helps to prevent a situation where the patient does not commence with treatment or stops taking the pharmaceutical due to its high cost.

The Health Insurance Fund finances and procures medications, vaccines and immunoglobulins to control infectious diseases. In addition, the Health Insurance Fund organises and finances public procurement for antidotes, which are used to ensure the treatment of the most common cases of poisoning in emergency medical departments.

In 2021, we had the ability to spend a total of 189 million euros, i.e. 6% more than in 2020, on pharmaceuticals. Actual use was 184 million euros, i.e. 3% less than planned. At the same, we procured COVID-19 medications for hospitals for an additional 7 million euros as an emergency.

The most important changes in the list of health care services and reimbursable pharmaceuticals that entered into force in 2021 that affected the budget for 2021 and execution of the budget as well as co-payment of an insured person:

- The use of hepatitis C medications expanded significantly as a result of a significant price reduction in negotiations with pharmaceutical companies.
- The arsenal of pharmaceuticals for various tumour diseases (lymphoid leukaemia, lymphoma, lung tumour, HER2 breast tumour, HER2-positive breast tumour adjuvant treatment) was significantly supplemented.
- A significant price reduction was achieved in price negotiations for oral multiple sclerosis medications, which made it possible to add new target groups who could benefit from the medication.
- Of rare diseases, patients with hereditary hyperphosphatemia and alpha-mannosidosis had a new treatment opportunity for the first time.
- Patients with refractory hypercholesterolaemia can receive biologic therapy after myocardial infarction.
- Restrictions on SGLT-2 type diabetes medications were eased due to successful price negotiations.
- For the first time, free influenza vaccines were offered to the elderly outside care homes. Certain risk groups can be vaccinated against pneumococcal disease and meningococcal infections.

In 2021, the Health Insurance Fund, in cooperation with hospitals, continued to procure pharmaceuticals jointly, resulting in saving an estimated 1.5 million euros in the budget for financing pharmaceuticals in 2022, which we directed to the acquisition of new pharmaceuticals and financing new pharmaceutical services. For example, this resulted in an expansion of treatment options for gynaecological tumours. As at the end of 2021, together with Tartu University Hospital, North Estonia Medical Centre, East Tallinn Central Hospital and Pärnu Hospital, we are procuring five pharmaceuticals. These are pharmaceuticals with a significant monetary amount that help cancer patients or treatment autoimmune diseases. Joint procurement helps to ensure better and uniform prices, increases competition and ensures security of supply better than individual procurement by hospitals, so the continued development of the field is firmly on the agenda for the coming years.

In 2021, the field of pharmaceuticals was strongly affected by the replacement of vaccines and pharmaceuticals destroyed due to the malfunction in the cold storage of the Health Insurance Fund. In the second half of 2021, this resulted in the procurement of 19 different pharmaceuticals in vaccines in the amount of 3.4 million euros, which have now been reimbursed to the Health Insurance Fund by the Government of the Republic. This required six emergency procurements and three direct purchases, which managed to restore almost all the inventory of the pharmaceuticals destroyed. In general, this allowed to keep the immunisation calendar on schedule, although there was a slight delay only in vaccinating toddlers with the six-dose vaccine, which was not easily available on the international market.

Table 28. Execution of the budget for pharmaceuticals (in thousands of euros)

	2020 actual	2021 budget	2021 actual	Execution of the budget
Pharmaceuticals to be reimbursed for insured persons	152 746	158 879	158 159	100%
Additional benefit for pharmaceuticals	7 488	8 000	7 994	100%
HIV medications, antidotes and immune preparations	16 513	22 100	17 820	81%
Total	176 747	188 979	183 973	97%

The budget for financing pharmaceuticals in 2021 was planned at 189 million euros, but the actual amount of financing ended up at 184 million euros, which is nearly 4% higher than in 2020. 97% of the planned budget was executed.

In 2021, the budget for pharmaceuticals was again affected the most by the inclusion of expensive (100% reimbursable) pharmaceuticals in the list.

3.1 Reimbursable pharmaceuticals for the insured

For reimbursable pharmaceuticals sold at a pharmacy, part of the prescription cost is paid by the Health Insurance Fund and the respective amount is automatically deducted at a pharmacy. For various diseases and pharmaceuticals, different discount rates apply that are established by the regulations of the Government of the Republic, the Minister of Social Affairs and the Minister of Health and Labour, which in turn are based on the Health Insurance Act.

In addition to the above, the Health Insurance Fund pays an additional benefit for pharmaceuticals to patients with higher need for pharmaceuticals and when the deductible part of reimbursable pharmaceuticals is significantly large. The Health Insurance Fund also finances the purchase of vaccines provided for in the immunisation plan and pays for tuberculosis medications, antiretroviral medications, antidotes and immunoglobulins. In 2021, we also purchased COVID-19 medications in a total amount of 7 million euros (remdesivir, monoclonal antibodies, tocilizumab).

Table 29. Execution of the budget for pharmaceuticals reimbursed to insured persons, in thousands of euros

	2020 actual	2021 budget	2021 actual	Execution of the budget
100% reimbursable pharmaceuticals	80 993	83 052	82 696	100%
90% reimbursable pharmaceuticals	47 713	50 465	50 342	100%
75% reimbursable pharmaceuticals	6 745	6 899	7 222	105%
50% reimbursable pharmaceuticals	17 295	18 463	17 899	97%
Total	152 746	158 879	158 159	100%

In 2021, the Health Insurance Fund has spent 5.4 million euros or 4% more funds compared to 2020 on reimbursable pharmaceuticals for insured persons. The largest increase in costs (7%) occurred with regard to pharmaceuticals reimbursed at 75% and 90% rate. This is largely due to the increase in the use of diabetes medications.

Table 30. Number of reimbursable prescriptions (RP) and their average cost for the Health Insurance Fund, in euros

	2020 actual		2021 actual		Change compared to 2020	
	Number of RPs	Average cost of RP for the Health Insurance Fund	Number of RPs	Average cost of RP for the Health Insurance Fund	Number of RPs	Average cost of RP for the Health Insurance Fund
100% reimbursable pharmaceuticals	994 809	81,42	1 010 441	81,84	2%	1%
90% reimbursable pharmaceuticals	3 244 114	14,71	3 311 695	15,20	2%	3%
75% reimbursable pharmaceuticals	634 792	10,63	667 917	10,81	5%	2%
50% reimbursable pharmaceuticals	3 909 231	4,42	3 998 227	4,48	2%	1%
Total	8 782 946	17,39	8 988 280	17,60	2%	1%

Table 31. Co-payment of an insured person, in euros

	2020 actual	2021 actual	Execution of the budget
100% reimbursable pharmaceuticals	4,06	4,21	4%
90% reimbursable pharmaceuticals	5,82	5,85	1%
75% reimbursable pharmaceuticals	7,78	7,80	0%
50% reimbursable pharmaceuticals	7,30	7,26	-1%
Total	6,42	6,44	0%

The co-payment of an insured person has remained practically unchanged, being 6.44 euros per average reimbursable prescription in 2021.

Table 32. Diagnoses related to higher pharmaceutical benefits, in thousands of euros

	2020 actual		2021 actual	
	Reimbursed by the Health Insurance Fund	% of the total cost of pharmaceutical benefit	Reimbursed by the Health Insurance Fund	% of the total cost of pharmaceutical benefit
Diseases of the circulatory system (I00-I99)	31 685	21%	32 205	20%
Neoplasms (C00-D48)	27 957	18%	29 527	19%
Diabetes mellitus (E10-E14)	22 713	15%	24 035	15%
Diseases of the nervous system (G00-G99)	10 093	7%	9 911	6%
Obstructive pulmonary diseases (J43-J45)	8 985	6%	9 069	6%
Diseases of the musculoskeletal system and connective tissue (M00-M99)	6 715	4%	7 107	4%
Viral hepatitis (B15-B19)	5 516	4%	5 280	3%
Mental and behavioural disorders (F00-F99)	3 735	2%	4 061	3%

Among reimbursable pharmaceuticals, we compensated the most pharmaceuticals for the treatment of the diseases of the circulatory system. Pharmaceuticals for neoplasms are also important, the growth of which is the fastest. A similar conclusion can be drawn about diabetes. Given the demographic processes and the focus of pharmaceutical development in the pharmaceutical industry, this could be expected.

Reimbursement of hospital pharmaceuticals from the budget for health services

The Health Insurance Fund reimburses the pharmaceuticals intended for hospital use and listed in the list of health care services. Hospital pharmaceuticals are reimbursed through various price components in the list of health care services, the main ones being separate pharmaceutical services (R-services), the estimated cost of the pharmaceutical component in health services (e.g. part of the bed day cost is used to purchase necessary basic pharmaceuticals in hospitals), etc.

Among the pharmaceuticals with a separate service code, the pharmaceuticals used to treat oncological and haematological diseases have the greatest impact on the budget (approximately 40%). In the second place, there are the biological pharmaceuticals used for various autoimmune diseases (rheumatic, dermatological, gastroenterological diseases, asthma, multiple sclerosis, etc.). We reimbursed them in the amount of 13.1 million euros. However, this amount has been decreasing for several years as the prices of biological pharmaceuticals become cheaper and are increasingly being reimbursed as reimbursable medicines.

Table 33. Funds of the budget for health insurance spent on pharmaceuticals (in thousands of euros)

	2020 actual	2021 actual	Change compared to 2020
Pharmaceuticals to be reimbursed to insured persons	152,746	158,159	4%
Use of pharmaceutical codes in the list of health care services	58,664	61,610	5%
Cost of pharmaceuticals in health services	14,186	15,885	12%
Additional benefit for pharmaceuticals	7,488	7,994	7%
HIV and AIDS medications, antidotes and immune preparations	16,513	17,820	8%
Total	249,597	261,468	5%

In 2020, the Health Insurance Fund reimbursed pharmaceuticals for 268 million euros through various budget lines. This accounts for 15% of health care costs.

3.2 Additional benefit for pharmaceuticals

From the beginning of 2018, additional benefit for pharmaceuticals is automatic and an insured person will receive the benefit along with standard pharmaceutical benefit at the time of purchase of the pharmaceutical at the pharmacy. The benefit applies to expenses that exceed 100 euros per calendar year.

Table 34. Additional benefit for pharmaceuticals (in thousands of euros)

	2020 actual		2021 budget		2021 actual	Execution of the budget
	Amount	Number of people	Amount	Amount	Number of people	Amount
Total additional benefit for pharmaceuticals	7,488	140,978	8,000	145,840	100%	100%

In 2021, additional benefit for pharmaceuticals has been used in the amount of 8 million euros, i.e. 7% more than in 2020. The budget has been executed by 100%.

3.3 HIV medications, antidotes and immune preparations

Vaccinating the population over the age of 65 against influenza in addition to the residents of general and special care homes commenced for the first time in 2021. Influenza vaccine was purchased for 890 thousand euros. More than 80 thousand over 65-year-olds, i.e. 30% of the target group, were vaccinated in 2021.

In 2021, the purchase of COVID-19 medications was coordinated by the Health Insurance Fund. The medications were purchased for the warehouse of the Health Insurance Fund from where they were delivered to the hospitals. The medications were purchased through the central procurement organised by the European Commission (remdesivir, monoclonal antibody) but also through a public procurement (tocilizumab).

An important trend in the field is also the expansion of joint procurement in the Baltic States. At the end of the year, we presented a proposal to the Minister of Social Affairs, based on which the Health Insurance Fund is the party representing Estonia in joint procurements going forward. We also submitted an updated plan on the organisation of joint procurement to the ministries of all three states, which is being finalised and soon to be signed. The new procedure should greatly improve the flexibility, simplicity and speed of joint procurement.

Table 35. Execution of the budget for HIV medications, antidotes and immune preparations (in thousands of euros)

	2020 actual	2021 budget	2021 actual	Execution of the budget
HIV/AIDS medications	11,781	16,800	10,031	60%
Immune preparations	2,900	4,400	5,978	136%
Tuberculosis medications	355	600	408	68%
Antidotes	256	300	178	59%
Value added tax on pharmaceuticals	1,221	0	1,225	-
Total	16,513	22,100	17,820	81%

In 2021, 24.8 million euros were paid, which is 8.3 million euros more than in the reference period. The 2021 budget was executed by 112%. The under-execution of the budget for HIV medications is partly due to the decrease in the price of pharmaceuticals and the postponement of delivery times in public contracts entered into further than planned, due to which the costs of 2021 are lower than expected and the higher costs will be postponed to the end of the year. The costs of procuring immune preparations increased significantly due to the scrapping of the stock of the Health Insurance Fund and purchasing replacement pharmaceuticals in the summer of 2021. The Government of the Republic compensated the Health Insurance Fund for the additional costs incurred. Extraordinary costs for purchasing COVID-19 medications for hospitals were also high.

4. Benefits for temporary incapacity for work

Benefits for temporary incapacity for work is financial compensation paid based on a certificate of incapacity for work to an employed insured person who, due to a temporary leave from work, loses their income subject to social tax. The payment of benefit depends on the type of certificate of incapacity for work (sick leave certificate, care leave certificate, maternity leave certificate, or adoption leave certificate) and the reason for incapacity for work. If the doctor has sent the data of the certificate of incapacity for work to the Health Insurance Fund, the person's employer will receive information about the person's absence from work and the issued certificate of incapacity for work and its estimated date of expiry from the state portal service.

The procedure for payment of temporary incapacity for work changed in 2021. This established the co-payment for the first sick leave day for the person in the event of illness and injuries and the obligation of the employer to compensate for the second to the third sick leave day (instead of the previous days 4 to 8). The Health Insurance Fund compensates illnesses from the sixth sick leave day (previously from the ninth day). Thus, the number of sick leave days compensated by the Health Insurance Fund increased by three additional days. Earlier compensation for sick leave days will continue in 2022.

By the end of 2021, the additional cost of the change in compensation for sick leave days for illnesses started since 1 January (payment 6th to 8th day) was 23.5 million euros. In 2021, 2.5 million euros of this were financed from the funds allocated from the reserve capital of the Government of the Republic and 17.7 million euros from the supplementary budget for 2021 allocated for the coverage of the costs of COVID-19 disease. The solution was also implemented during the emergency situation of 2020, and the additional cost back then was 7 million euros.

Table 36. Execution of the budget for benefits for incapacity for work (in thousands of euros)

	2020 actual	2021 budget	2021 actual	Execution of the budget
Sickness benefits	104,815	95,362	130,595	137%
Carer's allowances	26,550	27,214	29,140	107%
Maternity benefits	55,328	66,520	57,864	87%
Occupational accident benefits	5,174	5,871	5,334	91%
Total	191,867	194,967	222,933	114%

In 2021, we paid nearly 223 million euros in benefits for temporary incapacity for work, which is 31 million euros (16%) more than at the same time the previous year. The budget for paid benefits for incapacity for work has been used by 28 million euros more than planned, which is due to the higher-than-planned payment of sickness and carer's allowances.

The budget for sickness benefits has been exceeded by 35 million euros, i.e. 37%, compared to what was planned, the budget for carer's allowances 1.9 million euros, i.e. 7%. At the same time, 9 million euros less maternity benefits and benefits for incapacity for work have been used compared to what was budgeted. Compared to the previous year, however, more of those benefits have been paid too, 2 million euros and 160 thousand euros respectively.

Compared to 2020, the number of compensated certificates of incapacity for work increased by 30%, i.e. by 143,753 certificates. In 2021, more than 629,500 certificates of incapacity for work were compensated, 486,181 of which were sick leave certificates. The number of sick leave certificates was 129,000 certificates higher than at the same time the previous year (36% increase). The number of compensated sick leave certificates in 2021 was the highest throughout the years due to the large number of people staying home due to the extensive spread of COVID-19. In order to reduce the risk of sick people going to work and the employees' co-payment and thereby limit the spread of the COVID-19 disease, an amendment to law was enacted in March, which allowed people to stay home from work with the first symptoms of illness or after having been exposed to an infected person, helping to maintain their income.

Table 37. Comparison of benefits for incapacity for work

	2020 actual	2021 actual	Change compared to 2020
Sickness benefit			
Number of the sick leave certificates reimbursed by the Health Insurance Fund	356,858	486,181	36%
Number of days reimbursed by the Health Insurance Fund	4,525,094	5,426,339	20%
Total benefits paid by the Health Insurance Fund (thousand euros)	104,815	130,595	25%
Average benefit per day (euros)	23.2	24.1	4%
Average duration of sick leave certificate	12.7	11.2	-12%
Carer's allowance			
Number of care leave certificates reimbursed by the Health Insurance Fund	111,500	126,118	13%
Number of days reimbursed by the Health Insurance Fund	901,534	995,729	10%
Total benefits paid by the Health Insurance Fund (thousand euros)	26,550	29,140	10%
Average benefit per day (euros)	29.4	29.3	-1%
Average duration of care leave certificate	8.1	7.9	-2%
Maternity benefit			
Number of maternity leave certificates reimbursed by the Health Insurance Fund	10,046	9,812	-2%
Number of days reimbursed by the Health Insurance Fund	1,402,370	1,369,358	-2%
Total benefits paid by the Health Insurance Fund (thousand euros)	55,328	57,864	5%
Average benefit per day (euros)	39.5	42.3	7%
Average duration of maternity leave certificate	139.6	139.6	0%
Occupational accident benefit			
Occupational accident certificates reimbursed by the Health Insurance Fund	7,379	7,425	1%
Number of days reimbursed by the Health Insurance Fund	140,747	141,067	0%
Total benefits paid by the Health Insurance Fund (thousand euros)	5,174	5,334	3%
Average benefit per day (euros)	36.8	37.8	3%
Average duration of occupational accident certificate	19.1	19.0	0%
Total			
Number of certificates of incapacity for work reimbursed by the Health Insurance Fund	485,783	629,536	30%
Number of days reimbursed by the Health Insurance Fund	6,969,745	7,932,493	14%
Benefits paid by the Health Insurance Fund (thousands of euros)	191,867	222,933	16%
Average benefit per day	27.5	28.1	2%

The effect of COVID-19 has been taken into account

In 2021, more than 267 thousand people, i.e. nearly 58 thousand people more than the previous year, used benefits for incapacity for work.

In 2021, the number of days compensated by the Health Insurance Fund increased by 14%. The increase in both the number of compensated days and certificates of incapacity for work is related to the quick spread of COVID-19 and the entry into force of a more favourable regulation. Similarly to the previous year, in the case of self-isolation, a sick leave certificate was received if the person was exposed to a coronavirus patient, or a care certificate if the child was exposed.

In 2021, the average compensation per calendar day was 28.1 euros, increasing by 2% compared to the previous year.

The Health Insurance Fund calculates the benefit for temporary incapacity for work on the basis of income taxed with social tax in the calendar year preceding the date of opening the certificate of incapacity for work.

Sickness benefits

Sickness benefits are paid to an insured person during the period of their temporary incapacity for work in order to compensate for the partially unpaid wages at the time of illness.

In case of organ donations or hematopoietic stem cells transfers, the Health Insurance Fund pays compensation from the first day. In 2021, due to the continued extensive spread of COVID-19, co-payment was applied to sick leave certificates issued for illnesses and injuries from 1 January to 31 December on the first day. The employed compensated sick leave days 2 to 5 (instead of the previous days 4 to 8). The Health Insurance Fund compensated illnesses from the sixth sick leave day (previously from the ninth day). Thus, the number of sick leave days compensated by the Health Insurance Fund increased by three additional days in 2021.

For other reasons, the Health Insurance Fund pays benefits from the second sick leave day.

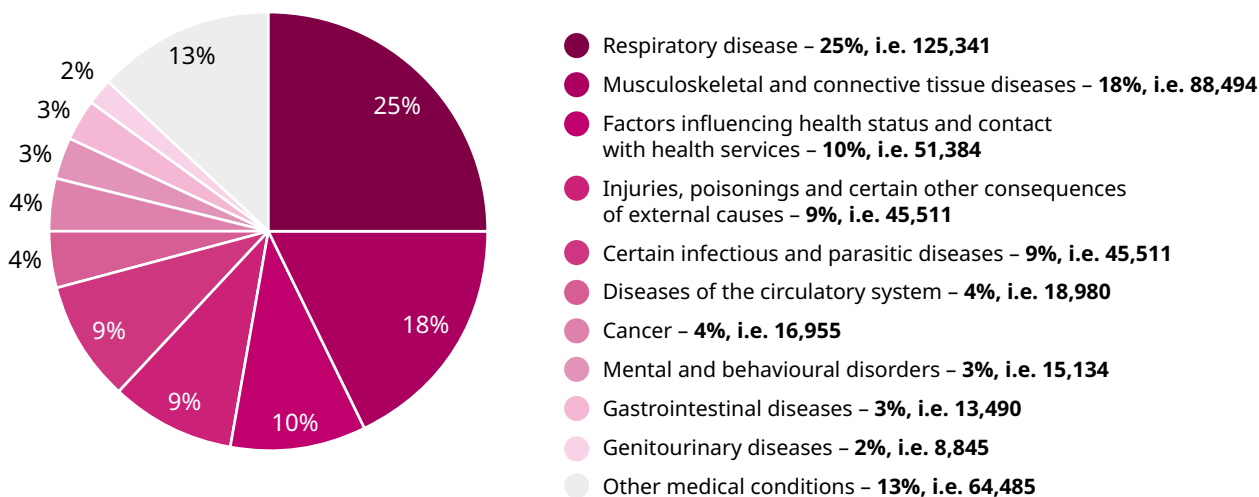
The use of sick leave certificates has been record high for the last two years mainly due to the COVID-19 pandemic. In 2021, the number of sick leave certificates taken was the highest throughout the years. In 2021, more than 231,000 people, i.e. nearly 65,000 people more than the previous year, used sickness benefits. A total of 486,181 sick leave certificates were compensated, which is 129,323 certificates (36%) more than in 2020. At the same time, sick leave certificates were compensated the most in the first half of the year, when the number of sick leave certificates paid was more than 52,000 certificates higher than in the same period the previous year. The record month was March when 62,000 sick leave certificates were issued in one month.

Sick leave certificates were compensated the most in 2021 due to respiratory diseases, musculoskeletal and connective tissue disorders, and infectious diseases. 27,248 sick leave certificates with a COVID-19 diagnosis were compensated, which makes up 6% of all sick leave certificates compensated. Compared to 2020, the number of sick leave certificates taken due to respiratory diseases (67%, i.e. 50,070 sick leave certificates more) and the number of sick leave certificates taken due to infectious diseases (34%, i.e. 11,380 sick leave certificates more) increased the most. The number of certificates taken due to tumours decreased the most (5%, i.e. 814 sick leave certificates).

The average duration of sick leave compensated by the Health Insurance Fund in 2021 was 11.2 days, which is 1.5 days less than in 2020. The number of sick leave certificates issued per employed insured person was 0.6 in 2020 and 0.8 in 2021.

The duration of an illness gives an overview of how long a person is absent from work due to an illness. An illness consists primarily of the primary sick leave certificate issued to a person and the related continued certificates. In 2021, the average duration of one illness was 30 days (39.7 days in 2020).

Figure 6. Distribution of sickness benefits by medical conditions



Carer's allowances

Carer's allowances are paid to an insured person who is caring for a sick child or family member. The reasons for using care leave certificates have not changed compared to the previous year.

In 2021, more than 52,000 people, i.e. nearly 1,000 people more than the previous year, used carer's allowances. A total of 126,118 care leave certificates were compensated, which is 14,618 certificates (13%) more than in 2020. At the same time, care leave certificates were compensated the most, unlike sick leave certificates, in the second half of the year when the number of paid care leave certificates was more than 27,000 higher than in the same period the previous year. The higher number of care leave certificates in the autumn was partly due to the increased incidence of COVID-19 in schools and kindergartens when parents stayed home with a sick child and needed a care leave certificate to do so. The average duration of the care leave certificate was 7.9 days, which is slightly shorter compared to the previous year (8.1 days in 2020).

In 2021, the average duration of one care case was 7.9 days (8.1 days in 2020).

Care leave certificates for caring for a child under 12 years of age made up 96% of all care leave certificates. Care leave certificates for taking care of a child under 3 years of age or a disabled child under 16 years of age accounted for a total of 4% of all care leave certificates.

In 2021, care leave certificates were compensated the most due to respiratory diseases, infectious diseases, and factors affecting the health status. Compared to 2020, the number of care leave certificates taken due to respiratory diseases increased the most (13%, i.e. 7,765 more care leave certificate).

Maternity benefit

Maternity benefit is paid to an employed insured woman for pregnancy and maternity leave.

In 2021, the number of maternity leave certificates and the number of compensated days decreased by 2% compared to the previous year. The amount of benefit paid by the Health Insurance Fund increased by 5% (by 2.5 million euros). The increase in the amount of benefit was related to the insured person's previous year's income subject to social tax, which is the basis for paying maternity benefit, which was higher than in 2020. Among women of childbearing age, the number of maternity leave certificates increased compared to the previous year in the age group of 30–39-year-old women. The number of maternity leave certificates decreased in other age groups. There was only one birth less in 2021 than in 2020.

Table 38. Use of maternity benefit by age groups

	Number of people	Number of maternity leave certificates	Days compensated	Amount compensated (in thousands of euros)	Average cost per day	Average duration of maternity leave certificate
10–19 years	47	49	6,439	180	28.0	131.4
20–29 years	3,364	3,364	470,045	17,347	36.9	139.7
30–39 years	5,838	5,838	814,929	36,552	44.9	139.6
40–49 years	559	559	77,665	3,767	48.5	138.9
51 years	2	2	280	18	64.3	140.0

Occupational accident benefits

The Health Insurance Fund pays occupational accident benefits from the second day of the certificate of incapacity for work. The causes for issuing certificates of incapacity for work due to an occupational accident have not changed in 2021 compared to the previous year.

The causes for leave in sick leave certificate issued due to accidents at work were divided as follows: accidents at work 63%, complications resulting from an accident at work 2%, and occupational accidents in traffic 2%.

In 2021, occupational accident benefits were paid to 3,562 people, i.e. 84 more people than in 2020. A total of 7,425 certificates of occupational accident were compensated, which is 1% more than the previous year. The average duration of a certificate of occupational accident compensated by the Health Insurance Fund was at the same level as in 2020.

Benefits paid on the basis of certificates issued by physicians abroad

The Health Insurance Fund pays the benefit for temporary incapacity for work to employed persons also based on a certificate issued by a physician of a foreign country. In 2021, foreign physicians issued 1,745 leave certificates to Estonian insured persons, based on which the Health Insurance Fund paid benefits for incapacity for work to 1,683 people.

In 2021, benefits were requested based on a certificate issued by a physician abroad as follows: sick leave benefits in 90%, carer's allowances in 5%, benefits for incapacity for work in 4% and maternity benefits in 1% of the cases.

The proportions of paid benefits have changed compared to the previous year – the proportion of sick leave benefits has increased from 83% in 2020 to 90% in 2021, and the proportion of carer's allowances has decreased from 11% to 5%. The main increase in the proportion of sick leave benefits was caused by sick leave certificates issued to insured persons working abroad for the time of quarantining due to being exposed to COVID-19.

The proportion of benefits paid in the event of accidents at work and maternity benefits has remained at the same level.

5. Benefits for medical devices

The Health Insurance Fund compensates for medical devices that can be used to treat diseases and injuries or which help to prevent the aggravation of diseases. We update the list of medical devices on a yearly basis by adding new products as necessary, modernising the terms and conditions of compensation and updating the price list based on contracts entered into with distributors.

In 2021, we added 102 new medical devices to the list of medical devices and expanded our range of devices for treatment of sleep apnoea, lymphedema, venous insufficiency, wounds, and diabetes. We also added new ostomy care products and orthoses to the list and, for the first time, started compensating for diaphragm stimulator antennas.

Table 39. Execution of the budget for medical device benefits (in thousands of euros) and the number of people

	2020 actual		2021 budget	2021 actual		Execution of the budget
	Amount	Number of people*	Amount	Amount	Number of people*	Amount
Early primary prostheses and orthoses	1 625	19 617	1 763	1 865	21 415	106%
Insulin pumps, accessories for pump and sensor-augmented therapy	1 841	573	2 442	2 112	749	86%
Diabetes supplies (excl. pump therapy)	4 576	49 577	5 093	4 755	49 436	93%
Ostomy care supplies	1 653	2 223	1 953	1 777	2 275	91%
Continuous positive airway pressure devices and masks	1 566	5 291	1 634	1 601	5 476	98%

Wound dressings and bandages	70	1 720	101	87	1 957	86%
Other medical devices	302	2 477	354	531	3 530	150%
Total	11 633	77 951	13 340	12 728	80 864	95%

* The total number of people is not summarised but counted as one person can use several medical devices.

Compared to 2020, the amount of benefits for medical devices has increased by 9% or 1 million euros, while the number of users of medical devices has increased by 4% or 2,913 people. The budget was executed by 95%.

The main focus in 2021 was on improving the availability of medical devices necessary for diabetics to monitor their blood sugar levels and administer medications. Since 2021, the continuous glucose monitoring (CGM) system is compensated, in addition to children with diabetes, to pregnant women and mothers with type 1 diabetes until their child becomes 1 year of age and to patients on dialysis or with kidney transplants with type 1 diabetes. As such, the number of users of the CGM system increased by 35% as expected in 2021. The volume of various diabetes supplies has increased by 7%, i.e. by 450 thousand euros in total.

Additionally, we expanded compensation of medical devices to tracheostomy patients for new types of medical devices (nebulizer, speech valve, lanyards) and increased limits for devices compensated to patients with stoma and fistula as well as lymphedema to cover the actual needs of the patients. In addition, we expanded the compensation of wound dressings to patients with arterial wounds. The volume of benefits for ostomy care products has increased by 8%, the volume of benefits for wound dressings by 24% and the volume of compression treatment of lymphedema has tripled. The latest change correlates well with the significant increase in quantities to be compensated – while previously, we compensated the patient for one compression product every six months, the number of products compensated from 2021 is two to four depending on the number of oedemas. We also expanded the right to prescribe compression products to a dermatovenerologist and the right to issue a repeat prescription to a family physician. The number of users has increased by 59%, which indicates that the change has helped to improve the availability of products to people who need them.

Compared to 2020, the number of users of orthoses and prostheses has increased by nearly 1,800 people and the effect on the budget by 240 thousand euros. The use is comparable to 2019 when products were used by a total of 22,153 people and the cost was 1.8 million euros. The increase compared to the previous year is likely due to the impact of COVID-19 on the availability of surgery and post-trauma treatment in the first half of 2020 when the use of orthoses and prostheses decreased by 23%.

6. Treatment of an Estonian insured person abroad

Treatment of an Estonian insured person abroad consists of planned treatment provided under the Health Insurance Act and benefits under the European Union legislation where the beneficiary is a person insured by the Estonian Health Insurance Fund. The provision of health services and payment is regulated by the Regulation of the European Parliament and of the Council on the coordination of social security systems, pursuant to which health care benefits are a commitment to the Health Insurance Fund.

Table 40. Treatment of an Estonian insured person abroad (in thousands of euros)

	2020 actual	2021 budget	2021 actual	Execution of the budget
Planned treatment abroad	5 786	5 160	2 967	58%
Costs of health service benefit for an Estonian insured person in another Member State	5 871	8 000	6 022	75%
Cross-border medical care	128	140	71	51%
Total	11 785	13 300	9 060	68%

In 2021, we planned 13.3 million euros for the treatment of an Estonian insured person abroad, of which 9 million euros, i.e. 68%, was used. Under-execution may be due to travel restrictions arising from the spread of COVID-19, affecting the availability and/or delay of treatment abroad. There were also fewer difficult and expensive treatment cases in 2021 compared to the previous year. The fact that various health services are added to the list of health care services of the Health Insurance Fund every year and that the ability to help patients in Estonia is increasing also cannot be ignored.

Planned treatment abroad

Cross-border free movement of insured persons for the purpose of planned treatment is governed by the legislation of the European Union (Directive 2011/24/EU of the European Parliament and of the Council, i.e. directive on the free movement of patients, and Article 20 of Regulation (EC) No 883/2004 of the European Parliament and of the Council) and subsection 271 (1) of the Health Insurance Act. The last two regulations require prior authorisation to refer a patient for planned treatment or examination abroad.

An insured person is referred for planned treatment or examination abroad based on a prior authorisation if the requested health service and/or alternatives to it are not available in Estonia. The medical efficacy of the health service must be medically indicated and proven for the patient and the average probability of achieving this goal must be at least 50%. Prior authorisation for going abroad is also issued if the medically indicated health service provided in Estonia cannot be provided within a medically justified period of time. A council consisting of at least two medical specialists will provide an assessment of compliance with the criteria.

The execution of the budget for planned treatment of an Estonian insured person abroad with a prior authorisation has been affected by the lower-than-expected use to the extent of nearly 2 million euros (execution of the budget 58%). Under-execution may be due to travel restrictions arising from the spread of COVID-19, affecting the availability and/or delay of planned treatment with a prior authorisation abroad. The fact that various health services are added to the list of health care services of the Health Insurance Fund every year and that the ability to help patients in Estonia is increasing cannot be ignored.

Table 41. Countries where health services with a prior authorisation for planned foreign medical treatment were provided to insured persons in 2021

	Total	Treatment	Analyses
Finland	14	14	-
Germany	6	5	1
Sweden	4	4	-
Netherlands	4	1	3
Denmark	3	3	-
Great Britain	2	1	1
Italy	2	2	-
Poland	1	-	1
Spain	1	-	1
Belgium	1	-	1
Russia	1	1	-
Total	39	31	8

In 2021, the Health Insurance Fund has assumed the obligation to pay for planned treatment with a prior authorisation abroad for 77 insured persons who submitted the respective application. 31 insured persons of them (incl. 23 children) were referred to treatment or examinations abroad, in eight cases (incl. three children), (an) analysis(-ses) was (were) performed. In addition, the Health Insurance Fund assumed the obligation to pay the fee for 38 insured persons (incl. five children) in connection with a search for an unrelated bone marrow donor through the Finnish Red Cross Blood Service.

There were seven negative decisions in the period under review (incl. one child), and eight applications were revoked/returned. The main reason for negative decisions has been the fact that the patient can be treated in Estonia. In a few cases, non-evidence-based treatment was administered, or the requested health service was not medically indicated.

The reasons for revoking/returning applications have been the following: the deficiencies in the application were not eliminated, the service being requested was not included under planned foreign medical treatment, or the applicant withdrew the application at their own request.

During the reporting period, treatment invoices from other countries based on the prior authorisation for planned treatment were received in the total amount of nearly 3 million euros, 898 thousand euros of which for costs related to a search for bone marrow donor and nearly 2.1 million euros for treatment and analyses. The Health Insurance Fund paid nearly 21 thousand euros for medical transport.

Table 42. High-cost cases of planned treatment abroad reimbursed by the Health Insurance Fund in 2021 (in thousands of euros)

	Country	Amount
Cardiac surgery	Finland	479
	Finland	454
Haematology	United Kingdom	284
	Finland	175

Costs of health service benefit for an Estonian insured person in another Member State

According to Regulation (EC) No 883/2004 of the European Parliament and of the Council, people insured by the Estonian Health Insurance Fund are entitled to:

- temporarily receive necessary medical care during their stay in another Member State;
- receive any medical care during their residence in another Member State.

The budget for 2021 was planned at 8 million euros, the actual execution of the budget was 5.9 million euros (75%). Of this amount, more than 4 million euros were reimbursed for 5,439 medical care cases in 2021. We reimbursed the largest amounts to Germany, Finland and Sweden to compensate for health care costs.

Table 43. Most expensive costs of benefit in another Member State paid for by the Health Insurance Fund in 2021 (in thousands of euros)

	Number of people	Amount
Germany	1,609	1,145
Finland	1,648	1,391
Sweden	368	478

Reimbursement of necessary medical care is made to insured people who are temporarily staying in a foreign country and have the European health insurance card or another document certifying European health insurance during their stay in another Member State. The rest of the health service benefit costs were paid for Estonian insured persons who are entitled to any medical care while living in another Member State.

Cross-border medical care

According to the Directive on patients' rights 2011/24/EU of the European Parliament and of the Council, which provides for the application of patients' rights in cross-border health care, patients can go to another EU Member State to receive treatment there and claim financial benefits from the Health Insurance Fund. A benefit can be applied for by patients for the services that they are entitled to receive at the expense of the Health Insurance Fund also in Estonia, according to the prices provided in the Health Insurance Fund's list of health care services, the list of medications, and the list of medical devices.

In 2021, we accepted 86 applications (compared to 81 applications in 2020) based on cross-border health care service and reimbursed nearly 71 thousand euros (compared to 128 thousand euros in 2020) for health services provided to people abroad. The amount reimbursed was significantly lower this year because there was only one higher-cost treatment case (with a cost of more than 17 thousand euros). The number of applications was slightly higher than in 2020 but still lower than before the spread of the COVID-19 disease.

Since 2020, the cost of prescription medications purchased in the European Union (initially in Finland) with an Estonian digital prescription is reimbursed, for which 27 applications were submitted (12 applications in 2020).

In 2021, the highest number of applications for reimbursement of cross-border health care services were submitted for the treatment of bone and joint diseases in the form of orthopaedic treatment (18%), followed by health services for the treatment of neurological diseases (14%), cardiovascular diseases (10%), upper respiratory diseases (10%), various gastrointestinal, urological, and surgical diseases (10%). The number of applications submitted for examinations and treatment of tumours remained low (7%) (6% in 2020, 24% in 2014–2017). Consultations and examinations, treatment of eye diseases, skin diseases, orthodontic treatment for children, treatment of gynaecological diseases accounted for a smaller proportion.

One application was rejected – this was the patient's co-payment.

In 2021, cross-border health care was provided in 15 Member States. Patients went to Finland the most (44%). Finland's proportion was increased by pharmaceuticals purchased based on a digital prescription. Germany (14%), Latvia (13%) and Spain (10%) followed. Patients occasionally went to Austria, Bulgaria, France, Italy, Lithuania, Sweden, the Netherlands, Belgium, Cyprus, Greece, and Norway.

In 2021, the Health Insurance Fund received five inquiries about the estimated reimbursable amount of a planned health service in accordance with the list of services of the Health Insurance Fund. The number of inquiries is actually higher as the Health Insurance Fund performs the function of a national contact point, which also receives additional inquiries for such information.

7. Other expenses

Other expenses are:

- support activities;
- health services for European insured persons;
- other health care costs.

Table 44. Execution of the budget for other expenses, in thousands of euros

	2020 actual	2021 budget	2021 actual	Execution of the budget
Support activities	335	300	16	5%
Health services for a European insured person	1,154	1,200	1,513	126%
Other health care costs, excl. COVID-19 expenses	17,433	28,613	19,174	67%
COVID-19 expenses in other health care costs	100,674	-	74,474	-
Total	119,596	30,113	95,177	316%

7.1 Support activities

As of 2018, the Health Insurance Fund's budget includes support activities related to functions transferred from the state budget. Support activities include replacement fees of family physicians, the possibility to provide seafarers with 24-hour remote medical consultation in Estonian and English on-board ships, and supporting the work of the HIV and AIDS medical council.

In 2021, 16 thousand euros were paid as support activities, which is 284 euros less than the previous year. The 2021 budget has been executed by 5%. The budget for support activities was under-executed because the amounts planned for supporting the work of the HIV and AIDS medical council in 2021 are included in the costs of specialised medical care.

In 2021, the Health Insurance Fund prepared amendments as part of the project "Transfer of family medical care from the administrative area of the Health Board to the administrative area of the Estonian Health Insurance Fund" to ensure the preparedness of the Health Insurance Fund to assume the organisation of family medical care, incl. organisation of the replacement system, administration of practice lists as well as organisation of competitions for family physicians from the Health Board from 1 January 2022. In 2021, temporary replacement of practice lists was added in case of unforeseen and emergency need and the terms and conditions of travel expenses of the replacement service provider were changed.

We paid 15 thousand euros for round-the-clock medical remote consultation in Estonian and English to seafarers (14 thousand euros in 2020).

7.2 Health services for European insured persons

Insured persons of other EU Member States are entitled to:

- receive necessary medical care during their temporary stay in Estonia;
- receive any medical care while living in Estonia.

Necessary medical care for EU Member States' insured persons is first paid by the Health Insurance Fund, but the final health care costs are borne by the country of coverage.

We paid a total of 1.5 million euros for health services and reimbursable pharmaceuticals issued to patients from other Member States who received treatment in Estonia, 98% of which are made up by costs of health services. Compared to the plan, the budget was exceeded by more than 300 thousand euros due to the provision of health services to foreigners on a larger scale.

7.3 Other health care costs

Exceptionally, health care costs reimbursed based on the decision of the management board of the Health Insurance Fund and the innovation fund are recognised under other health care costs. Coverage of COVID-19 expenses was included in the budget for health care costs from 2020.

COVID-19 expenses account for the largest proportion of the budget for other expenses as well as the payments made from the budget for other health care costs. In 2021, a total of 74 million euros were paid as COVID-19 expenses. However, COVID-19 expenses do not include the costs of benefits for incapacity for work, which are recognised under benefits for incapacity for work. As the state budget for 2021 did not foresee the surge in the COVID-19 disease and the resulting effect, costs related to the COVID-19 disease were not planned in the budget at the beginning of the year. COVID-19 expenses were to be covered by the Health Insurance Fund's ordinary revenue. This also affected the execution rate of the budget for other expenses (execution of the budget by 321%). The source of revenue and costs of COVID-19 expenses are described in more detail in the first part of the report, in particular in the section on implications of the expenditure budget.

The innovation fund accounts for the second largest share in other expenses. The budget of the innovation fund for 2021 was planned at 7.5 million euros, 2.8 million euros of which were used. The basis for the use of the innovation fund is section 4 of the Health Insurance Act, which provides that the Health Insurance Fund may use health insurance funds and the funds allocated to the Health Insurance Fund from the state budget to pay for activities or projects improving the quality, availability and effectiveness of provision of health services and for health care system development activities. The corresponding expenses must be approved by the Ministry of Social Affairs.

In 2021, 337 thousand euros were paid from the innovation fund for the implementation of the pilot project on ischemic stroke. The pilot project on ischemic stroke is aimed at organising the treatment of ischemic stroke. Four hospitals received support from the innovation fund for the initial implementation of the development project: Tartu University Hospital, North Estonia Medical Centre, West Tallinn Central Hospital and East Viru Central Hospital, which tested, inter alia, the service of the stroke treatment pathway coordinator in 2021. Recipients of support from the innovation fund had to implement two parts of the pilot project for all patients suffering from ischemic stroke from 1 July 2020 to 30 June 2021 – measurement of health outcomes and payment based on the treatment pathway. Payment based on the treatment pathway and measurement of health outcomes will end in June 2022 and the project will continue on to be financed from the Health Insurance Fund's budget for health services.

The Health Insurance Fund chose endoprosthesis of hip and knee joint as the next pilot project on the development of treatment pathway, the concerns of which range from long waiting lists to complex care management. 27 thousand euros were paid from the innovation fund in 2021 for the development of the pilot project on the treatment pathway of endoprosthesis.

More than one million euros were paid to the Health and Welfare Information Systems Centre for the development of health information systems and 386 thousand euros were paid for the development of a new generation health information system. 207 thousand euros were paid for the development of the digital registry.

In 2021, a total of 147 million euros were paid for the completion of the pilot phase of the PAIK project. The local health support service to ensure consistent treatment and the best social support is a pilot project for integrated service initiated in Viljandi County by Viljandi Hospital and the Ministry of Social Affairs and financed by the Health Insurance Fund.

The innovation fund supports demonstration projects for remote projects with nearly one million euros to accelerate the implementation of user-friendly remote services with a high potential for benefit. The projects focus on the major development needs of the health care system – preventing the aggravation of chronic diseases, improving the continuity of treatment, and improving the availability of services that support mental health. In 2021, 371 thousand euros were paid for the development of demonstration projects for remote services.

In addition in 2021, the innovation fund financed the e-ambulance project (110 thousand euros), the decision support project (98 thousand euros), allocated funds for the implementation of the risk-based medical care project of the World Bank as a prevention project (21 thousand euros) and for other projects in the total amount of 96 thousand euros.

Since 2020, the Health Insurance Fund has financed residency costs. Residency costs are planned on the basis of the number of health care students and the principles for payment of fee agreed upon. In 2021, 19 million euros were paid as residency costs, which is nearly one million euros more than the previous year. The increase in costs was affected the most by the increase in the minimum wage for doctors in 2021.

641 thousand euros were paid from the budget for other health care costs for the **maintenance of health information systems**.

202 thousand euros were paid as **health care development expenses** for carrying out various projects. As the largest development project, “Organisation of primary care of psychiatric patients in South-East Estonia” was launched under the leadership of the Estonian Psychiatric Association. The main purpose of the project was to improve the access of people with mental health concerns to mental health care. To achieve this, we intensified cooperation between medical specialists and family physicians and supported the Estonian Psychiatric Association in training family physicians. In addition, we ordered comprehensive e-training organised by the University of Tartu for family physicians and nurses, participation in which is free of charge.

In 2021, the Health Insurance Fund received repayments for **price agreement agreements of hospital pharmaceuticals** in the amount of 3.7 million euros.

Operating expenses of the Health Insurance Fund

When planning its activities and operating expenses, the Health Insurance Fund proceeds from its strategic objectives and development plan as well as the objectives of the current year's approved scorecard. In 2021, 15 million euros were planned for administrative operating expenses of health care, and the budget was executed by 93%.

The Health Insurance Fund's operating expenses in 2021 accounted for 0.8% of total expenses, remaining at the same level as in the previous year. During the years of operation of the whole organisation, this proportion has always remained below 1%.

Table 45. Execution of the budget for the Health Insurance Fund's operating expenses (in thousands of euros)

	2020 actual	2021 budget	2021 actual	Execution of the budget
Labour expenses	7,979	7,990	8,381	105%
Management expenses	1,937	2,301	2,030	88%
Information technology expenses	2,150	3,003	2,249	75%
Development expenses	339	450	254	56%
Other operating expenses	951	1,256	965	77%
Total	13,356	15,000	13,879	93%

Labour expenses

As at 31 December, there are 199 positions at the Health Insurance Fund, 189 of which are filled as at 31 December.

The 2021 budget for labour expenses has been exceeded by 5%. The latter was mainly due to the fact that employees took fewer days off than usual during the coronavirus pandemic because of the workload and the restrictions imposed. Due to the structural change, additional costs related to the departure of employees totalled 34 thousand euros.

Management expenses

Management expenses include daily operating expenses, training expenses of the staff of the Health Insurance Fund, consultation (incl. auditing) expenses, research expenses, and internal communication expenses. Similarly to other cost items, management expenses remained under-executed in 2020.

The execution of the budget for management expenses in 2021 was affected the most by the lower-than-planned use of management expenses for premises, inventory costs and consultation and research expenses. The main reason for the under-execution of the budget for management expenses for premises are the lower daily administrative costs (electricity, heating, repair and maintenance, furnishings of premises, etc.) due to the wide spread of the COVID-19 disease and the employees working from home offices. The Health Insurance Fund has also needed fewer consultation services than planned during the period.

In 2021, the working conditions of the Jõhvi office were updated. Opportunities for contemporary workplaces were created also for the employees of the institution temporarily staying in Jõhvi.

Information technology expenses

Information technology (IT) expenses include the purchase of information technology equipment and software for the Health Insurance Fund and the expenses related to the development and maintenance of IT systems.

Within the Health Insurance Fund, the replacement of the basic infrastructure continued in 2021, and several modern IT solutions were implemented, including activities enabling teleworking and an identity model. The under-execution of the budget for information technology expenses is mainly related to the lower-than-planned implementation of development activities of SAP services and environmental management.

Development expenses

Development expenses include the cost of auditing and consultations on health insurance benefits and cost associated with informing the public (including the development of the Health Insurance Fund's website). In 2021, total development expenses were executed by 56%.

Among development expenses of 2021, the costs of developing and auditing health services account for nearly 209 thousand euros and the costs of external communication 44 thousand euros.

Other operating expenses

The execution of the budget for other operating expenses includes, in addition to the value added tax calculated on operating expenses, losses resulting from changes in the exchange rate related to operating expenses and health insurance costs. Other operating expenses were executed by 77% in 2021.

The largest proportion of other operating expenses is made up of value added tax cost totalling nearly 840 thousand euros. The under-execution of the budget for other operating expenses is due to the under-execution of the budget for value added tax costs, which is mainly related to the under-execution of the budget for management expenses and information technology expenses.

Legal reserve

The formation of the legal reserve is governed by section 38 of the Estonian Health Insurance Fund Act as follows.

- The legal reserve of the health insurance fund means the reserve formed of the budget funds of the health insurance fund for the reduction of the risk which macro-economic changes may cause to the health insurance system.
- The legal reserve shall amount to 5.4% of the budget.
- The legal reserve may only be used as an exception by an order of the Government of the Republic on the proposal of the Minister of Social Affairs. Prior to submitting a proposal to the Government of the Republic, the Minister of Social Affairs shall hear the opinion of the supervisory board of the health insurance fund.

By the end of 2020, the legal reserve of the Health Insurance Fund was 86.2 million euros. According to section 38 of the Estonian Health Insurance Fund Act, the legal reserve shall amount to 93.2 million euros in 2021. In order to meet the legally required level, we increased the legal reserve by 6.9 million euros in 2021.

In 2022, the legal reserve shall amount to 100.4 million euros. In order to meet the legally required level, we will have to increase the legal reserve by 7.2 million euros in 2022.

Risk reserve

The formation of a risk reserve is governed by section 39¹ of the Estonian Health Insurance Fund Act as follows.

- The risk reserve of the health insurance fund is the reserve formed from the budgetary funds of the health insurance fund in order to minimise the risks arising for the health insurance system from the obligations assumed.
- The size of the risk reserve shall be 2 per cent of the health insurance budget of the health insurance fund.
- The funds of the risk reserve may be used upon a decision of the supervisory board of the health insurance fund.

At the end of 2020, the size of the risk reserve of the Health Insurance Fund was 31.6 million euros. According to section 39¹ of the Estonian Health Insurance Fund Act, the required size of the risk reserve in 2021 was 34.2 million euros. In order to meet the legally required level in 2021, we increased the risk reserve by 2.6 million euros.

In 2022, the legally required risk reserve is 36.8 million euros. In order to meet the legally required level, we have to increase the risk reserve by 2.6 million euros in 2022.

Retained earnings

The Estonian Health Insurance Fund's use of retained earnings from previous periods is regulated by section 36¹ of the Estonian Health Insurance Fund Act as follows.

- The profits of the health insurance fund brought forward may be used in the amount of up to 30% in one financial year, but not more than in the amount of 7% of the costs of health services prescribed in the budget of the health insurance fund in the previous calendar year.
- The supervisory board shall decide, on the proposal of the management board, the use of the profits of the health insurance fund brought forward.

At the beginning of 2021, the Health Insurance Fund had retained earnings amounting to 138.1 million euros.

In 2021, 6.9 million euros was allocated to the legal reserve from the retained earnings and 2.6 million euros into the risk reserve to bring the reserves to the legally required level.

By 2021, the planned earnings were minus 18.4 million euros. Since the Health Insurance Fund received more money from the social tax component of health insurance than was planned in the accounting year, the earnings for 2021 were 135.9 million euros.

As at 31 December 2021, the total retained earnings were 264.5 million euros.

The management board of the Health Insurance Fund proposes to the supervisory board to transfer 7.2 million euros of the retained earnings of previous periods to the legal reserve and 2.6 million euros to the risk reserve in order to bring the reserves to the legally required level of 2022, which will result in the retained earnings of 254.7 million euros.

Annual accounts

Balance sheet

Assets			
In thousands of euros	31.12.2021	31.12.2020	Note
Current assets			
Cash	355,913	202,249	2
Receivables and prepayments	181,359	155,559	3
Inventories	6,942	9,417	4
Total current assets	544,214	367,225	
Fixed assets			
Tangible fixed assets	19	152	5
Total fixed assets	19	152	
Total assets	544,233	367,377	

Liabilities			
In thousands of euros	31.12.2021	31.12.2020	Note
Liabilities			
Payables and prepayments	152,345	111,417	7
Total current liabilities	152,345	111,417	
Total liabilities	152,345	111,417	
Net assets			
Reserves	127,380	117,831	8
Earnings brought forward	128,580	121,393	
Earnings of the accounting year	135,928	16,736	
Total net assets	391,888	255,960	
Total liabilities	544,233	367,377	

Profit and loss statement

In thousands of euros	2021	2020	Note
Health insurance component of social tax, operating support, and recoveries from other persons	1,832,673	1,548,276	9
Expenses related to health insurance	-1,781,388	-1,623,984	11
Targeted financing revenues:	67,081	101,354	15
Targeted financing expenses	0	-183	15
Gross result	118,366	25,463	
General administrative expenses	-12,914	-12,405	12
Other operating revenue	31,441	4,293	10
Other operating expenses	-965	-768	13
Operating profit	135,928	16,583	
Interest and other financial income	0	153	2
Earnings of the accounting year	135,928	16,736	

Cash flows

In thousands of euros	2021	2020	Note
Cash flows from principal activity			
Social tax proceeds	1,481,304	1,369,760	9
Operational support received	439,197	266,712	9
Invoices benefits for incapacity for work paid	-1,777,544	-1,626,183	
Fees paid to employees	-5,039	-4,863	12
Taxes paid on labour expenses	-3,587	-2,092	12
Other revenue	19,333	17,135	10
Total cash flows from principal activity	153,664	20,469	
Net change in cash and bank accounts	153,664	20,469	
Bank accounts and cash equivalents at the start of the period	202,249	181,780	2
Change in cash	153,664	20,469	
Bank accounts and cash equivalents at the end of the period	355,913	202,249	2

Statement of changes in net assets

In thousands of euros	2021	2020	Note
Reserves			
Reserves at the beginning of the year	117,831	107,298	
Allocation to reserves	9,549	10,533	
Reserves at the end of the year	127,380	117,831	8
Earnings brought forward			
At the beginning of the year	138,129	131,926	
Allocation to reserves	-9,549	-10,533	
Earnings of the accounting year	135,928	16,736	
At the end of the year	264,508	138,129	
Net assets at beginning of the year	255,960	239,224	
Net assets at the end of the year	391,888	255,960	

Notes to the annual accounts

Note 1. Accounting policies used for preparing the annual report

The annual accounts of the Estonian Health Insurance Fund (hereinafter also Health Insurance Fund) for 2021 have been prepared in accordance with the Estonian financial reporting standard. Estonian financial reporting standard is a body of financial reporting requirements based on the internationally accepted accounting and reporting principles, which principal requirements are established by the Accounting Act of the Republic of Estonia and which is specified by the guidelines of the Estonian Accounting Standards Board. These annual accounts are also prepared on the basis of the public sector financial accounting and reporting guidelines.

The financial year began on 1 January 2021 and ended on 31 December 2021. The numeric data in the annual accounts are presented in thousands of euros.

Report formats

The income statement format 2 established with the Accounting Act, the structure of the entries of which has been adjusted to the nature of the activities of the Health Insurance Fund, is used as an economic outturn account.

Financial assets and liabilities

Financial assets are deemed to be cash, trade receivables, and other current and long-term receivables. Financial liabilities are deemed to be outstanding invoices to suppliers, accruals, and other short-term and long-term debt obligations.

Financial assets and liabilities are initially registered at their acquisition cost, which is equal to the fair value of the consideration given or received for the respective financial asset or liability. The initial acquisition cost comprises all expenses directly attributable to the financial asset or liability.

In the balance sheet, financial liabilities are recognised at adjusted acquisition cost.

A financial asset is removed from the balance sheet when the Health Insurance Fund's right to the cash flows from the financial asset expires or it transfers the cash flows from the financial asset and most of the risks and rewards associated with the ownership of the financial asset to a third party. A financial liability is removed from the balance sheet when it is satisfied, cancelled or expires.

Cash

The funds of the Health Insurance Fund are kept in current accounts that are part of the group account of the State Treasury of the Ministry of Finance. According to the deposit agreement between the Estonian Health Insurance Fund and the Republic of Estonia, the Health Insurance Fund has unlimited access to the money on the group account at one week's notice. The Republic of Estonia can apply a usage limit on the deposited amount, but has not done so as at 31 December 2021.

The statement of cash flows has been prepared using the direct method.

Recognising foreign currency transactions

Transactions denominated in foreign currencies are recognised by applying the European Central Bank exchange rates quoted at the date of transaction. Monetary financial assets and liabilities denominated in foreign currencies are translated into euros as at the reporting date on the basis of the European Central Bank exchange rates quoted at the reporting date. Exchange gains and losses are recognised in the income statement as the revenue and expenditure of the period.

Receivables

Trade receivables comprise receivables for goods sold, services provided, and recoveries of health insurance benefits that fall due in the following financial year. Receivables falling due within more than a year are recorded as long-term receivables.

Receivables for goods sold and services provided comprise receivables from the Ministry of Social Affairs for the service of processing treatment invoices and receivables for health services provided in Estonia to patients from other EU Member States from the competent institution of such persons' country of coverage. Also requirements for pharmaceutical sellers arising from price agreements on pharmaceuticals.

The recoverability of receivables is assessed at least once a year as at the reporting date. Receivables are measured on an individual basis. Under the concept of prudence, only recoverable amounts are recognised in the balance sheet. Doubtful receivables are recognised as an expense in the period in which they arise. Recovery of previously expensed doubtful receivables is recognised as a reduction of expenses from doubtful receivables.

Receivables whose collection is impossible or economically impractical are considered irrecoverable and written off the balance sheet.

Inventories

Prescription forms and medicines purchased uniformly for healthcare service providers are treated as inventories. Inventories are measured in the balance sheet at acquisition cost or net realisable value, depending on which is lower. Inventories are registered at acquisition cost based on the purchase invoice and are expensed by using the weighted average cost method.

Tangible assets

Assets are classified as tangible fixed assets when their estimated useful life extends beyond one year and acquisition cost exceeds 5,000 euros. Assets with a shorter estimated useful life or lower acquisition cost are expensed at acquisition.

Tangible assets are initially registered at acquisition cost and depreciated under the linear method according to their expected useful lives. The cost of land and works of art are not depreciated.

The following depreciation periods (in years) are applied:

- buildings and construction works 10–20
- fixtures and fittings 2–4

Expenditure on items of property, plant and equipment incurred after acquisition is generally expensed during the period. Subsequent expenditure is added to the cost of a tangible fixed assets when it is probable that future economic benefits generated by the expenditure will exceed the originally assessed benefits and the expense can be measured reliably and attributed to the asset.

Targeted financing

Benefits given and received under certain conditions for a designated purpose where the provider of the targeted financing checks whether or not the benefit is used as designated is recognised as targeted financing. Targeted financing is not recognised as revenue and expenses until the conditions associated with them have been met.

Targeted financing is recognised as income when it becomes recoverable.

Revenue and expenses

Revenue and expenses are recognised on an accrual basis. Interest income is recognised as it accrues.

The Health Insurance Fund's revenue comprises mostly the health insurance component of social tax, operating support and recoveries from other persons. The health insurance component of social tax is received from the Estonian Tax and Customs Board through weekly transfers. Once a month, the Estonian Tax and Customs Board sends to the Health Insurance Fund a statement of transfer of tax balances which serves as a basis for recording as revenue in the accounts. The operating support is a provision from the state budget, which is calculated based on the old-age pensions of non-working old-age pensioners. Recoveries from other persons are recognised when a claim is submitted against a legal entity based on the law or a contract for compensation of damage caused to the Health Insurance Fund. Claims (receivables) against natural persons are recorded upon receipt of payment.

Operating and financial leases

A lease that transfers all substantial risks and rewards incidental to the ownership of an asset to the lessee is recognised as a financial lease. Other leases are classified as operating leases. On classifying leases as operating or financial leases, public sector entities also consider the requirements of chapter 15 of IPSAS 13 (Leases) and regard the cases where the leased assets cannot easily be replaced by another asset as meeting the criteria of financial leases.

Assets acquired under financial leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property. Lease payments are apportioned between the financial charge and the reduction of the outstanding liability. The financial charge is recognised during the lease term.

Operating lease payments are recognised as an expense on a linear basis over the lease term.

Provisions and contingent liabilities

The Health Insurance Fund allocates provisions for liabilities of uncertain timing or amount. The amount and timing of provisions is determined on the basis of estimates made by the management or relevant experts.

A provision is recognised when the Health Insurance Fund has incurred a legal obligation or an obligation arising from its operations prior to the balance sheet date, the probability of the provision upon the outflow of resources exceeds 50%, and the amount of provision can be reliably measured.

Reserves

The reserves of the Health Insurance Fund consist of legal reserve and risk reserve. The formation and utilisation of reserves is governed by the Estonian Health Insurance Fund Act.

Events after the reporting date

The annual accounts reflect all the significant events affecting the valuation of assets and liabilities that became evident between the reporting date of 31 December 2021 and the date on which the financial accounts were authorised for issue but are related to transactions carried out during the reporting period or earlier periods.

Events following the reporting date which have a significant effect on the result of the next financial year but which have not been taken into consideration upon assessing the assets and liabilities are disclosed in the notes to the annual accounts.

Note 2. Cash

In thousands of euros	31.12.2021	31.12.2020
Cash on bank accounts	355 913	202 249

The Ministry of Finance calculates for the Health Insurance Fund an interest on the balance of the funds held on the accounts of the group account at the rate which equals the profitability of the state cash reserve. There was no interest income on cash in 2021 (153 thousand euros in 2020).

Note 3. Receivables and prepayments

In thousands of euros	31.12.2021	31.12.2020
Social tax receivable*	152 848	143 774
Trade receivables	23 623	11 544
Doubtful receivables	-90	-72
Prepaid expenses of future periods	4 936	279
Receivables from policyholders pursuant to a contract	42	34
Total	181 359	155 559

Social tax receivable is a short-term receivable for the health insurance component of social tax calculated for the Tax and Customs Board.

There were no outstanding receivables from related parties as at 31.12.2021, see Note 14.

Prepaid expenses of future periods include, among others, the balance of the support transferred to the Health Board for the purchase of the coronavirus medication in the amount 4,016 thousand euros and the balance of the support transferred to the Health and Welfare Information Systems Centre in the amount 755 thousand euros.

Note 4. Inventories

In thousands of euros	31.12.2021	31.12.2020
Pharmaceuticals	6 939	9 414
Prescription forms	3	3
Total	6 942	9 417

Note 5. Tangible assets

In thousands of euros	Land	Construction works	Other fixtures and fittings	Total tangible assets
Acquisition cost				
31.12.2020	1	451	1 797	2 249
Sold	0	0	37	37
Written off	0	0	232	232

31.12.2021	1	451	1 528	1 980
Accumulated depreciation				
31.12.2020	0	431	1 666	2 097
Calculated depreciation	0	20	76	96
Written off	0	0	232	232
31.12.2021	0	451	1 510	1 961
Carrying amount				
31.12.2020	1	20	131	152
31.12.2021	1	0	18	19

Note 6. Lease

Operating lease

Accountable as the lessee

The economic outturn account of 2021 recognises operating lease payments totalling 590 thousand euros (570 thousand euros in 2020), incl. 2 thousand euros for leasing means of transport and 588 thousand euros for premises pursuant to lease agreements (11 thousand euros and 559 thousand euros in 2020, respectively).

There are no contingent liabilities arising from lease payments. The term for advance notice upon terminating lease agreements for premises is 12 months.

Operating lease expenses are covered in Note 12.

Note 7. Payables and prepayments

In thousands of euros	31.12.2021	31.12.2020
Trade payables	126 658	104 047
Payables to medical institutions for services	85 833	62 701
Payables to pharmacies for pharmaceuticals distributed at a discount	12 539	11 175
Payables for health insurance benefits to other suppliers	27 885	29 743
Other trade payables	401	428
Tax payables	4 691	3 945
Personal income tax	4 145	3 426
Social tax	508	484
Unemployment insurance premium	18	18
contribution to mandatory funded pension	7	8
Income tax on fringe benefits	7	7
Value added tax	6	2
Other payables	20 996	3 425
Payables to contractors	1 009	937
Other payables	358	265
Prepayments received	19 629	2 223
Total	152 345	111 417

Trade payables include related party transactions in the amount of 1,101 thousand euros (929 thousand euros as at 31 December 2020), see Note 14.

Personal income tax liability includes personal income tax in the amount of 4,050 thousand euros (3,333 thousand euros as at 31 December 2020) withheld from benefits for incapacity for work paid by to persons insured by the Health Insurance Fund. Social tax liability includes social tax in the amount of 333 thousand euros (309 thousand euros as at 31 December 2020) accrued on outstanding pay.

The tax authority has the right to check the tax records of the Health Insurance Fund within up to five years from the deadline for submission of the tax declaration and to determine the additional amount of tax, interest and fines upon detection of any errors. In 2020 and 2021, no controls were carried out by the tax authority. According to the management of the Health Insurance Fund, there are no circumstances that could lead the tax authority to impose a significant additional tax on the Health Insurance Fund.

Note 8. Reserves

In thousands of euros	Legal reserve	Risk reserve	Total
Balance at the start of the period on 1 January 2021	86 204	31 627	117 831
Formation of the reserve in 2021	6 968	2 581	9 549
The amount of the reserve required by law and the size of the reserve as at 31 December 2021	93 172	34 208	127 380

According to the Estonian Health Insurance Fund Act, the legal reserve shall amount to 5.4 per cent of the budget. Each year, at least one-fiftieth of the total budget of the health insurance fund and revenue from social tax revenue prescribed for the payment of health insurance benefits, which is higher than prescribed in the state budget, shall be transferred to the legal reserve, until the amount of the legal reserve provided by this Act is reached or restored.

The size of the risk reserve shall be 2 per cent of the health insurance budget of the health insurance fund.

Note 9. Health insurance component of social tax and recoveries from other persons

In thousands of euros	2021	2020
Health insurance component of social tax	1 490 379	1 381 987
Operating support	340 634	164 656
Recoveries from other persons	1 660	1 633
Total	1 832 673	1 548 276

According to subsection 51 (3) of the Health Services Organisation Act, operating support includes the state budget allocation on the basis of the amount of the pension of non-working pensioners in 2021 in the amount of 190,884 thousand euros (164,005 thousand euros in 2020) and nearly 1,650 thousand euros of support for SARS-CoV-2 rapid tests (651 thousand euros in 2020). In addition, support was received in 2021 to cover health care costs in the amount of 143,400 thousand euros and support for vaccination in the amount of 4,700 thousand euros.

Recoveries from other persons include transactions with related parties in the amount of 2 thousand euros (211 thousand euros in 2020), see Note 14.

Note 10. Other operating revenues

In thousands of euros	2021	2020
To restore the legal reserve	26 500	0
Services provided to the citizens of the European Union	3 249	2 580
Voluntary insurance contracts	1 221	1 123
Insurance contracts with other countries	411	453
Other	60	137
Total other operating revenues	31 441	4 293

In order to cover the services arising from the spread of the virus causing COVID-19 paid through the Estonian Health Insurance Fund, a support was transferred to the Estonian Health Insurance Fund to restore the legal reserve pursuant to the Supplementary Budget Act 2021. The legal reserve was restored in the amount of 10,395 euros, the rest of the support was used to cover COVID-19 expenses not included in Note 15 (targeted financing revenues).

Note 11. Expenses related to health insurance

In thousands of euros	2021	2020
Health service benefits	1 322 685	1 209 772
specialised medical care	903 051	838 261
primary medical care	189 805	160 936
dental care	61 978	58 041
emergency medical care	67 097	64 753
nursing care	52 246	47 375
disease prevention	16 488	14 991
personal protective equipment	22 757	17 473
emergency treatment of uninsured persons	9 263	7 942
Costs of benefits for temporary incapacity for work	222 933	191 867
Expenses related to benefits for pharmaceuticals	183 043	169 259
Other expenses of health insurance benefits	42 491	42 857
benefits for medical devices	12 728	11 633
health service benefits arising from international agreements	10 573	12 938
miscellaneous health insurance expenditure	19 190	18 286
Other financial benefits	7 994	7 488
Health promotion costs	2 242	2 741
Total health insurance expenses	1 781 388	1 623 984

COVID-19 expenses are included in the respective health care costs in the amount of 74,474 thousand euros. Health insurance expenditure includes transactions with related parties in the amount of 17,511 thousand euros (15,341 thousand euros in 2020), see Note 14.

Note 12. General administrative expenses

In thousands of euros	2021	2020
Personnel and management expenses	8 381	7 979
Wages and salaries	6 183	5 946
incl. remuneration of members of the management board	446	441
incl. remuneration of employees working pursuant to a contract for services	83	60
Social tax	2 150	1 988
Unemployment insurance	48	45
Information technology expenses	2 249	2 150
Management expenses	2 030	1 937
incl. operating lease payments*	590	570
Development expenses	254	339
Total general administrative expenses	12 914	12 405

* see Note 6

Average number of employees of the Health Insurance Fund reduced to full-time equivalent as at the reporting date	2021	2020
Members of the management or controlling body of a legal person	4	4
Persons employed pursuant to an employment contract	180	187
Persons providing services pursuant to a contract under the law of obligations	9	7
Total	193	198

Management costs do not include transactions with related parties, see Note 14.

Upon expiry of the term of their contracts of service, members of the management board are entitled to benefits equal to their three months' remuneration.

Note 13. Other operating expenses

In thousands of euros	2021	2020
Value added tax on operating expenses	858	688
Receivables expensed	68	57
Other	39	23
Total other operating expenses	965	768

Note 14. Transactions with related parties

Related parties of the Estonian Health Insurance Fund include members of the supervisory board and members of the management board who have been employed during the current accounting year, close family members of the member of the supervisory or management board, and legal persons over whom the specified natural persons have significant control or influence (for example, they are members of the supervisory or management board of such a legal person or hold at least 10% of the share capital of such a legal person).

Health services are purchased from related parties under the same conditions as from other providers.

Transactions with related parties

In thousands of euros	2021	2020	Lisa
Purchase of services	17 511	15 341	11, 12
Sale of services	0	0	9
Liability at 31.12	1 101	929	7
Receivable at 31.12	0	0	3

No write-downs of receivables from related parties were made in 2020 or 2021. Medical services purchased from other health service providers where the party related to the Health Insurance Fund is a member of a management body are mostly recognised as the purchase of services.

For the remuneration of members of the management board, see Note 12.

Note 15. Targeted financing

Targeted financing revenues:

In thousands of euros	2021	2020
Additional funds for COVID-19 from the state budget	67 072	100 674
Other	3 402	680
Total	67 081	101 354

Targeted financing expenses:

In thousands of euros	2021	2020
EESSI project	0	129
STACC project	0	28
Clinical decision support project	0	26
Total	0	183

Note 16. Events after the balance sheet date

2021 continued to be a year marked by the coronavirus and still a very difficult time for the health sector. The whole world hoped that vaccination would help us to force the virus outbreak to recede.

However, as the spread of the COVID-19 disease accelerated already in the beginning of 2021 and the number of hospital patients increased rapidly, the Government of the Republic decided to allow, upon the proposal of the supervisory board of the Health Insurance Fund, the use of 26.5 million euros from the legal reserve of the Health Insurance Fund. In January 2021, the supervisory board of the Health Insurance Fund confirmed that additional costs related to COVID-19 can be financed from the legal reserve. 21 million euros of this were for health care providers to cover additional costs related to the COVID-19 disease, 4.5 million euros for health care providers to cover vaccination costs related to the COVID-19 disease and one million euros for the Health Board to cover the costs of purchasing pharmaceuticals related to the COVID-19 disease.

The Supplementary State Act passed in April 2021 allocated funds to the Health Insurance Fund to cover the additional costs of COVID-19 in the amount of 95.5 million euros, incl. in the amount of 26.5 million euros to restore the legal reserve.

In November 2021, we brought the legal reserve to the required level. According to the current law, the legal reserve of the Health Insurance Fund shall be 5.4% of the budget.

The year 2022 also began with the extensive spread of the coronavirus and in January, the supervisory board of the Health Insurance Fund proposed utilising another 29.06 million euros from the legal reserve to cover COVID-19 expenses. The utilisation of the legal reserve is justified because the costs are extraordinary costs related to a health emergency. At the expense of the funds of the legal reserve, the Health Insurance Fund makes payments under the terms and conditions provided in the legislation to perform the tasks assigned pursuant to the Estonian Health Insurance Fund Act. Pursuant to subsection 2 (1) of the Estonian Health Insurance Fund Act, the Health Insurance Fund performs the functions arising from the Health Insurance Act, Health Services Organisation Act and other legislation. Pursuant to subsection 38 (3) of the Estonian Health Insurance Fund Act, an order of the Government of the Republic is established, on the basis of which the Health Insurance Fund uses the legal reserve to finance the reorganisation of the work of primary medical care, specialised medical care, nursing care service and emergency medical care and the payment of additional fees in the amount of 25.5 million euros. In addition, the purchase of medications related to COVID-19 and the distribution of these medications to hospitals is financed in the amount of 3.56 million euros.

The Health Insurance Fund must restore the legal reserve to the prescribed size no later than by 2023.

We have taken into account that the scheme for compensating sick leave days will continue until the end of 2022 (according to the amendment to the law passed by the Riigikogu in December 2021) and vaccination must be continued. The implementation of the changes to the compensation of sick leave days will result in an additional cost of 24 million euros in 2022, 12.4 million euros of which will be covered from the state budget and the remaining costs will be covered by the Estonian Health Insurance Fund from its own funds. The forecast of additional costs is based on the experience of 2021. When drawing up the budget for 2022, we have also assumed that despite the impact of the pandemic on the health care system, the financing of planned treatment and availability of health services is ensured at the same time.

In 2022, the second major challenge in addition to the COVID-19 disease is to mitigate the price increase related to the rise in energy costs. At the beginning of the year, the management board of the Health Insurance Fund together with the Health and Labour Minister came up with possible solutions to mitigate the price increase.

The current war in Ukraine has brought thousands of war refugees to Estonia who have been granted temporary protection for the first year, giving them the same rights as Estonian residents. Health services used by these people increase the expenses of the Estonian Health Insurance Fund, which are partly covered by revenue – taxes earned on people's wages and provisions paid by the state for the unemployed and unemployed old-age pensioners. As the number of refugees to remain in Estonia is currently unknown, more detailed forecasts are being prepared. Other issues arising from the ongoing war do not have a significant impact on the financial results of the Health Insurance Fund.

Signatures to the annual report

The management board of the Estonian Health Insurance Fund has prepared the 2021 annual report.

The annual report comprises the management report and the annual accounts, to which the independent auditor's report has been appended.

Management board

1 April 2022



Rain Laane

Chairman of the Management Board



Pille Banhard

Member of the Management Board



Maivi Parv

Member of the Management Board



Karl-Henrik Peterson

Member of the Management Board



KPMG Baltics OÜ
Narva mnt 5
Tallinn 10117
Estonia

Telephone +372 6 268 700
Fax +372 6 268 777
Internet www.kpmg.ee

SÕLTUMATU VANDEAUDIITORI ARUANNE

Eesti Haigekassa nõukogule

Arvamus

Oleme auditeerinud Eesti Haigekassa raamatupidamise aastaaruannet, mis sisaldab bilanssi seisuga 31. detsember 2021, tulemiaruanne, rahavoogusid ja netovara muutuste aruannet eeltoodud kuupäeval lõppenud aasta kohta ja raamatupidamise aastaaruande lisasid, sealhulgas märkimisväärsete arvestuspõhimõtete kokkuvõtet.

Meie arvates kajastab eespool mainitud raamatupidamise aastaaruanne kõigis olulistest osades õiglaselt ettevõtte finantsseisundit seisuga 31. detsember 2021 ning sellel kuupäeval lõppenud majandusaasta finantstulemust ja rahavoogusid kooskõlas Eesti finantsaruandluse standardiga.

Arvamuse alus

Viisime auditi läbi kooskõlas rahvusvaheliste auditeerimise standarditega (Eesti). Meie kohustusi vastavalt nendele standarditele kirjeldatakse täiendavalt meie aruande osas „Vandeauditori kohustused seoses raamatupidamise aastaaruande auditiga“. Me oleme ettevõttest sõltumatud kooskõlas kutseliste arvestusekspertide eetikakoodeksiga (Eesti) (sh sõltumatuse standardid), ja oleme täitnud oma muud eetikaalased kohustused vastavalt nendele nõuetele. Me usume, et auditi tõendusmaterjal, mille oleme hankinud, on piisav ja asjakohane aluse andmiseks meie arvamusel.

Muu informatsioon

Juhtkond vastutab muu informatsiooni eest. Muu informatsioon sisaldab Haigekassa juhatuse pöördumist, tegevusaruannet, eelarve täitmise aruannet, kuid ei hõlma raamatupidamise aastaaruannet ega meie asjaomast vandeauditori aruannet.

Meie arvamus raamatupidamise aastaaruande kohta ei hõlma muud informatsiooni ja me ei tee selle kohta mingis vormis kindlustandvat järeldust.

Seoses meie raamatupidamise aastaaruande auditiga on meie kohustus lugeda muud informatsiooni ja kaaluda seda tehes, kas muu informatsioon lahkneb oluliselt raamatupidamise aastaaruandest või meie poolt auditi käigus saadud teadmistest või tundub muul viisil olevat oluliselt väärkajastatud.

Kui me teeme tehtud töö põhjal järelduse, et muu informatsioon on oluliselt väärkajastatud, oleme kohustatud sellest faktist aru andma. Meil ei ole sellega seoses millegi kohta aru anda.

Juhtkonna ja nende, kelle ülesandeks on valitsemine, kohustused seoses raamatupidamise aastaaruandega

Juhtkond vastutab raamatupidamise aastaaruande koostamise ja õiglase esitamise eest kooskõlas Eesti finantsaruandluse standardiga ja sellise sisekontrolli eest, nagu juhtkond peab vajalikuks, et võimaldada kas pettusest või veast tulenevate oluliste väärkajastamisteta raamatupidamise aastaaruande koostamist.

Raamatupidamise aastaaruande koostamisel on juhtkond kohustatud hindama ettevõtte suutlikkust jätkata jätkuvalt tegutsevana, esitama infot, kui see on asjakohane, tegevuse jätkuvusega seotud asjaolude kohta ja kasutama tegevuse jätkuvuse arvestuse alusprintsipi, välja arvatud juhul, kui juhtkond kavatseb kas ettevõtte likvideerida või tegevuse lõpetada või tal puudub sellele realistlik alternatiiv.

Need, kelle ülesandeks on valitsemine, vastutavad ettevõtte raamatupidamise aruandlusprotsessi üle järelevalve teostamise eest.



Vandeauditori kohustused seoses raamatupidamise aastaaruande auditiga

Meie eesmärk on saada põhjendatud kindlus selle kohta, kas raamatupidamise aastaaruanne tervikuna on kas pettusest või veast tulenevate oluliste väärkajastamisteta, ja anda välja vandeauditori aruanne, mis sisaldab meie arvamust. Põhjendatud kindlus on kõrgetasemeline kindlus, kuid see ei taga, et olulise väärkajastamise eksisteerimisel see kooskõlas rahvusvaheliste auditeerimise standarditega (Eesti) läbiviidud auditi käigus alati avastatakse. Väärkajastamised võivad tuleneda pettusest või veast ja neid peetakse oluliseks siis, kui võib põhjendatult eeldada, et need võivad üksikult või koos mõjutada majanduslikke otsuseid, mida kasutajad raamatupidamise aastaaruande alusel teevad.

Kasutame auditeerides vastavalt rahvusvaheliste auditeerimise standarditele (Eesti) kutsealast otsustust ja säilitame kutsealase skeptitsismi kogu auditi käigus. Me teeme ka järgmist:

- teeme kindlaks ja hindame raamatupidamise aastaaruande kas pettusest või veast tuleneva olulise väärkajastamise riskid, kavandame ja teostame auditiprotseduure vastuseks nendele riskidele ning hangime piisava ja asjakohase auditi tõendusmaterjali, mis on aluseks meie arvamusele. Pettusest tuleneva olulise väärkajastamise mitteavastamise risk on suurem kui veast tuleneva väärkajastamise puhul, sest pettus võib tähendada salakokkulepet, võltsimist, info esitamata jätmist, vääresitiste tegemist või sisekontrolli eiramist;
- omandame arusaamise auditi puhul asjassepuutuvast sisekontrollist, et kavandada nendes tingimustes asjakohaseid auditiprotseduure, kuid mitte arvamuse avaldamiseks ettevõtte sisekontrolli tulemuslikkuse kohta;
- hindame kasutatud arvestuspõhimõtete asjakohasust ning juhtkonna arvestushinnangute ja nendega seoses avalikustatud info põhjendatust;
- teeme järelduse juhtkonna poolt tegevuse jätkuvuse arvestuse alusprintsipi kasutamise asjakohasuse kohta ja saadud auditi tõendusmaterjali põhjal selle kohta, kas esineb olulist ebakindlust sündmuste või tingimuste suhtes, mis võivad tekitada märkimisväärset kahtlust ettevõtte suutlikkuses jätkata jätkuvalt tegutsevana. Kui me teeme järelduse, et eksisteerib oluline ebakindlus, oleme kohustatud juhtima vandeauditori aruandes tähelepanu raamatupidamise aastaaruandes selle kohta avalikustatud infole või kui avalikustatud info on ebapiisav, siis modifitseerima oma arvamust. Meie järeldused põhinevad vandeauditori aruande kuupäevani saadud auditi tõendusmaterjalil. Tulevased sündmused või tingimused võivad siiski kahjustada ettevõtte suutlikkust jätkata jätkuvalt tegutsevana;
- hindame raamatupidamise aastaaruande üldist esitusviisi, struktuuri ja sisu, sealhulgas avalikustatud informatsiooni, ning seda, kas raamatupidamise aastaaruanne esitab aluseks olevaid tehinguid ja sündmusi viisil, millega saavutatakse õiglane esitusviis.

Me vahetame nendega, kelle ülesandeks on valitsemine, infot muu hulgas auditi planeeritud ulatuse ja ajastuse ning märkimisväärsete auditi tähelepanekute kohta, sealhulgas mistahes sisekontrolli märkimisväärsete puuduste kohta, mille oleme tuvastanud auditi käigus.

Tallinn, 1. aprill 2022

/digitaalselt allkirjastatud/

Andris Jegers

Vandeauditori number 171

KPMG Baltics OÜ

Auditoortevõtja tegevusluba nr 17

