



# 2023 annual report

TERVISEKASSA 

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Beginning of the financial year	1 January 2023
End of the financial year	31 December 2023
Principal activity	National health insurance
Management board	Rain Laane (Chairman) Pille Banhard Maivi Parv Karl-Henrik Peterson
Company of auditors	KPMG Baltics OÜ

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

## Address of the management board

In the form of Tervisekassa, the Health Insurance Fund is one year old. However, 32 years have passed since the entry into force of the Health Insurance Act of the Republic of Estonia, which is based on the health insurance system, and in a limited form, health insurance was already in use during the first period of independence of Estonia in 1918–1940. The Health Insurance Fund has taken the first major steps to ensure that the change of mindset that comes with this name change reaches more people – preventing disease and promoting health, and thus using the funds for treatment that are freed up in the best way possible.

A sustainable health care system is the cornerstone of a strong society and must be seen as an investment. In 2023, 97% of all people in Estonia came into contact with the health care system in one way or another. In 2023, we funded 2.1 billion euros in health care, which helped 1.18 million people to access health services and health insurance benefits. Compared to 2022, funding has increased by nearly 253 million euros. At the same time, demographic changes and the rapid development of medicine mean that the provision of health services is becoming more complex every year.

Therefore, we must invest more in health promotion and disease prevention. These two fundamental and strategic areas were directly financed by the Health Insurance Fund in the amount of nearly 28 million euros in 2023, but the amount is even higher if we consider indirect measures. Among other things, we fund cancer screenings, organise national vaccinations, have taken over addiction counselling and treatment services, and support school health care as well as several health promotion projects related to the dental care, mental health, and sexual health of children. The results are clear – for example, there was a significant improvement in the participation rates for all three cancer screening tests in 2023.

We value our family physicians and family nurses because timely primary contact with the health care system is the basis of comprehensive patient care. The Health Insurance Fund directed more than 251 million euros to family medical care in 2023, which is over 46 million euros more than the year before. The shortage of

family physicians and the fact that the number of family physicians going into retirement is growing rapidly means that we have to look for additional solutions. For example, since last year, the Health Insurance Fund has been funding the work of clinical assistants and registrars, freeing up nurses and doctors from administrative work. We are experimenting with new service models to ensure access to family medical care and redistribute the roles of the family physician team.

Last July, we introduced risk-based treatment management in Estonian family medical care to help more patients with multiple chronic conditions, other co-morbidities, and a high risk of health deterioration – patients who use health services more than average.

We are one of the leading advocates for technology and user-friendly digital solutions in health care. We launched the Health Portal for all people in Estonia, which is a further development of digilugu.ee. The new portal contains all the health information people need, with clear explanations. In the future, the aim is to integrate the national eBooking system and add the possibility to send notifications. In addition, projects to help keep the data of people safer and make the daily work of doctors easier have been completed or are in development. The use of digital channels can also help to prioritise the timeliness of treatment needs.

The possibilities and volumes of specialised medical care are increasing every year. An ageing society, the rapid development of medicine, limited resources, and the ever-higher expectations of society are forcing the Health Insurance Fund to look for additional solutions in specialised medical care. Last year, we invested nearly 1.1 billion euros in specialised medical care, an increase of almost 172 million euros compared to 2022. We have thus supported the deployment of modern diagnostics and treatments, both by introducing new health services and by enabling the wider deployment of services introduced in previous years. No less important is the improvement of treatment pathways. We have successfully launched the endoprosthesis treatment pathway and are starting to use the ischemic stroke treatment pathway standard across Estonia.

The Health Insurance Fund helps to ensure that people have access to affordable medicinal products and medical devices. In 2023, we invested 268 million euros to treat diseases and injuries or prevent them from worsening. We added new and evidence-based hospital pharmaceuticals, expanded the target patient population for certain pharmaceuticals, and supplemented the list of reimbursable pharmaceuticals with new treatment options for acute myeloid leukemia, chronic myeloid leukemia, lung tumour, COVID-19 infection, migraine, and spinal muscular atrophy. In 2023, we introduced 180 new medical devices and expanded the range of devices available for diabetics, patients with severe ichthyosis, various stomas, wounds, urinary dysfunction, sleep apnoea, lymphedema, and venous insufficiency.

It is easier to maintain health than to restore it later. Health care is evolving rapidly. Fortunately, despite limited resources, we are able to deliver high-quality services through innovative approaches. However, we have to take into account that the coming years will present us with a number of challenges. We will continue to provide needs-based and quality care, but the common goal cannot be to treat more people. We must aim for more healthy years. Let us work together to make it happen!



**Management report**

## Health insurance system and the Health Insurance Fund

The Estonian health care system is based on compulsory solidarity-based health insurance.

The Health Insurance Fund or Tervisekassa (until 31 March 2023, it was called Haigekassa in Estonian) is a legal person in public law established under the law, the main function of which at the time of establishment was the administration of the solidary health insurance system and the provision of health insurance benefits to insured people.

In March 2023, the Riigikogu approved an amendment to the Estonian Health Insurance Fund Act, changing the Estonian name of the Estonian Health Insurance Fund, Eesti Haigekassa, to Tervisekassa from 1 April 2023. The name change has been a fundamental and necessary change, which is related to the goal of emphasising the end result of our activities – maintaining and restoring health. The Health Insurance Fund is not a passive payer of medical bills – we are increasingly engaged in disease prevention and health promotion to improve health outcomes.

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

Our 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. This means that the cost of health services for children, students, and pensioners is fully covered by those currently employed. Employees, whose health insurance portion of the social security contribution paid from their wages is 13% and who receive health insurance benefits on an equal basis, regardless of their own contribution or personal risk of illness, are also mutually in solidarity.

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

**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.

### 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. The daily work of the Health Insurance Fund is managed by a four-member management board. As at 31 December 2023, the Health Insurance Fund had a total of 220 employees (the average number of employees reduced to full-time equivalent was 205).

Table 1. Key indicators in 2019–2023

	2023 actual	2022 actual	2021 actual	2020 actual	2019 actual	Change 2023 vs 2022
Number of insured persons at the end of the period	1,295,609	1,304,431	1,273,743	1,265,601	1,262,381	-1%
Revenue of the Health Insurance Fund (thousand euros)	2,264,828	2,051,383	1,931,195	1,654,076	1,476,102	10%
Health care expenditure (thousand euros)	2,129,127	1,875,228	1,781,388	1,623,984	1,424,249	14%
Operating expenses of the Health Insurance Fund (thousand euros)	20,210	16,553	13,879	13,356	13,383	22%
Number of people who used health services and benefits						
Family medical care	1,080,828	1,137,634	1,107,565	1,031,601	1,037,377	-5%
Specialised medical care	784,592	777,573	742,696	730,200	778,197	1%
outpatient treatment	769,412	762,607	726,950	713,665	761,279	1%
day treatment	66,053	60,116	54,005	53,921	61,301	10%
inpatient treatment	119,556	118,637	118,913	118,748	131,871	1%
Nursing care	29,316	28,714	27,482	23,729	19,326	2%
Dental care	194,528	183,820	169,103	170,265	171,975	6%
Number of people who used benefits						
Dental care benefit	380,285	362,372	318,909	284,523	263,657	5%
Benefit for dentures	38,672	38,745	37,927	35,312	40,957	0%
Reimbursable pharmaceuticals	897,187	885,811	841,074	832,075	863,060	1%
Medical devices	104,032	93,647	80,864	77,951	78,681	11%
Benefit for incapacity for work	216,745	317,173	261,247	203,317	177,221	-32%
sickness benefit	176,549	283,803	231,766	166,525	133,452	-38%
carer's allowance	56,972	64,004	52,699	51,755	54,241	-11%
occupational accident benefit	3,224	3,453	3,564	3,477	978	-7%
Number of appointments						
Number of family physician's appointments	8,219,078	8,787,697	8,402,148	7,092,586	6,897,974	-6%
family physician's appointments	4,683,250	5,114,886	5,056,934	4,741,658	4,845,927	-8%
family nurse's appointments	3,243,946	3,357,734	2,954,522	2,028,294	1,719,016	-3%
incl. remote appointments of family physicians and family nurses	5,070,487	5,632,108	5,233,737	3,986,532	2,641,118	-10%
prophylactic appointments*	291,882	315,077	390,692	322,634	333,031	-7%
Number of outpatient appointments for specialised medical care	3,742,032	3,624,145	3,521,016	3,384,600	3,972,992	3%
physician's appointments	2,430,829	2,396,688	2,365,329	2,329,810	2,857,921	1%
nurse's appointments	763,222	720,669	688,792	621,919	589,481	6%
incl. remote appointments of physicians and nurses	547,981	506,788	466,895	432,871	525,590	8%
other appointments	374,156	308,783	283,682	363,932	-	21%
Number of nursing care appointments	382,221	366,388	348,373	360,032	360,351	4%
physician's appointments	95,316	84,812	70,815	75,524	74,013	12%
nurse's appointments	285,127	280,836	276,851	283,453	272,974	2%
other appointments	1,778	740	707	1,055	13,364	140%



Number of appointments for nursing care services*	619,453	575,616	626,673	327,321	-	8%
Number of surgeries	152,859	143,013	130,989	130,670	144,406	7%
outpatient treatment	20,214	18,330	17,435	15,346	16,644	10%
day treatment	65,896	59,509	51,833	50,963	58,557	11%
inpatient treatment	66,749	65,174	61,721	64,361	69,205	2%
<b>Benefit for pharmaceuticals</b>						
Number of reimbursable prescriptions	9,862,409	9,556,160	8,988,280	8,782,946	8,706,435	3%
Average cost of a reimbursable prescription for the Health Insurance Fund	18.62	17.53	17.60	17.39	15.98	6%
Average cost of a reimbursable prescription for the patient	6.51	6.40	6.44	6.42	6.34	2%
<b>Benefit for incapacity for work</b>						
Number of days of incapacity for work compensated for by the Health Insurance Fund***	5,295,330	6,994,013	6,563,135	5,567,375	4,901,676	-24%
sickness benefit	4,140,085	5,573,180	5,426,339	4,525,094	3,825,723	-26%
carer's allowance	1,028,729	1,278,954	995,729	901,534	917,225	-20%
occupational accident benefit	126,516	141,879	141,067	140,747	158,728	-11%
Average cost of the benefit for incapacity for work per day (euros)	29.3	27.0	25.2	24.5	22.6	9%

\* The prophylactic appointment of a family physician includes a preventive medical examination and administering immunisations, including COVID-19 vaccinations administered by family physicians starting from 2021.

\*\*As of 2021, (full) nursing care service in general care homes was added to the indicators, so the numbers of appointments of 2021 and 2020 are not comparable.

\*\*\* As of 1 April 2022, instead of maternity benefit, the Social Insurance Board pays the parental benefit to mothers.

# Number of insured persons

Table 2. Number of insured persons 2022–2023

	31 December 2023	31 December 2022	Change 2023 vs 2022	Change (%) 2023 vs 2022
Employed insured persons	638,745	648,618	-9,873	-2%
Persons considered equal to insured persons	595,104	594,643	461	0%
Other insured persons	61,760	61,170	590	1%
State-insured persons	56,150	55,921	229	0%
Persons insured under international agreements	4,975	4,597	378	8%
Persons considered equal to the insured persons under voluntary contracts	635	652	-17	-3%
<b>Total</b>	<b>1,295,609</b>	<b>1,304,431</b>	<b>-8,822</b>	<b>-1%</b>

*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, this data is not duplicated in health insurance statistics. The data of a person insured both as a pensioner and an employed person are therefore only reported in the category of employed insured persons*

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 the 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 considered equal to insured persons – old-age pensioners, children, students, pregnant women, dependent spouses, nuns or monks registered in a religious association, persons with partial or no capacity to work;
- 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 persons of retirement age, 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 voluntary contracts – people insured under a contract for equalisation with insured persons pursuant to the Health Insurance Act.

In 2023, the decrease in the number of insured persons was influenced by a decrease in the number of employed insured persons (visa workers, beneficiaries of temporary protection). As at 31 December 2023, the number of employed insured persons had decreased by 9,873, or 2%. This is the first time that the share of persons insured by the Health Insurance Fund paying health insurance contributions (13% of the premium) has fallen below 50%. In comparison, the number of employed insured persons increased by 11,282 in 2022 compared to 2021. In 2022, the number of insured persons without a permanent address in Estonia increased significantly. A large number of Ukrainian war refugees arrived in Estonia, and a significant number of them applied for health insurance on an equal basis with Estonian people after receiving a residence permit.

# Report on the execution of the budget

Table 3. Execution of the budget in thousands of euros

	2023 actual	2023 budget	Execution of the budget	2022 actual	Change 2023 vs 2022
<b>REVENUE OF THE HEALTH INSURANCE FUND</b>					
Health insurance component of social tax	1,807,390	1,811,624	100%	1,633,546	11%
Operating support	387,969	379,549	102%	363,291	7%
Revenue from insurance contracts	1,908	1,500	127%	1,816	5%
Recoveries and revenue from health insurance benefits	2,091	1,350	155%	1,281	63%
Financial revenue	18,962	50	-	1,515	-
Other revenue	46,508	25,330	184%	49,934	-7%
<b>TOTAL REVENUE OF THE BUDGET OF THE HEALTH INSURANCE FUND</b>	<b>2,264,828</b>	<b>2,219,403</b>	<b>102%</b>	<b>2,051,383</b>	<b>10%</b>
<b>HEALTH CARE EXPENDITURE</b>					
<b>Expenditure of health services</b>	<b>1,648,947</b>	<b>1,669,686</b>	<b>99%</b>	<b>1,385,248</b>	<b>19%</b>
Disease prevention costs	24,533	26,073	94%	19,204	28%
Family medical care costs	251,475	244,789	103%	205,065	23%
Specialised medical care costs	1,109,850	1,127,666	98%	937,526	18%
Nursing care costs	78,196	84,868	92%	61,305	28%
Dental care costs	86,450	86,101	100%	72,122	20%
Emergency medical care costs	78,919	79,694	99%	67,109	18%
Emergency treatment of uninsured persons	11,638	13,570	86%	11,947	-3%
Personal protective equipment	-	-	-	810	-
Coercive psychiatric treatment	6,138	6,925	89%	1,259	388%
Compensation for cross-service price changes	1,748	-	-	8,901	-80%
<b>Health promotion expenses</b>	<b>3,411</b>	<b>4,550</b>	<b>75%</b>	<b>2,419</b>	<b>41%</b>
<b>Costs of pharmaceuticals</b>	<b>249,358</b>	<b>216,399</b>	<b>115%</b>	<b>194,853</b>	<b>28%</b>
Costs of reimbursable pharmaceuticals for the insured	183,672	182,499	101%	167,481	10%
Additional benefit for pharmaceuticals	10,143	8,600	118%	8,824	15%
HIV and AIDS medications, antidotes, and immune preparations	15,601	18,800	83%	13,869	12%
COVID-19 medications	39,942	6,500	614%	4,679	754%
<b>Costs of benefits for temporary incapacity for work</b>	<b>155,168</b>	<b>191,590</b>	<b>81%</b>	<b>207,131</b>	<b>-25%</b>
<b>Costs of benefits for medical devices</b>	<b>18,655</b>	<b>19,232</b>	<b>97%</b>	<b>15,872</b>	<b>18%</b>
<b>Treatment of Estonian insured persons abroad</b>	<b>8,456</b>	<b>13,010</b>	<b>65%</b>	<b>7,974</b>	<b>6%</b>
<b>Other expenses*</b>	<b>45,132</b>	<b>45,124</b>	<b>100%</b>	<b>61,731</b>	<b>-27%</b>
<b>Total health care expenditure*</b>	<b>2,129,127</b>	<b>2,159,591</b>	<b>99%</b>	<b>1,875,228</b>	<b>14%</b>
<b>OPERATING EXPENSES OF THE HEALTH INSURANCE FUND</b>					
Labour expenses	11,157	11,042	101%	9,563	17%

Management expenses	2,799	2,749	102%	2,405	16%
Information technology expenses	4,697	4,923	95%	2,997	57%
Development expenses	326	491	66%	324	1%
Other operating expenses	1,231	1,421	87%	980	26%
<b>Total operating expenses of the Health Insurance Fund*</b>	<b>20,210</b>	<b>20,626</b>	<b>98%</b>	<b>16,269</b>	<b>24%</b>
<b>TOTAL BUDGETARY EXPENSES</b>	<b>2,149,337</b>	<b>2,180,217</b>	<b>99%</b>	<b>1,891,497</b>	<b>14%</b>
<b>BUDGET OUTCOME</b>	<b>115,491</b>	<b>39,186</b>	<b>-</b>	<b>159,886</b>	<b>-</b>
<b>RESERVE</b>					
Change in capital reserve	15,958	15,958	-	7,213	-
Change in risk reserve	5,854	5,854	-	2,615	-
Change in retained earnings	93,679	17,374	-	150,058	-
<b>Total change in reserves</b>	<b>115,491</b>	<b>39,186</b>	<b>-</b>	<b>159,886</b>	<b>-</b>

\* The actual budget for 2022 reflects a change in the presentation of the activities to be funded under targeted financing compared to the 2022 annual report.

# Revenue

The current budget of the health care system depends the most on the receipt of labour taxes, including mandatory social tax. The health insurance component of social tax makes up nearly 80% of the revenue of the Health Insurance Fund.

Despite pessimistic economic forecasts, the revenue budget performance for 2023 was more than 45 million euros or 2% better than planned. Compared to the previous year, revenues increased by more than 213 million euros, or 10%.

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

	2023 actual	2023 budget	Execution of the budget	2022 actual	Change 2023 vs 2022
Health insurance component of social tax	1,807,390	1,811,624	100%	1,633,546	11%
Operating support	387,969	379,549	102%	363,291	7%
Revenue from insurance contracts	1,908	1,500	127%	1,816	5%
Recoveries and revenue from health insurance benefits	2,091	1,350	155%	1,281	63%
Financial revenue	18,962	50	-	1,515	-
Other revenue*	46,508	25,330	184%	49,934	-7%
<b>Total</b>	<b>2,264,828</b>	<b>2,219,403</b>	<b>102%</b>	<b>2,051,383</b>	<b>10%</b>

\*For reasons of comparability, the activities funded under targeted financing have been included in the 2023 budget (difference compared to the 2023 approved budget).

## Health insurance component of social tax

In 2023, the health insurance component of social tax was more than 1.8 billion euros, which was more than 4 million euros lower than projected. In comparison, in the first half of 2023, social tax revenue was nearly 5 million euros more than expected. Growth in social tax receipts slowed in October. Compared to 2022, receipts increased by nearly 174 million euros, or 11%.

From 2022, the state does not pay the health insurance component of social tax (13%) for people listed in clauses 6 (1) 1) and 5) of the Social Tax Act.

## 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 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 (13%). From 2020 (until 2024), 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.

The 2023 provision for operating support of the Health Insurance Fund totalled almost 388 million euros. Of this, 257 million euros was revenue from pensions of non-working old-age pensioners (220 million euros in 2022) and 131 million was support to cover health care costs and ensure the availability of health services (143 million euros in 2022). The increase in revenue from old-age pensions is due to the indexation of pensions.

Total operating support revenue was more than 8 million euros, or 2%, higher than budgeted, due to higher

revenue from the pensions of non-working old-age pensioners.

## 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 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 210.20 euros until 30 June 2023 and 219.10 euros from 1 July onwards. As at 31 December 2023, there were 635 people insured based on the contract under which a person is considered equal to insured persons, and the revenue was 1.6 million euros. Compared to the previous year, the number of people who entered into a voluntary insurance contract decreased by 17 people, and the revenue from voluntary insurance contracts increased by nearly 114 thousand euros.

In 2023, revenue from the insurance of non-working military pensioners of the Russian Federation amounted to 315 thousand euros, 151 people were insured. Compared to the previous year, the number of non-working military pensioners of the Russian Federation decreased by 22 people and the revenue received decreased by 22 thousand euros. Until 28 February 2023, the Russian Federation paid 165.33 euros a month and from 1 March onwards, 176.30 euros a month for each military pensioner. The monthly amount of the health insurance premium is based on the average cost of treatment in 2023 in the age group of 70–79 years.

Compared to the plan, the revenue received on the basis of insurance contracts increased by 408 thousand euros, i.e. 27%. Compared to 2022, revenue increased by 5%, which was influenced by the better receipt of revenue from voluntary insurance contracts.

## 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 2023, 2 million euros were received from claims, which is nearly 741 thousand euros more than the planned budget. Compared to the previous year, revenue received from claims was 63% higher. Compared to the previous year, the increase of 96%, or nearly 508 thousand euros, in receivables from traffic injuries submitted to insurance companies had the biggest impact on recoveries. Receivables from claims by private persons increased by 22%, or 79 thousand euros, compared to the previous year.

## 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 2023 financial year, the Health Insurance Fund received 19 million euros in interest from the balance of funds deposited in the state's group account (1.5 million euros in 2022).

## 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 by the state to cover the costs related to the COVID-19

vaccination and the vaccine insurance system.

Other revenue in 2023 totalled nearly 40 million euros in revenue from targeted financing, which is nearly 21 million euros more than expected. The Ministry of Social Affairs allocated 27 million euros for COVID-19 vaccines and pharmaceuticals and for the organisation of vaccinations, 8 million euros for the costs related to war refugees in Ukraine, 2 million euros for the treatment of those wounded in the war, 487 thousand euros for the operation of the vaccine insurance system, 47 thousand euros for vaccination communication, 975 thousand euros for the development of the Health Portal, and 49 thousand euros for the development of central IT systems.

Of the receivables from competent institutions of Member States reported under other revenue, revenues of 5 million euros for medical services provided in Estonia to insured persons of the Member States were received.

A total of nearly 40 thousand euros was received from economic activity, including as other revenue from economic activity, fines for late payment, contractual penalties, and exchange gains (314 thousand euros in 2022).

Revenue from the sale of oral COVID-19 medications to wholesalers totalled nearly 2 million euros and vaccine insurance premiums amounted to 81 thousand euros.

# Expenses

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

The execution of the budget for health care costs during the accounting period was over 2 billion euros, i.e. 99%. In 2023, we were able to cover health care costs, including pay for health services and disease prevention and treatment, finance the purchase of pharmaceuticals and medical devices, and pay financial benefits, in total for nearly 254 million euros more (14%) than in 2022. In the accounting period, the execution of the budget for the operating expenses of the Health Insurance Fund was over 20 million euros, i.e. 98%.

In planning the health care budget for the year 2023, 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 2023.

The execution of the budget for 2023 was influenced by:

- lower-than-expected use of health services;
- lower-than-expected use of temporary incapacity for work benefits.

## Execution of the budget for health care costs

The execution of the budget for health services was nearly 30 million euros less than planned (execution by 99%). The execution of the budget for health care costs was most affected by the use of the specialised medical care budget, which was almost 18 million euros lower than the forecast (execution 98%). This was mainly related to the easing of the COVID-19 pandemic: in 2023, there were 3,856 fewer people with COVID-19 in inpatient treatment than in the previous year. However, the total number of people who used specialised medical care services did not fall: in 2023, a total of 784,592 people used specialised medical care services, an increase of 7,000, or 1%, on the previous year.

## Execution of the budget for costs of temporary incapacity for work benefits

The execution of the budget for temporary incapacity for work benefits is more than 36 million euros lower than planned, or 81%, due to lower-than-planned payments of sickness and care benefits. In 2023, we paid out a total of more than 155 million euros in temporary incapacity for work benefits, a third less than at the same time last year.

The main reason for this was a reduction in the COVID-19 caseload, as the spread of the coronavirus and the resulting change in the reimbursement of days of sick leave led to a surge in sick leave in the previous two years. In addition, the decrease in sickness benefit payments for the reporting year was influenced by the restoration of the pre-coronavirus procedure for sick leave payments, in addition to the reduction in the COVID-19 caseload.

The reduction in the payment of benefits for incapacity for work was also partly affected by the reform of the parental benefit system, as a result of which maternity benefits are paid by the Social Insurance Board from 1 April 2022.



## Average expenses per insured person

The calculation of average expenses is based on the costs of health services, pharmaceuticals, medical devices, and benefits reimbursed by the Health Insurance Fund to insured persons in Estonia. Compared to the previous year, the average monthly expenses per insured person increased by 2% in 2023. Based on the age of the insured people, the average expenses are the highest in the age group 80–89 years.

Table 5. Average expenses per insured person

Age	Number of insured persons	Prevention	General 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	142,128	1	47	412	59	132	45	0	9	706
10–19	156,976	16	26	284	0	232	53	0	20	634
20–29	117,200	13	35	471	1	21	73	118	10	742
30–39	179,678	4	40	547	2	22	82	231	9	937
40–49	173,290	6	47	573	6	22	119	207	10	989
50–59	161,957	16	61	823	16	26	175	208	15	1,340
60–69	164,048	17	77	1,238	47	46	287	155	19	1,886
70–79	120,117	1	86	1,697	137	52	407	30	23	2,432
80–89	66,838	0	90	1,808	446	40	417	3	19	2,824
90–99	13,119	0	77	1,391	892	21	281	0	11	2,674
100+	258	0	79	979	912	6	145	0	6	2,126
<b>Total</b>	<b>1,295,609</b>	<b>9</b>	<b>54</b>	<b>799</b>	<b>60</b>	<b>67</b>	<b>166</b>	<b>119</b>	<b>14</b>	<b>1,289</b>

# 1. Health services

The budget for health services is the cost of 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 care benefits for children and adults, emergency medical care, psychiatric coercive treatment, and emergency treatment of uninsured persons. These are so-called non-monetary health insurance benefits – the Health Insurance Fund pays for services 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, we assess the demand for health services at a more general level compared to previous years, i.e. we assess the need for the service in Estonia as a whole, not on a county-by-county basis. 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 2023, the budget for health services was planned at 1.47 billion euros, 1.6 billion euros or 99% of which was used by the end of the year. In 2023, the budget for health services covered retrospective changes in the prices of health services amounting to 1.7 million euros, which cannot be linked to the current service-based billing.

Compared to the previous year, the actual financing of health services increased by 19%, i.e. 264 million euros, of which we paid the largest amount, i.e. 172 million euros (18%), more for specialised medical care services and almost 46 million euros (23%) more for family medical care services.

**Table 6. Execution of the budget for health services (in thousands of euros)**

	2023 actual	2023 budget	Execution of the budget	2022 actual	Change 2023 vs 2022
Disease prevention	24,533	26,073	94%	19,204	28%
Family medical care	251,475	244,789	103%	205,065	23%
Specialised medical care	1,109,850	1,127,666	98%	937,526	18%
Nursing care	78,196	84,868	92%	61,305	28%
Dental care	86,450	86,101	100%	72,122	20%
Emergency medical care	78,919	79,694	99%	67,109	18%
Emergency treatment of uninsured persons	11,638	13,570	86%	11,947	-3%
Coercive psychiatric treatment	6,138	6,925	89%	1,259	388%
Compensation for cross-service price changes	1,748	-	-	8,901	-80%
Personal protective equipment	-	-	-	810	-
<b>Total</b>	<b>1,648,947</b>	<b>1,669,686</b>	<b>99%</b>	<b>1,385,248</b>	<b>19%</b>

## 1.1 Disease prevention

Disease prevention means activities that are directly related to the national health development plan of the state and the strategic goals of the Health Insurance Fund and that, based on evidence, contribute to the early detection of diseases – medical examinations, screenings for pregnant women and newborns, and cancer screenings. It also includes activities aimed at reducing or preventing the aggravation of chronic diseases and their complications. One such example is chronic disease management by implementing a family physician quality system to prevent future high costs associated with the treatment of these diseases and early loss of capacity to work, disability, or death. The Health Insurance Fund also compensates, to a large extent, for pharmaceuticals and medical devices dispensed for preventative purposes to its insured. Thus, disease prevention is dealt with at every level of health care.

As an amendment to the list of health services that came into force in 2023, school nurses who have received mentoring from mental health nurses will be paid an extra coefficient in school health care, to support the mental health of young people in as many ways as possible.

We also took on an even bigger role in organising prevention services. Addiction counselling and treatment services and the organisation of tuberculosis treatment services (previously organised by the National Institute for Health Development) were added to the prevention activities.

**Table 7. Execution of the budget for disease prevention (in thousands of euros) and the number of treatment cases**

	2023 actual		2023 budget		Execution of the budget		2022 actual		Change 2023 vs 2022	
	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases
School health care	12,681	–	12,430	–	102%	0%	10,033	–	26%	0%
Reproductive health counselling for young people	1,947	23,128	2,432	29,260	80%	79%	1,673	23,410	16%	–1%
Health checks for young athletes	2,015	10,962	2,335	12,830	86%	85%	1,517	9,881	33%	11%
Early detection of breast cancer	3,568	60,020	4,048	68,163	88%	88%	2,852	57,326	25%	5%
Early detection of cervical cancer	2,336	38,634	2,299	40,922	102%	94%	1,881	34,267	24%	13%
Early detection of colorectal cancer	928	2,156	927	1,881	100%	115%	685	1,805	35%	19%
Early detection of lung cancer	410	2,597	544	3,510	75%	74%	469	3,322	–13%	–22%
Counselling to quit using tobacco	30	913	112	3,150	27%	29%	21	717	43%	27%
Prevention of myopia in children	40	471	89	1,010	45%	47%	45	633	–11%	–26%
Prevention of alcohol use disorder	561	5,167	857	11,000	65%	47%	–	–	–	–
Other prevention (projects, analyses)	17	–	–	–	0%	0%	28	–	–39%	–
<b>Total</b>	<b>24,533</b>	<b>144,048</b>	<b>26,073</b>	<b>171,726</b>	<b>94%</b>	<b>84%</b>	<b>19,204</b>	<b>131,361</b>	<b>28%</b>	<b>10%</b>

The budget for disease prevention in 2023 was 26 million euros, of which we used more than 24 million euros, or 94%, by the end of the reporting year. Compared to the previous year, actual spending on prevention services increased by 28%, or more than 5 million euros.

Compared to last year, there has been a significant increase in screening participation rates: 9% for cervical cancer screening, 3% for breast cancer screening, and 5% for colorectal cancer screening, showing that people are increasingly prioritising screening. In order to increase screening coverage, the Health Insurance Fund sends personalised text message invitations to screenings, organises various campaigns to raise general awareness, makes it easier and more convenient to take part in screenings, and increases awareness of cancer screening through networks of county health promoters.

The main purpose of the **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 specialist for further examinations and help. The school health care service includes preventive medical examinations of students, which includes collecting nursing history and assessment of health status, as well as immunisation of students in accordance with the national immunisation plan in force.

In the 2022/2023 school year, the quality system for school nurses entered into force. From July 2022, school nurses who have completed the relevant training are able to provide counselling on quitting tobacco or nicotine products, and from January 2023, school nurses who have completed the relevant training are also able to offer alcohol use disorder prevention and counselling services. From the 2023/2024 school year, school nurses are able to provide psychological support under the supervision of a mental health nurse. We pay for the school health care service to the partners on a fixed fee basis.

In 2023, a total of 108,780 students, i.e. nearly 66% of the total number of students, used the school health care service. The number of students using school health services increased by 4% compared to 2022, mainly due to an increase in the number of students. Compared to 2022, the number of students increased by 2,000.

**Reproductive health counselling for young people and the 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, and the scope and infrastructure of the service. In 2023, a total of 14,488 young people up to the age of 26, or nearly 4% of the total number of young people, used the reproductive health counselling service. Compared to the same period last year, 175 fewer young people used the counselling service.

**Health checks for young athletes** are aimed at young people up to the age of 19 who regularly train and compete for at least six academic hours 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 10,474 young people up to the age of 19, which is 11% more than the previous year, underwent a health check for young athletes in 2023. As a result of the 2023 health checks, 8% of the young athletes who took part in the check were put under restrictions regarding sport and around 20 more serious health problems were identified, leading to these young people being banned from all sports.

In 2021, the GALT enzyme activity test was added to the **screening of newborns**, which resulted in the screening of newborn galactosemia in Estonia, as in most European countries.

The purpose of **national 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. In 2022, the phased expansion of the target group ended, and from now on, all women of 50–69 years of age are covered by breast cancer screening in Estonia. This corresponds to the recommendations of the European Commission and the practice of most countries. From 2022, breast cancer screening is also allowed

for those with an elevated risk level of the polygenic risk score (PRS) for breast cancer.

In 2023, a total of 58,099 women participated in the national screening for breast cancer prevention, which is 3,801 women more than in 2022. Screening coverage was 67%, 3% higher than in 2022.

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 cervical cancer screening is to reduce the mortality and incidence of cervical cancer.

A total of 47,121 women participated in the national cervical cancer screening, both in clinics and at home, which is nearly 3,466 more than in 2022. Screening coverage was 70%, 11% higher than in 2022. In collaboration with the National Institute for Health Development, we continued the pilot project on HPV home testing that started last year, and from the second half of 2023, we offered home testing to women who had not responded to the screening invitation by then. Women are able to order test kits to their own home or pick them up from pharmacies. In 2022, we offered home test kits only in pharmacies in Ida-Viru County. However, in 2023, we expanded the circle of pharmacies and added pharmacies in Võru, Viljandi, Valga, and Põlva counties. The aim of the project is to further increase the number of women participating in screening.

**Early detection screening for colorectal cancer** aims to identify people who may exhibit signs of colorectal cancer. This makes it possible to detect colorectal cancer at an earlier stage or before it occurs, i.e. in a precancerous state. 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. Men and women of 60–69 years of age are expected to participate in the screening every two years.

In 2023, a total of 49,504 people participated in the national colorectal cancer screening, which is nearly 6,457 more than in 2022. Screening coverage was 63%, 11% higher than in 2022.

From 2022, the Health Insurance Fund finances a **regional pilot project for lung cancer screening** and coordinates activities to develop a nationwide screening programme. The second year of the regional pilot project on lung cancer screening started on 1 April 2023. The pilot project covers patients of family physicians in Tartu city and Tartu county: of the 92 family physician centres in Tartu city and county, 86 have now joined the project. The project is led by the University of Tartu together with Tartu University Hospital. As at 31 December 2023, 40 cases of lung cancers (plus six suspected lung cancer cases not yet confirmed/refuted as at 31 December 2023) and more than 3,000 concomitant findings, including 60 other suspected tumours, have been detected in the pilot projects. As at 31 December 2023, the Health Insurance Fund paid nearly 780 thousand euros for the implementation of the pilot project, of which 409 thousand euros were paid from the prevention budget of the Health Insurance Fund and 371 thousand euros from the innovation fund.

In 2023, 893 people, or nearly 472 people more than in 2022, used the **counselling service to quit tobacco or nicotine products**.

From 2023, the Health Insurance Fund develops and coordinates the **alcohol use disorder prevention service**. Previously, it was funded by the European Social Fund through a programme managed by the National Institute for Health Development. The purpose of the alcohol use disorder prevention service is early detection of excessive alcohol consumption and brief intervention to reduce the harm caused by alcohol. In 2023, 7,025 people used the alcohol use disorder prevention service. To support both screening participation and counselling to quit tobacco and nicotine products, we have contracted county health promoters to promote the services in the county.

## 1.2 Family 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 and family nurses as treatment coordinators and health advisors. 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.

In 2023, we introduced a number of innovations in primary health care to improve the quality of treatment services, make medical care more accessible, and give people better access to treatment. The most significant changes made to the list of health services that took effect from 2023 and influenced the 2023 budget and execution of the budget are as follows:

- an increase in the capitation fee for family physicians for patients in their lists, due to the extension of their working hours by half an hour a day in the family physician cost model;
- in order to ensure the availability of the family medical care service, upon the first approval of the practice list of a family doctor (0-list), it is now possible to pay a capitation fee for 1,200 insured persons, which enables the payment of wages to both the physician and the nurse, as well as the resources needed for examinations and therapies;
- all physiotherapy services were transferred to the operational fund. The purpose of the change is to increase the availability of services (all physiotherapy services in the operating fund without a financial volume limit), to simplify the submission of treatment invoices, and to harmonise the financing of similar services;
- in order to better monitor at-risk patients and thereby prevent the worsening of chronic diseases, the Health Insurance Fund started to finance a risk-based treatment management service in family medical care;
- the Health Insurance Fund started to pay for the work of clinical assistants and registrars recruited in family physician centres to free up the time of family nurses and physicians to do medical work and improve access to family medical care;
- a new target group for flu vaccination, aged 60–64, was added;
- alcohol use disorder prevention and counselling services were added.

In 2023, the Health Insurance Fund financed family medical care for more than 251 million euros, which is more than 46 million euros, or 23%, more than a year earlier. Compared to the planned budget, the budget of family medical care was exceeded by nearly 7 million euros, or 3%. This was most influenced by the increased use of the operational fund services and the use of the budget for a third family nurse funded to alleviate the workload of family physicians.

In 2023, a total of 784,592 people used family medical care services, an increase of 56,806, or 5%, on the previous year. As the number of people needing family medical care services increased in the previous years due to the COVID-19 pandemic (by 9% from 2019 to 2022, or over 100,000 people – a lot of people were vaccinated against COVID-19 by their family physicians), the number of people needing family medical care is approaching the pre-COVID-19 level since the decline in COVID-19 cases.

Table 8. Execution of the budget for family medical care (in thousands of euros)

	2023 actual	2023 budget	Execution of the budget	2022 actual	Change 2023 vs 2022
Basic allowance	32,184	33,165	97%	29,726	8%
Distance surcharge	4,523	4,595	98%	4,583	-1%
Surcharge for the second family nurse	20,338	17,755	115%	15,226	34%
Family physician continuity fee	222	101	220%	82	169%
Total capitation fee	111,977	110,576	101%	93,639	20%
Capitation fee for up to 3-year-old insured persons	5,864	5,998	98%	5,222	12%
Capitation fee for 3–6-year-old insured persons	6,750	6,668	101%	5,621	20%
Capitation fee for 7–49-year-old insured persons	45,002	44,572	101%	37,492	20%
Capitation fee for 50–69-year-old insured persons	30,942	30,464	102%	25,951	19%
Capitation fee for 70-year-old and older insured persons	23,419	22,874	102%	19,353	21%
Examinations fund	46,067	47,394	97%	38,085	21%
Operational fund	13,400	10,092	133%	8,051	66%
Therapy fund	4,207	5,024	84%	3,219	31%
Home nursing at health centres	2,367	1,908	124%	1,622	46%
Early detection of colorectal cancer	606	614	99%	492	23%
Early detection of cervical cancer	73	70	104%	62	18%
Surcharge for out-of-hours appointments	464	496	94%	434	7%
Surcharge for quality	6,667	7,120	94%	6,282	6%
Travel expenses of a substitution service provider	629	521	121%	499	26%
Surcharge for other staff at the health centre	781	716	109%	488	60%
Surcharge for a clinical assistant	1,844	0	-	-	-
Counselling to quit using tobacco	9	35	26%	1	-
Alcohol use disorder	83	101	82%	-	-
Sample projects of family physicians	363	191	190%	351	3%
Family medical care for Ukrainian war refugees	3,351	2,350	143%	798	-
Risk-based treatment management	36	-	-	-	-
Family physician advisory line	1,284	1,965	65%	1,425	-10%
<b>Total</b>	<b>251,475</b>	<b>244,789</b>	<b>103%</b>	<b>205,065</b>	<b>23%</b>

**Basic allowance** was paid to 310 family physician practices and 463 practice lists. The health centre basic allowance was paid to 153 family physician practices and 372 practice lists. The execution of the basic allowance budget was 97%. The use of the **capitation fee** was 101%: we paid 1.4 million euros more. In 2023, we paid a total of 32 million euros in basic allowance and around 112 million euros as capitation fees.

In 2023, we paid a **surcharge** of over 20 million euros **for the second family nurse**, which is almost 3 million euros, or 15% more than planned. The number of practice lists that have received the surcharge for the second family nurse has increased year on year: in 2023, the Health Insurance Fund financed a second family nurse in 656 practice lists (629 in 2022).



The use of the family physician **operational fund** was also more than 3 million euros, or 33%, higher than planned. Compared to the previous year, 40% more e-consultations took place during the reporting year, and therefore, the number of e-consultation examinations carried out in the operational fund has increased. In addition, the increase of the operational fund was affected by the addition of physiotherapy services in primary health centres from 1 April 2023 (before, it was reported in the therapy fund).

The use of the family physician **examinations fund and the therapy fund** was lower than planned, but compared to the previous year, the use of the examinations fund increased by 21% and the use of the therapy fund by 31%.

As of 1 July 2022, the Health Insurance Fund pays a **continuity fee** to family medical care providers who employ a family medicine resident or a family physician without a list (except in Tallinn and Tartu) to ensure the continuity of family medical care services. The family physician continuity incubation programme is a support measure to ensure the continuity of the family physician service, linking a physician without a list with a physician who is leaving the practice. The programme allows for a smooth, gradual transfer of the list and the possibility for a family physician wishing to become acquainted with the list to work with the family physician who is leaving the practice. In 2023, the Health Insurance Fund paid a continuity fee of 222 thousand euros to ten practice lists.

The aim of **home nursing in family medical care** is to widen the range of services people can choose from. In 2023, home nursing services were offered more than 50,180 times in health centres, which is 25% more than the same time last year. In 2023, the number of family physician practices providing home nursing services increased by two. In 2023, we paid more than 2 million euros for home nursing services in health centres, which is 46%, or 745 thousand euros, more than in 2022.

In 2023, the Health Insurance Fund paid family physicians a **quality surcharge** of almost 7 million euros, 6% more than in 2022. The aim of the quality system for family physicians is to motivate family physicians to work on disease prevention, chronic disease monitoring, and improving their competence.

In 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 2023, we reimbursed 629 thousand euros in travel expenses for substitution service providers, which is 26% more than in 2022.

We paid 781 thousand euros as a **surcharge for other staff at health centres** in 2023, which is 60% more than in 2022. The surcharge budget has been affected both by the increase in the surcharge (14%) and by the increase in the number of additional staff taken on by practice lists.

In addition, to make the work of family physicians more efficient, the Health Insurance Fund started paying health centres and individual practices for **clinical assistants** to free up the time of nurses and physicians on the account of administrative work from 2023. The Health Insurance Fund paid a total of more than 1.8 million euros for clinical assistants in 2023. In addition to health centres, a clinical assistant was added to 79 general practices.

In early 2022, the 'Proactive digital designer of the health pathway' **pilot project** for family physicians was launched. It is a digital solution for effective communication between patients and primary care centres in planning, monitoring, and supporting treatment. In addition, we commenced with the development of the 'Preliminary appointment pilot project', which complements the work process of the family medicine centre and creates a comprehensive and accessible primary care service. The solution makes it possible to assess the urgency of the concern of the patient, so that patients who need faster help can be served as a first priority. In addition, the solution can be used for video appointments. In total, we paid 363 thousand euros for the implementation of pilot projects.

From 1 July 2023, we introduced **risk-based treatment management** to Estonian family medical care to help more at-risk patients. Patients at risk tend to have multiple chronic diseases, other co-morbidities, a



high risk of health deterioration, and are heavy users of health services. Risk-based treatment management is needed to help patients with chronic diseases better manage their treatment, prevent their health from deteriorating, and take more responsibility for their own health. The development of an evidence-based model for high-risk patients specifically targeted at Estonian family physicians drew on international experience, linking it to Estonian research and experience. In 2023, we paid 36 thousand euros to family physicians for the risk-based treatment management service.

In 2023, the **services of prevention and counselling of alcohol use disorder** were added, for which the Health Insurance Fund paid 83 thousand euros in 2023. The service was used by 3,130 people.

**Table 9. The number of practice lists of a family physician, the number of insured persons in the practice list, and the number of calls to the family physician advisory line**

	2023 actual	2022 actual	Change 2023 vs 2022
Number of practice lists	785	783	0%
Number of practice lists receiving the distance surcharge	390	395	-1%
Number of practice lists receiving the surcharge for the second family nurse	657	653	1%
Average size of a practice list (number of insured persons)	1,729	1,725	0%
The average number of insured persons in the practice list	1,605	1,603	0%
<hr/>			
Annual average number of people for whom the capitation fee has been paid	1,271,715	1,260,551	1%
insured persons of up to 3 years of age	37,184	39,487	-6%
insured persons of 3–6 years of age	58,319	57,818	1%
insured persons of 7–49 years of age	659,312	650,835	1%
insured persons of 50–69 years of age	319,702	318,245	0%
insured persons of 70 years of age and older	197,198	194,166	2%
<hr/>			
Number of calls to the family physician advisory line	297,148	443,711	-33%

As at 31 December 2023, the Health Insurance Fund had contracts with 409 family medical care providers, working in 785 **practice lists**. The increase in the number of practice lists is linked to the creation of new '0-lists' in areas with a growing population. In 2023, seven new practice lists were created.

**The average size of practice lists** or the number of people insured has remained stable over the years. In 2023, the transfer of family physician practice lists to health centres continued. As at 30 December, there are a total of 63 health centres in Estonia, serving 371 practice lists. In comparison, a year earlier, there were 59 health centres serving 341 practice lists in the same period.

The number of practice lists receiving the **distance surcharge** was 390 in 2023, which is five fewer than in 2022. In 2023, the Health Insurance Fund paid the **surcharge for the second family nurse** in 657 practice lists, an increase of four lists compared to the same period in the previous year.

The **number of calls to the family physician advisory line** decreased by 33% in 2023. In total, 297,148 calls were made to the advisory line, which is nearly 146,563 fewer than in 2022. The number of calls rose during the COVID-19 pandemic and has now fallen to pre-coronavirus levels. From early 2022, people who have difficulty communicating over a traditional phone call (for example, the hearing-impaired and the speech-impaired) are also able to communicate via online chat. There were 96 online chats in 2023, 34 fewer than in the same period last year.

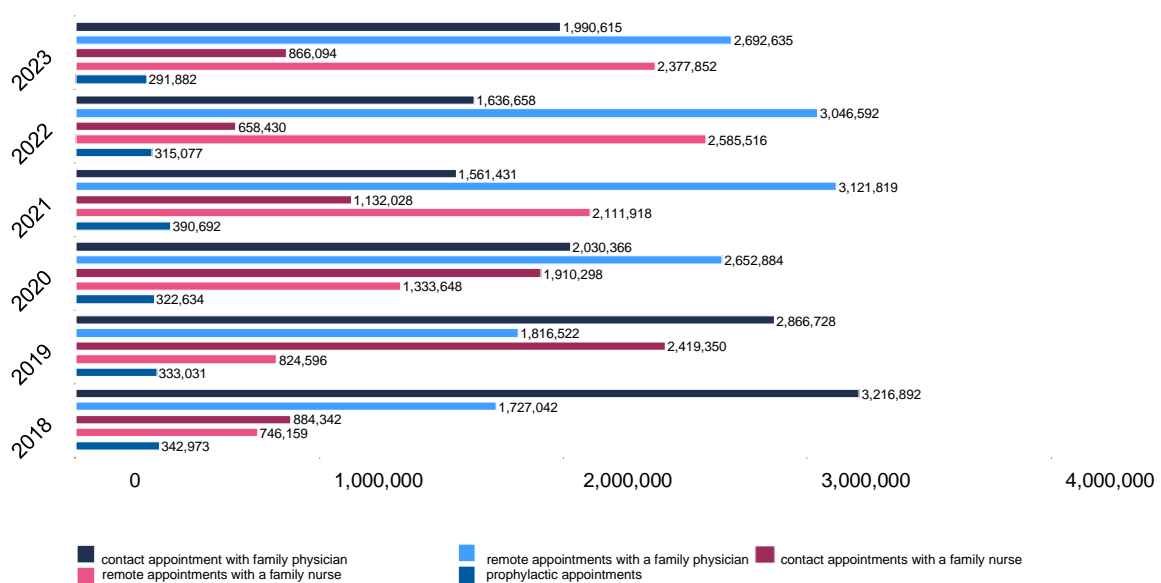
Table 10. Number of family physician and family nurse appointments in 2018– 2023

	2023	2022	2021	2020	2019	Change 2023 vs 2022
Family physician appointments	4,683,250	5,114,886	5,056,934	4,741,658	4,845,927	-8%
including remote appointments	2,692,635	3,046,592	3,121,819	2,652,884	1,816,522	-12%
Family nurse appointments	3,243,946	3,357,734	2,954,522	2,028,294	1,719,016	-3%
including remote appointments	2,377,852	2,585,516	2,111,918	1,333,648	824,596	-8%
Prophylactic appointments	291,882	315,077	390,692	322,634	333,031	-7%
<b>Total appointments</b>	<b>8,219,078</b>	<b>8,787,697</b>	<b>8,402,148</b>	<b>7,092,586</b>	<b>6,897,974</b>	<b>-6%</b>
Number of people in appointments	1,076,429	1,132,277	1,094,661	1,027,429	1,031,125	-5%
Number of people using family medicine care services	1,080,828	1,137,634	1,107,565	1,031,602	1,037,377	-5%
Number of insured persons in the practice lists of family physicians as at 31 December 2023	1,258,641	1,255,340	1,245,920	1,243,215	1,234,785	0%
Proportion of people who visited a family physician	86%	91%	89%	83%	84%	-5%

Family physicians and nurses had a total of 8,219,078 appointments in 2023, which is 568,619 appointments or 5% less than in 2022.

Family physicians and nurses had a total of 5,030,487 remote appointments in 2023, which is 601,621 appointments or 11% less than in 2022. Remote appointments are done either by telephone or email and were more popular during the COVID-19 pandemic (2021 and 2022).

Figure 1. Number of family physician and family nurse appointments in 2018–2023



Compared to 2018, the overall number of appointments has increased by 17%. The biggest increase is due to the rise in the number of appointments with family nurses: while in 2018, they accounted for 25% of all

appointments, in 2023, they accounted for 41%. The increase in the proportion of appointments with nurses is explained by both the increase in the number of nurses in practice lists (449 in 2018, 656 in 2023) and the increase in the responsibilities of nurses. This includes, for example, the right for nurses to issue certificates of incapacity for work and for family nurses with prescription rights to renew prescriptions.

### 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 introducing new services in the list of health services as well as by enabling the wider deployment of services introduced in the list in previous years. In cooperation with professional associations, we regularly update the structure of services, standard expenses, maximum reference prices, and the implementing conditions of services. The purpose is to provide patients with modern and evidence-based treatment and to ensure the effective use of health insurance resources.

The most significant changes made to the list of health services that took effect from 2023 and influenced the 2023 budget and execution of the budget are as follows:

- after the successful completion of the ischemic stroke treatment pathway pilot project, services for the coordination of the ischemic stroke treatment pathway were added to the specialised medical care services;
- in connection with the pilot project of the endoprosthesis treatment pathway, which started in 2023, the maximum reference prices for endoprosthetics based on the treatment pathway were added;
- alcohol use disorder treatment services transferred from the National Institute for Health Development were added to the Health Insurance Fund;
- video appointments are now allowed with a medical specialist even when referring via the e-consultation service;
- an e-consultation service between specialties was added as a standard service instead of a pilot project;
- new evidence-based and cost-effective treatments (e.g. oral feeding preparations and related clinical nutrition counselling and council services) were added to the list of health services;
- various additional procedure tools and new diagnostic options were added (e.g. gene expression analysis of breast cancer tissue for adjuvant chemotherapy treatment decisions);
- the terms and conditions of existing services (e.g. extending the number of days a child with a primary diagnosis of diabetes can stay in care and in bed, adding a referral to a paediatrician for personality and cognitive function tests) were changed;
- in connection with the high workload of the emergency medical departments in Tallinn and Tartu, a 24/7 standby fee for an additional triage nurse was introduced, which allows for a faster assessment of the condition of the patients (the triage category determines the speed of treatment of the patient, i.e. the maximum time to the doctor). In addition, funding was ensured to an additional hospital standby team, which allows patients in emergency medical departments to be treated faster;
- the maximum reference prices and price limits of diagnosis-based complex services were changed in accordance with the new service-based prices and calculations made on the basis of the medical invoice data of the previous period.

In specialised medical care, the Health Insurance Fund is moving to a value-based health care model from 2023, implementing episode-based financing in the Estonian health care system. Under the episode-based model, the provider is paid for treating the condition of a patient (across the whole treatment pathway) as a lump sum, rather than for each individual treatment, examination, or procedure. The episode price includes the total amount of active treatment and/or follow-up costs planned over the course of the treatment pathway (the 'target price'). The service providers share any losses or savings resulting from the difference between the target price and the actual cost. In doing so, service providers are rewarded for coordinating treatment, preventing complications and errors, and reducing unnecessary or duplicative tests/examinations and treatments. For service providers, a treatment pathway approach is appropriate for such improvements to agree on the content of each stage of treatment, the criteria for the provision of different services, how the patient moves between stages of treatment and between professionals, and the

role of each party. As a result, the creation of treatment pathways, combined with episode-based payment, will support improvements in the quality of treatment and the optimisation of health care costs and resources.

Based on the final report of the ischemic stroke pilot project in Estonia<sup>1</sup>, episode-based financing has proven its effectiveness. On average, patients in the intervention group had as good or better outcomes than those in the control group, with annual mortality almost twice as low (16% vs 30%); nearly three times as many patients had seen a neurologist or internal medicine specialist at six months compared to the control group (30% vs 9%); half as many were admitted to inpatient rehabilitation as in the control group (43% vs 29%) and more than twice as many were admitted to outpatient rehabilitation as in the control group (24% vs 10%). The use of rehabilitation services among patients who received rehabilitation was also on average half an hour to an hour and a half longer in the intervention group than in the control group. There was no statistically significant difference for other measures.

Although the project was successful, it highlighted the need for follow-up activities, which were supported by both the steering group of the ischemic stroke project and the committee on the list of health services. In order to enable hospitals that have undertaken development projects to continue with the successful services, the Health Insurance Fund provides funding for essential service components, i.e. from 1 April 2023, the coordinator service is included in the list of health services in the chapter on pilot projects. In the chapter on pilot projects, we also allow using the service of a specialised nurse for the ischemic stroke treatment pathway. In the future, it will be important to agree and establish a standard that clearly defines the stages of the treatment pathway, the decision criteria, the stages of transition between specialists, and the roles of the parties involved. There is also a need to agree on a process for collecting data on health outcomes and a remuneration model. In addition to the pilot project on ischemic stroke, the Health Insurance Fund is also developing and implementing the treatment pathway approach in other areas of specialised medical care (endoprostheses, lung cancer, mental health, etc.).

Mental health continued to receive special attention in 2023, with a focus on the creation of a mental health treatment pathway. The priority for 2023 was to establish a unified treatment approach within mental health treatment pathways. This means that in the future, the provision and organisation of services will be uniform throughout Estonia, which, in turn, will help to set the second priority, i.e. the principles of how to prioritise people with mental health problems on the basis of urgency to ensure that they get the help they need as quickly as possible.

In 2023, the Health Insurance Fund financed a total of €1.6 billion euros in health services, of which specialised medical care accounted for 1.1 billion euros, or 67%. Compared to 2022, we were able to invest 18% more in specialised medical care in the reporting year, or nearly 172 million euros more. The budget was executed at 98%. This was mainly related to the easing of the COVID-19 pandemic: in 2023, there were 3,856 fewer people in inpatient treatment for COVID-19 than in the previous year. However, access to specialised medical care did not decrease: in 2023, a total of 784,592 people used specialised medical care services, which is an increase of 7,000, or 1%, on the previous year.

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<sup>1</sup> Health Insurance Fund (2023). 'Pilot project on ischemic stroke'. Final report. Source: [www.tervisekassa.ee/insuldi-juhtprojekt](http://www.tervisekassa.ee/insuldi-juhtprojekt)

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

Table 11. Execution of the budget for specialised medical care (in thousands of euros) and the number of treatment cases by types of services

	2023 actual		2023 budget		Execution of the budget		2022 actual		Change 2023 vs 2022	
	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases
Specialised medical care, total	938,217	2,974,822	950,412	3,043,015	99%	98%	789,928	2,939,527	19%	1%
Outpatient treatment	390,036	2,745,528	383,443	2,811,387	102%	98%	322,354	2,722,206	21%	1%
Day treatment	49,812	72,454	45,866	68,337	109%	106%	38,627	63,607	29%	14%
Inpatient treatment	498,369	156,840	521,103	163,291	96%	96%	428,947	153,714	16%	2%
Special cases	99,088	77,010	104,806	60,260	95%	128%	87,212	66,422	14%	16%
High-cost treatment cases	9,352	65	14,423	73	65%	89%	12,103	72	-23%	-10%
Other special cases	89,736	76,945	90,383	60,187	99%	128%	75,109	66,350	19%	16%
Periodic fees	72,545	-	72,448	-	100%	-	60,386	-	20%	-
Monthly fee of specialised medical care	4,181	-	4,159	-	101%	-	3,429	-	22%	-
Standby fee	68,364	-	68,289	-	100%	-	56,957	-	20%	-
<b>Total</b>	<b>1,109,850</b>	<b>3,051,832</b>	<b>1,127,666</b>	<b>3,103,275</b>	<b>98%</b>	<b>98%</b>	<b>937,526</b>	<b>3,005,949</b>	<b>18%</b>	<b>2%</b>

During the reporting period, there were 3,526,869 outpatient appointments in specialised medical care. The number of outpatient appointments has increased by 3%, or 100,455, compared to 2022. There were 114,392 inpatient appointments in specialised medical care. The number of inpatient appointments has increased by 8% compared to the same period in 2022.

In 2023, 5,253 people were hospitalised with COVID-19, 3,856 fewer than in 2022. Nearly 35% of hospital inpatients were unvaccinated against COVID-19. In comparison, in 2022, 47% of COVID-19 inpatients were unvaccinated, and their treatment accounted for 46% of COVID-19 inpatient costs. In 2023, more than 30% of the costs of inpatient treatment for COVID-19 patients, or nearly 8 million euros, were spent on treating patients not vaccinated against COVID-19 (46% and 18 million euros in 2022, respectively). The average length of stay was 12.8 days.

Compared to the same period last year, the share of emergency treatment in treatment costs has decreased from 41% to 39%, and the share of emergency treatment in treatment cases from 19% to 18%. The share of emergency treatment cases is highest in paediatrics (33% of all cases) and oncology and surgery (29% of all cases). Treatment costs are highest in paediatrics (56% of specialty costs) and internal medicine (53% of specialty costs), while in the sub-specialties of infectious diseases and internal medicine, 73% and 77% of costs respectively are spent on emergency treatment.

In terms of financing, the largest share of health care services included in the medical bills was for examinations and procedures (27%) and bed days (24%). The use of examinations and procedures and bed days increased compared to the previous year, both in terms of the number of times used and the amount.

In addition, remote consultations and e-consultations were offered in specialised medical care, statistics on which can be found in the chapter on access to specialised medical care.

## Execution of the budget and treatment cases by specialties

Table 12. Execution of the budget for specialties of specialised medical care (in thousands of euros) and the number of treatment cases

	2023 actual		2023 budget		Execution of the budget		2022 actual		Change 2023 vs 2022	
	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases
<b>Surgery</b>	<b>251,736</b>	<b>818,234</b>	<b>249,618</b>	<b>830,856</b>	<b>101%</b>	<b>98%</b>	<b>215,058</b>	<b>815,870</b>	<b>17%</b>	<b>0%</b>
outpatient treatment	75,159	738,107	73,019	751,719	103%	98%	61,940	739,459	21%	0%
day treatment	22,255	30,631	20,176	28,085	110%	109%	17,491	27,270	27%	12%
inpatient treatment	154,322	49,496	156,423	51,052	99%	97%	135,627	49,141	14%	1%
<b>Ophthalmology</b>	<b>40,168</b>	<b>348,027</b>	<b>36,117</b>	<b>338,527</b>	<b>111%</b>	<b>103%</b>	<b>30,692</b>	<b>339,895</b>	<b>31%</b>	<b>2%</b>
outpatient treatment	35,438	344,056	31,798	334,984	111%	103%	26,752	336,340	32%	2%
day treatment	1,553	2,149	1,160	1,700	134%	126%	1,027	1,730	51%	24%
inpatient treatment	3,177	1,822	3,159	1,843	101%	99%	2,913	1,825	9%	0%
<b>Oncology</b>	<b>130,325</b>	<b>163,260</b>	<b>129,768</b>	<b>163,042</b>	<b>100%</b>	<b>100%</b>	<b>105,793</b>	<b>154,331</b>	<b>23%</b>	<b>6%</b>
outpatient treatment	79,293	143,666	76,624	142,895	103%	101%	64,561	137,126	23%	5%
day treatment	5,363	6,883	5,154	6,996	104%	98%	3,697	5,594	45%	23%
inpatient treatment	45,669	12,711	47,990	13,151	95%	97%	37,535	11,611	22%	9%
<b>Gynaecology</b>	<b>68,015</b>	<b>418,008</b>	<b>68,831</b>	<b>425,113</b>	<b>99%</b>	<b>98%</b>	<b>56,321</b>	<b>410,618</b>	<b>21%</b>	<b>2%</b>
outpatient treatment	47,617	394,232	47,001	399,064	101%	99%	39,153	387,169	22%	2%
day treatment	6,520	14,537	6,592	15,382	99%	95%	5,329	13,997	22%	4%
inpatient treatment	13,878	9,239	15,238	10,667	91%	87%	11,839	9,452	17%	-2%
<b>Paediatrics</b>	<b>36,735</b>	<b>118,198</b>	<b>36,702</b>	<b>125,634</b>	<b>100%</b>	<b>94%</b>	<b>30,756</b>	<b>122,842</b>	<b>19%</b>	<b>-4%</b>
outpatient treatment	11,358	103,512	11,745	111,006	97%	93%	9,654	109,001	18%	-5%
day treatment	2,363	3,135	2,442	3,045	97%	103%	1,820	2,465	30%	27%
inpatient treatment	23,014	11,551	22,515	11,583	102%	100%	19,282	11,376	19%	2%
<b>Psychiatry</b>	<b>57,911</b>	<b>251,310</b>	<b>58,439</b>	<b>264,141</b>	<b>99%</b>	<b>95%</b>	<b>44,291</b>	<b>243,024</b>	<b>31%</b>	<b>3%</b>
outpatient treatment	18,165	242,424	17,673	254,948	103%	95%	13,303	234,658	37%	3%
day treatment	486	436	588	613	83%	71%	238	316	104%	38%
inpatient treatment	39,260	8,450	40,178	8,580	98%	98%	30,750	8,050	28%	5%
<b>Internal medicine</b>	<b>319,328</b>	<b>779,579</b>	<b>335,189</b>	<b>812,799</b>	<b>95%</b>	<b>96%</b>	<b>281,995</b>	<b>771,286</b>	<b>13%</b>	<b>1%</b>
outpatient treatment	110,737	709,592	113,668	743,099	97%	95%	97,747	704,957	13%	1%
day treatment	11,087	14,547	9,598	12,386	116%	117%	8,913	12,116	24%	20%
inpatient treatment	197,504	55,440	211,923	57,314	93%	97%	175,335	54,213	13%	2%
<b>Primary follow-up treatment</b>	<b>2,914</b>	<b>2,068</b>	<b>4,285</b>	<b>2,910</b>	<b>68%</b>	<b>71%</b>	<b>3,072</b>	<b>2,401</b>	<b>-5%</b>	<b>-14%</b>
inpatient treatment	2,914	2,068	4,285	2,910	68%	71%	3,072	2,401	-5%	-14%
<b>Rehabilitation</b>	<b>31,085</b>	<b>76,138</b>	<b>31,463</b>	<b>79,993</b>	<b>99%</b>	<b>95%</b>	<b>21,950</b>	<b>79,260</b>	<b>42%</b>	<b>-4%</b>
outpatient treatment	12,269	69,939	11,915	73,672	103%	95%	9,244	73,496	33%	-5%
day treatment	185	136	156	130	119%	105%	112	119	65%	14%
inpatient treatment	18,631	6,063	19,392	6,191	96%	98%	12,594	5,645	48%	7%
<b>Total</b>	<b>938,217</b>	<b>2,974,822</b>	<b>950,412</b>	<b>3,043,015</b>	<b>99%</b>	<b>98%</b>	<b>789,928</b>	<b>2,939,527</b>	<b>19%</b>	<b>1%</b>
outpatient treatment	390,036	2,745,528	383,443	2,811,387	102%	98%	322,354	2,722,206	21%	1%
day treatment	49,812	72,454	45,866	68,337	109%	106%	38,627	63,607	29%	14%
inpatient treatment	498,369	156,840	521,103	163,291	96%	96%	428,947	153,714	16%	2%

In 2023, we paid for the treatment of 784,592 people in specialised medical care, including 776,761 people in the main specialties. The number of people treated in the main specialties has increased by 1% compared to 2022. The increase in the number of people has been driven by outpatient treatment, where the number of

service users has increased by 6,994.

**The specialty of surgery** comprises cardiac surgery, paediatric surgery, neurosurgery, oral and maxillofacial surgery, orthopaedics, otorhinolaryngology, thoracic surgery, urology, vascular surgery, and general surgery.

In 2023, we paid for the treatment of 386,340 people in the specialty of surgery. The number of people receiving treatment increased by 6,414 compared to 2022. Funding increased by 17%, or nearly 37 million euros.

During the reporting period, we financed 12,622 fewer cases in surgery than planned. The biggest impact of the lower use of the case budget is in general surgery, where the number of treatment cases was lower by 6,550 than planned. The number of treatment cases in otorhinolaryngology and urology was higher than planned, with 5,143 and 2,477 more cases, respectively.

**In ophthalmology**, we paid for the ophthalmology services of 171,356 people. The number of people receiving treatment has increased by 2,600 compared to the same time last year (up 2%), while funding increased by 31%.

The main specialty of oncology also reflects the use of haematology services. In the main speciality of oncology, we paid for the treatment of 39,878 people. The number of people receiving treatment increased by 918 or 2% compared to 2022. Funding for oncology increased by 23%, or 24 million euros.

During the reporting period, 192,660 people used **gynaecology services**, for whom the Health Insurance Fund paid more than 68 million euros to medical institutions for 418,008 treatment cases. The number of people receiving treatment increased by 8,860 or 5% compared to 2022. Funding increased by 21%.

**In paediatrics**, we paid for the treatment of 58,378 children. The number of children receiving treatment decreased by 2,855 or 5% compared to 2022.

In **psychiatry**, the Health Insurance Fund paid for the treatment of 67,281 people. The number of people receiving treatment increased by 1,382 or 2% compared to 2022. The number of people has increased in outpatient treatment, where the number of appointments also increased in 2023.

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 the specialty of internal medicine, the Health Insurance Fund paid for the treatment of 335,268 people in 2023. The number of people receiving treatment decreased by 1,472 or 0.4% compared to 2022. This was most affected by a decrease in the number of people receiving outpatient treatment.

The number of people receiving **primary follow-up treatment** as well as the number of treatment cases have decreased. In 2023, 1,949 people received follow-up treatment, 15% fewer than in the previous year.

In the **rehabilitation** specialty, we paid for the treatment of 52,836 people. The number of people receiving treatment increased by 77 compared to last year. The number of people using outpatient services has increased. Financing has increased by nearly 9 million euros.

For a more detailed overview of statistics on the use of health services, see our website [www.tervisekassa.ee/koik-teenused](http://www.tervisekassa.ee/koik-teenused)

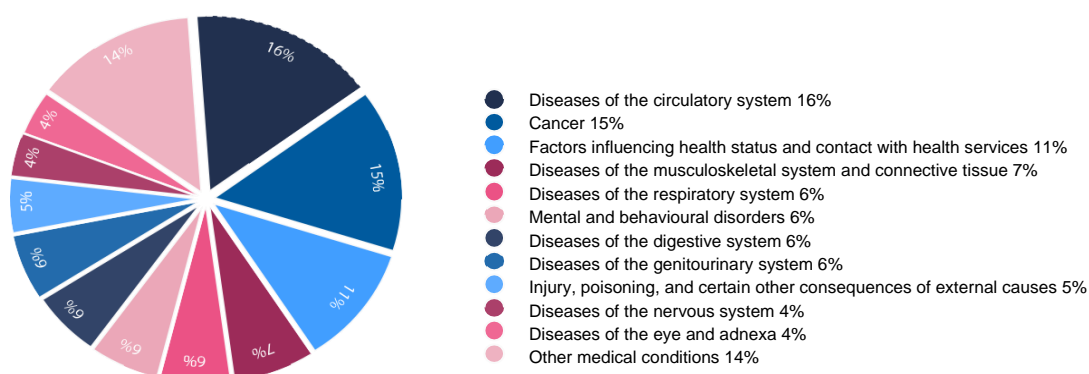


## Main diagnosis groups in the main specialties of specialised medical care

The largest diagnosis groups that we funded in 2023 were diseases of the circulatory system, neoplasms, diseases of the respiratory system, and factors influencing health status and contact with health services.

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 'Diseases of the eye and adnexa'. The number of people who received treatment in the diagnosis group 'Factors influencing health status and contact with health services' has decreased. Compared to the same period last year, the biggest increase in funding was in cancer treatment, while it only decreased in the treatment of respiratory diseases.

Figure 2. Distribution of funding for specialised medical care by health conditions



## Health care services in the main specialties of specialised medical care

The biggest part of the services included in the specialised medical care treatment invoices in 2023 were examinations and procedures (27%) and bed days (4%). There have been no changes in the structure of health care services compared to the previous year.

Table 13. Proportion of service groups in treatment invoices by amounts

	2023 actual	2022 actual	Change 2023 vs 2022
Examinations and procedures	27%	26%	1%
Bed days	24%	23%	1%
Laboratory tests	14%	16%	-2%
Surgeries and additional resources	12%	12%	0%
Outpatient appointments	9%	9%	0%
Pharmaceuticals	7%	7%	0%
Anaesthesia	3%	3%	0%
Blood and blood products	2%	2%	0%
Other services	2%	2%	0%



## 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.

Table 14. Treatment cases provided in excess of the contractual volume (in thousands of euros) and the number of treatment cases

	2023 actual		2022 actual		Change 2023 vs 2022	
	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases
Outpatient treatment	9,025	77,023	8,063	89,886	12%	-14%
Day treatment	912	1,822	501	1,024	82%	78%
Inpatient treatment	1,124	983	566	623	99%	58%
<b>Total</b>	<b>11,061</b>	<b>79,828</b>	<b>9,130</b>	<b>91,533</b>	<b>21%</b>	<b>-13%</b>

The proportion of medical services exceeding the contract amount in specialised medical care was 3% for treatment cases and 1% for the amount. Overtime for outpatient treatment accounts for nearly 82% of the amount paid for overtime. Treatment invoices for overtime were submitted in all main specialties, the most in ophthalmology (20,314 treatment cases), surgery (19,194 treatment cases), and the specialty of internal medicine (17,604 treatment cases), which were also the highest in amount (1.8 million, 2.9, and 2.4 million euros, respectively). Compared to 2022, the amount of overtime in treatment cases decreased by 13% and the amount increased by 21%. By comparison, the pre-COVID-19 period, in 2019, the amount of overtime in specialised medical care amounted to nearly 14 million euros, indicating that the capacity of health care providers is now recovering.

## Execution of the budget for special cases and treatment cases

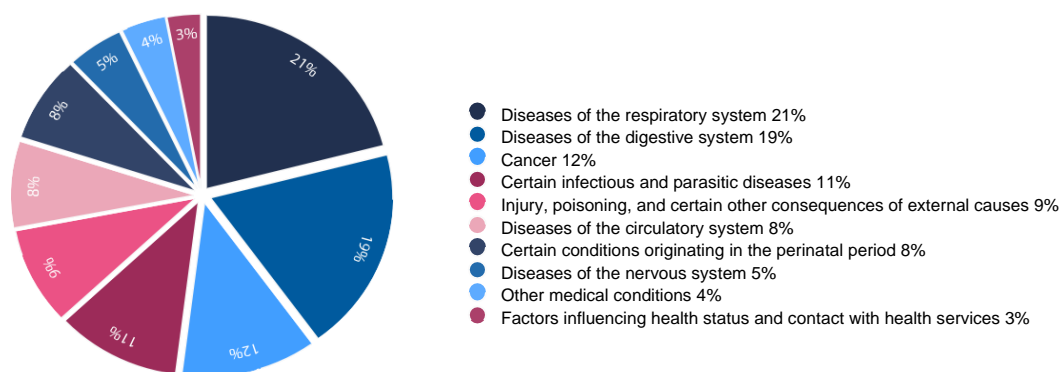
Special cases are specialised medical care services that do not fall under the main specialties of specialised medical care. The budget for special cases includes high-cost treatment cases and other special cases – organ transplantation, bone marrow transplantation, childbirth, haemodialysis, peritoneal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

### High-cost treatment cases

From 1 April 2020, an inpatient 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 2023, health care providers submitted 65 high-cost treatment cases in the amount of 9 million euros to be reimbursed. Among the main diagnosis groups, high-cost treatment cases were the most frequent for diseases of the digestive system (20%) and diseases of the respiratory system (18%). The biggest number of high-cost treatment cases occurred at Tartu University Hospital (22 cases) and the North Estonia Medical Centre (19 cases).

Figure 3. Distribution of funding for high-cost treatment cases by health conditions



### Other special cases

Other special cases are earmarked cases for financing and the content of such services is described in the treatment financing agreement published on the website of the Health Insurance Fund.

Table 15. Execution of the budget for other special cases (in thousands of euros) and the number of treatment cases

	2023 actual		2023 budget		Execution of the budget		2022 actual		Change 2023 vs 2022	
	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases
Endoprostheses	25,029	4,465	25,199	4,410	99%	101%	20,282	3,903	23%	14%
Childbirths	20,942	10,532	24,257	12,176	86%	86%	19,528	11,245	7%	-6%
Haemodialysis	15,782	4,947	15,926	4,990	99%	99%	14,279	4,970	11%	0%
Cataract surgeries	13,799	19,724	12,985	18,890	106%	104%	11,271	18,422	22%	7%
Infertility treatment	3,615	3,455	3,610	3,500	100%	99%	3,190	3,444	13%	0%
Bone marrow transplantation	3,120	349	3,561	397	88%	88%	2,733	323	14%	8%
Treatment of patients wounded in war	2,361	-	-	-	-	-	-	-	-	-
Organ transplantation	2,035	235	1,894	222	107%	106%	1,530	158	33%	49%
War refugees – specialised medical care	1,340	13,506	1,097	-	122%	-	701	9,180	91%	47%
Peritoneal dialysis	942	532	989	560	95%	95%	949	545	-1%	-2%
Hearing implants	533	22	657	31	81%	71%	536	25	-1%	-12%
Influenza vaccination	145	19,058	119	15,000	122%	127%	110	14,135	32%	35%
MAC* council	90	11	89	11	101%	100%	-	-	-	-
Emergency vaccination	3	109	-	-	-	-	-	-	-	-
<b>Total</b>	<b>89,736</b>	<b>76,945</b>	<b>90,383</b>	<b>60,187</b>	<b>99%</b>	<b>128%</b>	<b>75,109</b>	<b>66,350</b>	<b>19%</b>	<b>16%</b>

\* Medical Assessment Committee.

In 2023, 20,418 cataract surgeries were performed on 13,359 people. The number of people operated on has increased by 5% and the number of surgeries has increased by 7%, i.e. 1,283 more surgeries were performed than in the previous year.

Slightly more endoprostheses were performed during the reporting period than in the same period of the previous year. While in 2022, 4,045 endoprosthesis surgeries were performed on 3,764 people, in 2023, 4,663 surgeries were performed on 4,281 people.

In 2023, we financed 713 fewer obstetric cases than last year: in 2022, there were a total of 11,245 obstetric cases and in 2023, 10,532.

In 2023, we paid for the treatment of a total of 54,018 people (special cases) – 3,162 more than in 2022. The highest numbers of people were for people vaccinated against the influenza, cataract surgeries, and births.

## Execution of the budget for periodic fees

In 2023, the Health Insurance Fund paid a total of 71 million euros in standby and periodic fees (60 million in 2022).

During the reporting period, we paid more than 4 million euros in **specialised medical care monthly fees** – nearly 752 thousand euros, or 22% more than in the previous year. We paid the 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 been justified in the case of Hiiumaa Hospital as it ensures the continued provision of specialised medical care and the satisfaction of people. The purpose of introducing a budget-based financing principle at Hiiumaa Hospital 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 near their home. Pursuant 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 2023, we paid over 68 million euros – nearly 11 million euros more than the previous year – in **standby fees**. The cost of standby fees was affected most by the financing of emergency medical departments, the principles of which were added to the list of health services as of 1 January 2020. In 2023, the Health Insurance Fund paid a total of 43 million euros (36 million euros in 2022) as standby fees of emergency medical departments. Due to the high workload of the emergency medical departments in Tallinn and Tartu, a 24/7 standby fee for an additional triage nurse was introduced on 1 April 2023, which allows for a faster assessment of the condition of the patients (the triage category determines the speed of treatment of the patient, i.e. the maximum time to the doctor). In addition, funding was ensured to an additional hospital standby team, which allows patients in emergency medical departments to be treated faster.

In 2020, the Health Insurance Fund took over the tasks of the state-regulated transplant institution. The financing model of the national transplant centre has been updated and the standby fee of the transplant centre has been included in the list of health services. In 2023, the Health Insurance Fund paid 671 thousand euros as standby fees of the transplant centre.

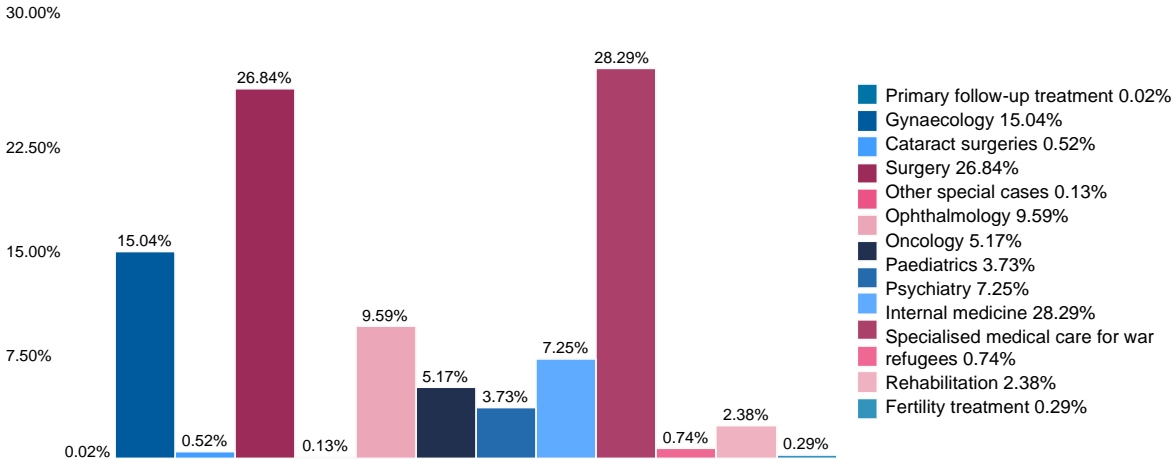
## Availability of specialised medical care

The renewal of the list of health services on 1 January 2023 resulted in dozens of new evidence-based and cost-effective treatments being available. The possibilities for e-consultations have also been extended – for example, medical specialists can also consult each other. Medical specialist video consultations can now also be used for making referrals via e-consultation.

In 2023, there were around 4.1 million outpatient appointments with specialised medical care doctors, nurses, and midwives (an increase of 4% compared to 2022). The highest numbers of appointments were in gynaecology (558,425, +2%), ophthalmology (334,899, +2%), home nursing 284,971 (+2%), general surgery 279,781 (+3%), psychiatry 265,395 (+5%), and orthopaedics 255,942 (+0%). The number of appointments increased by more than 20% for specialised medical care for war refugees, organ transplants, early detection

of bowel and breast cancer, occupational diseases, counselling to quit using tobacco, alcohol use disorder prevention, and tuberculosis treatment. The number of appointments rose by more than 12% for bone marrow transplants, inpatient nursing care, early detection of cervical cancer, breast surgery, peritoneal dialysis, and counselling to quit using tobacco.

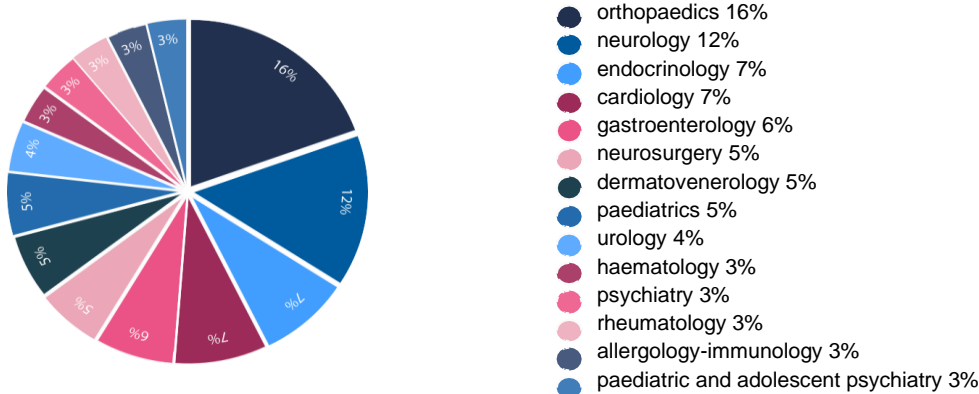
**Figure 4. Distribution of specialised medical care appointments by main specialties**



Mental health continued to be a focus in 2023. To improve access to mental health care, the number of mental health nurses will be increased at different levels of treatment (in family medicine care, primary health care centres, and hospitals). On 1 April 2023, the salary component for clinical psychologists was increased and the possibility to use the case management service in psychiatry was implemented. The e-learning of mental health support for family nurses and family physicians, which was launched in autumn 2021 with the support of the University of Tartu, continued, with the aim of supporting the capacity of primary health care in addressing mental health concerns. In the field of psychiatry, there were 265,395 appointments in 2023 (an increase of 5%). The median waiting time for a primary appointment with a medical specialist in psychiatry was 22 days (nine days in Harju County). 63% of appointments had a waiting time of 42 days or less.

Based on the data of the Health Information System, the median waiting time for scheduled primary outpatient appointments in 2023 was 21 days. Nationwide, the specialties with a median waiting time of more than 42 days are allergology-immunology, cardiosurgery, mammology, neurosurgery, and andrology. In the first half of the year, 68.18% of primary appointments had a median waiting time of 42 days or less. A year earlier, the figure was 70.5%. In regional hospitals, 57% of primary appointments had a waiting time of up to 42 days, compared with 67% in central hospitals and 77% in general hospitals.

**Figure 5. Use of the e-consultation service for family physicians**



In 2023, a total of 95,307 e-consultation referrals were issued (11% of the total number of referrals for outpatient medical specialist consultations). The Tartu University Hospital (29,512 times), the North Estonia Medical Centre (21,245 times), the and East Tallinn Central Hospital (20,192 times) responded to the most e-consultations. Looking at the types of responses to the e-consultations, in 36% of cases, it was sufficient for the medical specialist to provide further guidance and advice to the family physician on how to proceed with the treatment of the patient. Depending on the medical condition, 2% of patients required hospitalisation; 5% of patients required a medical specialist appointment within seven days and 34% of patients within 8–42 days. 18% of patients were seen by a medical specialist after more than 42 days.

## Performance of specialised medical care contracts

Table 16. Performance of specialised medical care contracts (in thousands of euros) and the number of treatment cases

	2023		Performance of the contract in 2023		2022		Performance of the contract in 2022	
	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases
<b>Hospitals of the hospital network development plan</b>	<b>1,030,147</b>	<b>2,379,537</b>	<b>100%</b>	<b>106%</b>	<b>883,762</b>	<b>2,396,240</b>	<b>100%</b>	<b>104%</b>
Regional hospitals	558,000	1,036,332	100%	107%	480,821	1,013,417	100%	107%
Central hospitals	328,022	912,886	100%	105%	282,958	939,031	100%	103%
General hospitals, local hospital, rehabilitation hospital	144,124	430,319	99%	105%	119,983	443,792	98%	102%
<b>Partners outside the hospital network</b>	<b>69,250</b>	<b>505,686</b>	<b>107%</b>	<b>106%</b>	<b>54,206</b>	<b>466,340</b>	<b>104%</b>	<b>108%</b>
<b>Total</b>	<b>1,099,397</b>	<b>2,885,223</b>	<b>101%</b>	<b>106%</b>	<b>937,968</b>	<b>2,862,580</b>	<b>100%</b>	<b>105%</b>

Compared to 2022, the amount paid to hospitals of the hospital network development plan increased by 18% and the number of treatment cases by 0.4%. The amount paid to partners outside the hospital network increased by 31%, and the number of treatment cases increased by 7%. The Health Insurance Fund outsources specialised medical care services from the private sector in an increasing volume.

The amounts paid to **regional hospitals** (North Estonia Medical Centre, Tallinn Children’s Hospital, and Tartu University Hospital) increased by 17% in 2023 compared to the previous year, the number of treatment cases increased by 2% compared to 2022. The treatment cases of regional hospitals constituted 36% and the amount constituted 51% 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 17% in 2023 compared to the previous year, the number of treatment cases provided in central hospitals increased by 1% compared to 2022.

**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) dealt with the same number of treatment cases as in 2022. However, the amount paid increased by 21% in 2023 compared to the previous year. In 2023, the proportion of treatment cases of general hospitals and local hospitals constituted 15% and the amount constituted 13% of the total performance of specialised medical care contracts.

**Partners outside the hospital network** dealt with 7% more treatment cases than in 2022, and the amount paid increased by 31% in 2023 compared to the previous year. In 2023, the proportion of partners outside the hospital network in the performance of specialised medical care contacts is 18% with regard to treatment cases and 7% with regard to the amount.

## 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. In addition, 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 in accordance with the need of the patient as a health service both as inpatient and outpatient (home nursing) care, as well as the 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 (including independent appointments).

**Table 17. Execution of the budget for nursing care (in thousands of euros) and the number of treatment cases**

	2023 actual		2023 budget		Execution of the budget		2022 actual		Change 2023 vs 2022	
	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases
Home nursing	13,003	42,796	13,310	43,385	98%	99%	10,914	42,367	19%	1%
Inpatient nursing care	56,880	20,769	62,805	20,215	91%	103%	43,992	19,318	29%	8%
Nursing care in general care services	8,313	74,987	8,753	–	95%	–	6,399	71,324	30%	5%
<b>Total</b>	<b>78,196</b>	<b>138,552</b>	<b>84,868</b>	<b>63,600</b>	<b>92%</b>	<b>218%</b>	<b>61,305</b>	<b>133,009</b>	<b>28%</b>	<b>4%</b>

The budget for nursing care in 2023 was planned at 85 million euros, however, the actual amount of funding was over 78 million euros, which is 8% lower than planned. This was mainly influenced by the lower than planned inpatient nursing bed day utilisation due to the reduction in COVID-19 caseload. Compared to 2022, funding for the service increased by 28%.

In 2023, we continued to fund nursing services in general nursing homes. General care services provided outside the home are social services organised by a local government with the aim of providing a safe environment and a means of subsistence for an adult person who, for reasons related to health, ability to function, or living conditions, is temporarily or permanently unable to manage independently at home. The aim is that all people living in nursing homes receive nursing care.

From 2020, hospice care is funded as part of inpatient nursing care. As at the end of 2022, five hospitals provide inpatient hospital care in a total of 44 beds.

In 2023, we financed the provision of nursing care to 29,316 people. The number of people using the service has increased by around 2% compared to the previous year. The number of patients increased in both statutory nursing (3%) and nursing in general nursing homes (5%). Inpatient nursing care was provided to 13,478 people and nursing care in general nursing homes to 11,430 people.

9,708 people received home nursing services and 285,132 home nursing visits were made. The number of people receiving the services decreased by 2% compared to the previous year. Home nursing services were also provided in health centres: it was provided more than 50,180 times, an increase of 25% compared to the previous year.

Table 18. Performance of nursing care contracts (in thousands of euros) and the number of treatment cases

	2023		Performance of the contract		2022		Performance of the contract	
	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases
<b>Hospitals of the hospital network development plan</b>	<b>39,775</b>	<b>29,500</b>	<b>99%</b>	<b>110%</b>	<b>31,179</b>	<b>26,916</b>	<b>95%</b>	<b>113%</b>
Regional hospitals	7,774	5,666	99%	99%	5,980	5,565	88%	90%
Central hospitals	15,743	8,455	99%	104%	12,151	7,828	94%	105%
General hospitals, local hospitals	16,258	15,379	99%	117%	13,048	13,523	98%	128%
<b>Partners outside the hospital network</b>	<b>39,890</b>	<b>65,133</b>	<b>97%</b>	<b>163%</b>	<b>33,534</b>	<b>42,280</b>	<b>95%</b>	<b>243%</b>
<b>Total</b>	<b>79,665</b>	<b>94,633</b>	<b>98%</b>	<b>146%</b>	<b>64,713</b>	<b>69,196</b>	<b>95%</b>	<b>192%</b>

As at 31 December 2023, the Health Insurance Fund had 113 contract partners for the nursing service, incl. 75 contract partners for general care services of nursing care. Within the framework of the existing contract partners, the provision of nursing services has expanded to 17 locations of 26 nursing homes.

The performance of contracts with hospitals of the hospital network development plan increased by nearly 10 million euros compared to 2022, 7% more treatment cases were provided. The performance of contracts with partners outside the hospital network increased by nearly 7 million euros, or 22%; 3% more treatment cases were provided.

## 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, co-morbidities, 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) receive treatment benefits at a rate higher than healthy adults. Dental care is free of charge for people with certain medical conditions who have difficulties with oral hygiene and are therefore at higher risk of developing oral and dental diseases.

The priority for 2023 was to harmonise and improve access to the prevention and treatment of dental diseases in children. 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. In addition to preventive activities, health promotion projects aimed at family nurses and school nurses, which support preventive activities, also continued. Mobile preventive dental services were prepared.

In 2023, the marginal prices for orthodontic services were partially updated due to the revision of the prices for orthodontic laboratory services.

We expanded access to services for residents of nursing homes and special nursing homes, and we fund services where, in cooperation with the nursing service provider, treatment needs are assessed via video consultation. The service aims to ensure access to services for bedridden patients and reduce the need for transport, as the pre-visit and oral health counselling takes place in the nursing home. This means that a patient will only be treated after an oral health assessment has been carried out in the nursing home.

A standard part of the endoprosthesis treatment pathway is a visit to the dentist and treatment of inflammation prior to endoprosthesis. In order to avoid an increase in co-payments for patients, pre-endoprosthesis dental care is reimbursed at a higher rate (85 euros with a co-payment of 15%) and a limited package of emergency services are also available before endoprosthesis.



In 2023, two rates were used for the dental care benefit: benefit rate for adults, which is 40 euros per year with a 50% co-payment, and a higher rate, which is 85 euros with a 15% co-payment. The higher rate is paid to pregnant women, mothers of children under 1 year of age, persons receiving pension for incapacity for work and old-age pensioners, people with partial or no capacity for work, people with increased dental care needs, people registered as unemployed, and people receiving the subsistence benefit. The Health Insurance Fund takes over the obligation to pay for the dental prosthesis service for persons receiving pension for incapacity for work, old-age pensioners, people with partial or no capacity for work, and people over 63 years of age, all with health insurance, in the amount of up to 260 euros over three years.

**Table 19. Execution of the budget for dental care (in thousands of euros) and the number of treatment cases**

	2023 actual		2023 budget		Execution of the budget		2022 actual		Change 2023 vs 2022	
	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases
Prevention and treatment of children's dental diseases	42,492	399,710	40,037	376,379	106%	106%	32,760	363,709	30%	10%
Orthodontics for children	12,614	78,905	12,443	84,908	101%	93%	10,026	77,724	26%	2%
Emergency dental care for adults	2,390	25,392	2,304	24,658	104%	103%	1,969	24,020	21%	6%
Planned dental care for adults	28,899	542,201	31,262	644,283	92%	84%	27,320	551,951	6%	-2%
Planned dental care	70	100	237	275	30%	36%	168	214	-58%	-53%
Life-long dental care	589	4,051	481	3,100	122%	131%	383	2,925	54%	38%
Non-monetary dental care benefit	20,800	487,527	22,832	588,446	91%	83%	19,343	498,154	8%	-2%
Non-monetary benefit for dentures	7,311	49,955	7,608	51,852	96%	96%	7,379	50,341	-1%	-1%
Hospital treatment - dental care	70	184	8	10	-	-	0	0	-	-
Orthodontics for adults	59	384	96	600	61%	-	47	317	-	-
Standby fee	55	-	55	-	100%	-	47	-	17%	-
<b>Total</b>	<b>86,450</b>	<b>1,046,208</b>	<b>86,101</b>	<b>1,130,228</b>	<b>100%</b>	<b>93%</b>	<b>72,122</b>	<b>1,017,404</b>	<b>20%</b>	<b>3%</b>

In 2023, the Health Insurance Fund paid a total of more than 86 million euros for people's dental care services and benefits, which 20% more than a year earlier. The execution of the budget was 100%. The budget for dental care in children was exceeded by nearly 6%, or nearly 2.5 million euros. The budget for non-monetary dental care benefit was under-executed by more than 2.4 million euros, but up 8% on the previous year.

Nearly 607,726 people visited a dentist; the number of children who used dental care services increased the most – in 2023, 168,138 children used dental care services, which is 9,779 more than in 2022. The number of children using orthodontic services increased by 159 compared to 2022. Orthodontic cases in children were executed at a rate of 93%.



## Prevention and treatment of children's dental diseases

Dental care for children at the contract partners of the Health Insurance Fund is financed in accordance with 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 2023, there were a total of 227,792 children aged 3–19 years with health insurance in Estonia, of whom 155,883, or 68% of the target group, visited a dentist in 2023.

Children aged 6–8 years had the highest coverage: 80%, up 3.7% on the previous year. This clearly shows that children go to the dentist quite a lot when they go to school. However, coverage is falling among young people aged 14–19.

In 2023, coverage was highest on Saaremaa, in Võru County, Jõgeva County (64%), Tartu County (63%), and Lääne County (62%), and lowest in Lääne-Viru County (53%), Ida-Viru County, and Valga County (54%).

## Orthodontics

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

In 2023, the Health Insurance Fund financed the orthodontic services of 20,631 children for nearly 13 million euros. The number of children using orthodontic services increased by 159 compared to 2022.

## 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. In 2023, 19,555 people used emergency dental care for adults at a cost of more than 2 million euros.

## 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. In 2023, the Health Insurance Fund reimbursed planned dental care for adults for 29 million euros.

A total of 380,285 people, or 17,914 more than a year earlier, used the dental care benefit for adults. The 40-euro dental care benefit was used by 219,162 people and the 85-euro benefit for people with an increased need for dental care was used by 161,123 people. The number of people who used the benefit at the higher rate (85 euros) has increased the most, i.e. by 6,565 people. A third of this increase is made up by the unemployed registered with the Unemployment Insurance Fund and recipients of the subsistence benefit – these target groups can use the 85-euro dental benefit from 1 January 2022.

The amount of non-monetary compensation for dentures is 260 euros for one person over three years. In 2023, 38,672 people used the benefit for dentures for adults, almost as many as a year earlier.

In addition to the reformed dental care 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 in 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. 141 people used the service in its first year of launch, 427 people in 2020, and 1,272 people in 2023.

Table 20. Performance of dental care contracts (in thousands of euros) and the number of treatment cases

	2023		Performance of the contract 2023		2022		Performance of the contract 2022	
	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases
<b>Hospitals of the hospital network development plan</b>	<b>5,359</b>	<b>49,589</b>	<b>93%</b>	<b>93%</b>	<b>4,482</b>	<b>53,273</b>	<b>90%</b>	<b>85%</b>
Regional hospitals	3,027	29,877	97%	97%	2,506	32,546	91%	84%
Central hospitals	1,813	15,423	93%	94%	1,528	15,612	92%	90%
General hospitals, local hospitals	519	4,289	68%	65%	448	5,115	83%	75%
<b>Partners outside the hospital network</b>	<b>54,772</b>	<b>479,973</b>	<b>97%</b>	<b>96%</b>	<b>42,161</b>	<b>452,447</b>	<b>98%</b>	<b>94%</b>
<b>Total</b>	<b>60,131</b>	<b>529,562</b>	<b>97%</b>	<b>96%</b>	<b>46,643</b>	<b>505,720</b>	<b>97%</b>	<b>93%</b>

In 2023, the Health Insurance Fund had a total of 442 contract partners. The Health Insurance Fund concluded 318 initial annual contracts with children's dental care partners, further increasing the availability of free dental care for children. In dental care for adults, eight new partners were added.

Compared to 2022, the amount paid for dental care increased by 29%, with a 23% increase in hospitals of the hospital network development plan and a 29% increase in partners outside the hospital network.

## 1.6 Emergency medical care

From 2019, contracts with 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 2023, there were 10 service providers and 102 ambulance crews in emergency medical care.

Table 21. Execution of the budget for emergency medical care (in thousands of euros)

	2023 actual	2023 budget	Execution of the budget	2022 actual	Change 2023 vs 2022
<b>Total emergency medical care</b>	<b>78,919</b>	<b>79,694</b>	<b>99%</b>	<b>67,109</b>	<b>18%</b>

The budget for emergency medical care in 2023 was close to 80 million euros, with a budget execution rate of 99%.

In 2023, there were a total of 271,033 calls for emergency medical care. On average, there were 22,586 calls in a month, with the highest number in December at 25,599 and the lowest in February at 20,219. In 2023, the number of calls decreased by 9% compared to the previous year, or by 27 531 calls.

By the order of the Health Board, emergency medical care can use additional reduced ambulance crews in responding to calls. In 2023, 20 additional ambulance crews were added to respond to calls. Additional ambulance crews were used to transport patients from Narva to a higher-level hospital and for the standby service in Tartu, Tallinn, and Narva to alleviate the expected increase in workload on Midsummer Day. In addition, additional ambulance crews were used, inter alia, at two major events and in one case, for the medical transport of an Estonian citizen from Ukraine to Estonia.

## 1.7 Emergency treatment of uninsured persons

From 2019, the Health Insurance Fund finances emergency treatment of uninsured persons. This includes treatment of the coronavirus in the hospital.

Table 22. Execution of the budget for the emergency treatment of uninsured people (in thousands of euros)

	2023 actual	2023 budget	Execution of the budget	2022 actual	Change 2023 vs 2022
<b>Total emergency treatment of uninsured persons</b>	<b>11,638</b>	<b>13,570</b>	<b>86%</b>	<b>11,947</b>	<b>-3%</b>

In 2023, 31,887 people received treatment (49,485 in 2022) and we paid more than 11 million euros for their treatment – 3% less than a year earlier. The planned budget for the treatment of uninsured persons was executed at 86%.

Compared to 2022, the number of uninsured people who received emergency treatment decreased by 36%, or by 17,598 people. The number of uninsured persons who needed outpatient treatment decreased the most compared to a year earlier. In 2022, 7,611 people with Ukrainian citizenship (Ukrainian nationality) were invoiced for emergency treatment. In 2023, there were 1,762 people with Ukrainian citizenship in need of emergency treatment. Emergency treatment is available to all people in Estonia.

## 1.8 Coercive psychiatric treatment

Until 2022, the Health Insurance Fund checked all treatment invoices for coercive psychiatric treatment and emergency psychiatric care and paid for the provision of emergency psychiatric care, including involuntary psychiatric care, for uninsured people.

Starting from October 2022, in addition to the above services, the Health Insurance Fund also pays for prescribed coercive psychiatric treatment, i.e. involuntary treatment, thus harmonising the financing of health services. Thus, from October 2022, all psychiatric care services are included in the services financed through the list of health services. Previously, the costs of coercive psychiatric treatment were covered through the Ministry of Social Affairs.

Table 23. Execution of the budget for coercive treatment (in thousands of euros)

	2023 actual	2023 budget	Execution of the budget	2022 actual	Change 2023 vs 2022
<b>Total coercive treatment</b>	<b>6,138</b>	<b>6,925</b>	<b>89%</b>	<b>1,259</b>	<b>387%</b>

In 2023, we paid more than 6 million euros for coercive psychiatric treatment services for 167 people – 29 more people than in 2022, with a total financial cost of nearly 5 million euros more.

## 2. Health promotion

One of the strategic objectives of the Health Insurance Fund is to shape people's health awareness. The area 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.

Table 24. Execution of the budget for health promotion (in thousands of euros)

	2023 actual	2023 budget	Execution of the budget	2022 actual	Change 2023 vs 2022
Activities aimed at children's health development	176	-	-	627	-72%
Activities aimed at raising the awareness of patients	2,351	3,350	70%	1,162	102%
Development of the health care system	884	1,200	74%	630	40%
<b>Total</b>	<b>3,411</b>	<b>4,550</b>	<b>75%</b>	<b>2,419</b>	<b>41%</b>

The 2023 budget for health promotion totalled 4.5 million euros, of which 3.4 million euros, or 75%, had been used by the end of the year.

With regard to the **activities aimed at the healthy development of children and young people**, we continued with health promotion projects, such as promotion of oral health and mental health, and sexual counselling. We continued with pregnancy crisis counselling and a health promotion project in kindergartens and schools. Work continued with the Health Museum on the travelling exhibition on mental health called 'Heaps of Happiness!'. In 2023, the exhibition travelled to Tartu, Pärnu, and Kohtla-Järve. In September, we started supervised tooth brushing in groups of 4-5 year olds, in partnership with Suukool. Supervised tooth brushing in kindergartens aims to develop daily tooth brushing habits, increase oral health awareness, and improve the dental health of Estonian children. More than 500 kindergarten groups joined the project.

**Activities aimed at patient awareness** included the second wave of the spring physical activity campaign, which aimed to draw attention to the prevention of cardiovascular disease through regular physical activity. In August, the summer campaign for the 1220 family physician advisory line ended, reminding people that if they have a health concern or question, they can call 1220 for advice.

The third season of the mental health series *Selge pilt* and the men's health series *Mehed, hakkame elama!* aired, which followed four prominent Estonian men as they tackled health concerns and vices: smoking, alcohol abuse, obesity, and stress caused by overworking.

To increase awareness and coverage of screening, we organised information campaigns on breast, cervical, and colorectal cancer screening. Vaccination information campaigns were also carried out, including a campaign to vaccinate against the influenza virus. We took over and updated the vaccination and infectious diseases information website [vaktsineeri.ee](http://vaktsineeri.ee) from the Health Board.

In cooperation with the Estonian Midwives' Association, 'We are having a baby', a booklet on pregnancy, childbirth, and parenthood was produced, which is available in print and online in Estonian, Russian, and English.

In order to raise awareness, we ran a follow-up campaign on organ donation, with the main focus on inviting people to fill out the declaration of intent.

In **developing the health care system**, activities related to treatment guidelines, clinical audits, and treatment quality indicators were central. Four treatment guidelines were published and the implementation of previously approved guidelines continued. The results of a clinical audit 'Midwifery practices and their documentation during normal delivery in hospital' were published. We continued our work on coordinating the follow-up activities to the three clinical audits published earlier: 'Organisation of the rehabilitation

system'; 'The quality of treatment of patients with organic mental disorders, schizophrenia, and mental and behavioural disorders due to the use of psychoactive substances in acute psychiatry (coercive psychiatric treatment)'; and 'Treatment of patients with myeloma in Estonian hospitals'. We started coordinating the follow-up activities of the clinical audit 'The justification for MRI studies in people with orthopaedic diseases'.

Follow-up activities of the development project for the nationwide implementation of indicators of health outcomes and service experience (PROM/PREM) based on patient assessments and indicators of treatment quality were carried out. The treatment quality strategy of the Health Insurance Fund reached the next stage by the end of the year, with activities continuing to develop and improve the strategy.

### 3. Pharmaceuticals

Pharmaceuticals and vaccines are expensive, and as such, the Health Insurance Fund helps to partially or fully pay for them. Offering a 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 situations where the patient does not commence 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.

The most important changes in the list of health services and reimbursable pharmaceuticals that entered into force in 2023 that affected the budget for 2023, the execution of the budget, and the co-payment of an insured person:

- new evidence-based and cost-effective hospital pharmaceuticals for melanoma, oesophageal cancer, breast cancer, colorectal cancer, and kidney cancer;
- the target group of patients for listed pharmaceuticals in the case of biological treatments for urticaria and prostate cancer was extended;
- the conditions for the use of biological treatments for rheumatism were modernised;
- as a result of the central procurements organised by the Health Insurance Fund, the unit prices of active substances have changed and in connection with these changes, the maximum reference prices of the services in the list were updated;
- new treatment options for acute myeloid leukaemia, chronic myeloid leukaemia, lung tumours, COVID-19 infection, migraine, and spinal muscular atrophy were added to the list of reimbursable pharmaceuticals.

For several years now, the Health Insurance Fund has been working to simplify the conditions for transferring biological pharmaceuticals from hospitals to pharmacies and prescribing them. The changes are aimed at making these pharmaceuticals more easily available to patients, and some of the changes were already implemented in 2023: a number of home-injectable biological pharmaceuticals for psoriatic arthritis and ankylosing spondylitis became available to patients through reimbursable pharmaceuticals in an earlier line. The terms and conditions of biological pharmaceuticals already in place were simplified.

In 2022, the Health Services Organisation Act was amended, which transferred the organisation of the storage and logistics service of publicly procured pharmaceuticals from the Health Board to the Health Insurance Fund. From the beginning of 2023, the Health Insurance Fund is also responsible for the procurement and logistics of COVID-19 vaccines and therefore, the Health Board also handed over these vaccines to the Health Insurance Fund.

**Table 25. Execution of the budget for pharmaceuticals (in thousands of euros)**

	2023 actual	2023 budget	Execution of the budget	2022 actual	Change 2023 vs 2022
Costs of reimbursable pharmaceuticals for the insured	183,672	182,499	101%	167,481	10%
Additional benefit for pharmaceuticals	10,143	8,600	118%	8,824	15%
HIV and AIDS medications, antidotes, and immune preparations	15,601	18,800	83%	13,869	12%
COVID-19 medications	39,942	6,500	614%	4,679	754%
<b>Total</b>	<b>249,358</b>	<b>216,399</b>	<b>115%</b>	<b>194,853</b>	<b>28%</b>

The budget for financing pharmaceuticals in 2023 was planned at 216 million euros, but the actual amount of financing ended up at 249 million euros, which is nearly 28% higher than in 2022. The planned budget was

exceeded by 15%.

The execution of the budget for pharmaceuticals was most affected by the withdrawal of the COVID-19 vaccines procured by the state due to expiry and the amendment of contracts with their manufacturers. The cost of prescription pharmaceuticals reimbursed to insured persons was also over 1 million euros higher. This was influenced by the reimbursement of new pharmaceuticals as well as the expansion of the use of pharmaceuticals. In addition, oral COVID-19 medicines arrived in Estonia at a total cost of nearly 1.8 million euros.

### 3.1 Patient co-payments and the additional benefit for pharmaceuticals

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 and the Minister of Health, which, in turn, are based on the Health Insurance Act. Thus, the law provides for a certain co-payment for the purchase of pharmaceuticals. The co-payment is minimal if the cheapest prescription pharmaceutical is chosen in cooperation with the pharmacist. However, if the co-payment is still too high, the Health Insurance Fund will pay an additional benefit to the patient. This option is intended for those who need more pharmaceuticals.

Table 26. Co-payment of an insured person, in euros

	2023 actual	2022 actual	Change 2023 vs 2022
100% reimbursable pharmaceuticals	4.58	4.37	5%
90% reimbursable pharmaceuticals	5.98	5.87	2%
75% reimbursable pharmaceuticals	8.28	7.91	5%
50% reimbursable pharmaceuticals	7.09	7.08	–
<b>Total</b>	<b>6.51</b>	<b>6.4</b>	<b>2%</b>

The insured person's co-payment has increased slightly, being 6.5 euros per average reimbursable prescription in 2023. In addition to the patient's share, the Health Insurance Fund paid 18.62 euros for the average reimbursable prescription (17.53 euros in 2022).

Table 27. Additional benefit for pharmaceuticals (in thousands of euros)

	2023 actual		2022 actual		Change 2023 vs 2022	
	Amount	Number of people	Amount	Number of people	Amount	Number of people
Additional benefit for medicinal products	10,142	164,667	8,600	154,455	15%	7%

In 2023, the additional benefit for pharmaceuticals has been used in the amount of nearly 10 million euros, i.e. 15% more than in 2022. The budget was exceeded by 18%. In 2023, 164,667 people used the pharmaceutical benefit, i.e. nearly 10,000 people more than last year.

### 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 services. Hospital pharmaceuticals are reimbursed through various price components in the list of health services, the main ones being separate pharmaceutical services (R-services) and 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 (approximately 35%) and haematological (approximately 15%)

diseases have the greatest impact on the budget. In second place are the biological pharmaceuticals used for various autoimmune diseases (rheumatic, dermatological, gastroenterological diseases, asthma, multiple sclerosis, etc.). This amount is decreasing because the prices of biological pharmaceuticals are getting cheaper and we are increasingly reimbursing them as reimbursable pharmaceuticals.

**Table 28. Reimbursement of hospital pharmaceuticals (in thousands of euros)**

	2023 actual	2022 actual	Change 2023 vs 2022
Use of pharmaceutical codes in the list of health services	73,528	63,286	16%
Cost of pharmaceuticals in health services	15,670	15,654	0%
<b>Total</b>	<b>89,198</b>	<b>78,940</b>	<b>13%</b>

The Health Insurance Fund also organises the joint procurement of pharmaceuticals with hospitals. In 2023, we procured five pharmaceuticals in cooperation with six regional and central hospitals, plus an influenza vaccine for all hospitals of the hospital network development plan. Compared to the previous period, we saved 173 thousand euros. We plan to expand the joint procurement of pharmaceuticals in the future.

### 3.2 HIV medications, antidotes, and immune preparations

In order to control the incidence of infectious diseases, the Health Insurance Fund finances the purchase of antiretroviral medications, tuberculosis medications, and immunoglobulins. This helps to avoid a situation where the large and rapid spread of infectious diseases can lead to outbreaks and epidemics. In addition, the Health Insurance Fund organises and finances the public procurement for antidotes, which are used to ensure the treatment of the most common cases of poisoning in emergency medical departments.

**Table 29. Execution of the budget for HIV medications, antidotes, and immune preparations (in thousands of euros)**

	2023 actual	2023 budget	Execution of the budget	2022 actual	Change 2023 vs 2022
HIV/AIDS medications	8,844	12,100	73%	8,311	6%
Immune preparations	3,651	5,800	63%	3,661	0%
Tuberculosis medications	420	500	84%	294	43%
Antidotes	364	400	91%	335	9%
Value added tax on pharmaceuticals	2,322	-	-	1,268	83%
<b>Total</b>	<b>15,601</b>	<b>18,800</b>	<b>83%</b>	<b>13,869</b>	<b>12%</b>

In 2023, we paid nearly 15 million euros for HIV medications, antidotes, and immune preparations, an increase of nearly 2 million euros compared to 2022. The budget for 2023 was executed by 83%. For HIV medications, there may be some increase in the cost of regimens.



### 3.3 COVID-19 medications

Table 30. Execution of the budget for COVID-19 medications (in thousands of euros)

	2023 actual	2023 budget	Execution of the budget	2022 actual	Change 2023 vs 2022
COVID-19 medications	4,612	6,500	71%	4,679	-1%
COVID-19 vaccines	35,330	0	-	0	-
<b>Total</b>	<b>39,942</b>	<b>6,500</b>	<b>614%</b>	<b>4,679</b>	<b>754%</b>

In 2023, we purchased COVID-19 medications for a total of nearly 40 million euros. This amount also includes the cost of vaccines written off due to expiry dates. Remdesivir, monoclonal antibodies, and tocilizumab were used in hospitals, with the addition of Paxlovid as a reimbursable pharmaceutical.

**In 2023, the Health Insurance Fund reimbursed pharmaceuticals** for 338.6 million euros **through various budget lines**. This accounts for around 15.9% of health care costs.

**Table 31. Funds of the budget for health insurance spent on pharmaceuticals (in thousands of euros)**

	2023 actual	2022 actual	Change 2023 vs 2022
Pharmaceuticals to be reimbursed for insured persons	183,672	167,481	10%
Use of pharmaceutical codes in the list of health services	73,528	63,286	16%
Cost of pharmaceuticals in health services	15,670	15,654	0%
Additional benefit for pharmaceuticals	10,143	8,824	15%
HIV and AIDS medications, antidotes, and immune preparations	15,601	13,869	12%
COVID-19 medications	39,942	4,679	754%
<b>Total</b>	<b>338,556</b>	<b>273,793</b>	<b>24%</b>

## 4. Benefits for temporary incapacity for work

The benefit for temporary incapacity for work is paid based to an employed insured person who, due to a temporary leave from work, loses the income subject to social security tax. The benefit is paid on the basis of the certificate of incapacity for work, and its amount and duration depend on the type of certificate of incapacity for work and the cause of incapacity for work. Once the doctor has sent the data of the certificate of incapacity for work to the Health Insurance Fund, the employer will receive information about the absence from work of their employee and the issued certificate of incapacity for work and its estimated date of expiry from the state portal service.

On 1 July 2023, the Government of the Republic of Estonia decided to restore the procedure for payment for temporary incapacity for work that was in place before the coronavirus pandemic. This means that the first three days of the initial certificate of incapacity for work are paid by the employee, the employer pays the benefit from the fourth to the eighth day, and from the ninth day onwards, the Health Insurance Fund pays the benefit.

Table 32. Execution of the budget for benefits for incapacity for work (in thousands of euros)

	2023 actual	2023 budget	Execution of the budget	2022 actual	Change 2023 vs 2022
Sickness benefits	114,299	143,761	80%	142,671	-20%
Carer's allowances	35,401	41,409	85%	40,331	-12%
Maternity benefits	-30	-	-	18,554	-
Occupational accident benefits	5,498	6,420	86%	5,575	-1%
<b>Total</b>	<b>155,168</b>	<b>191,590</b>	<b>81%</b>	<b>207,131</b>	<b>-25%</b>

In 2023, we paid a total of around 155 million euros in benefits for temporary incapacity for work, which is almost 52 million euros, or 25% less than last year.

The decrease is related to the reform of the parental benefit system, as part of which, maternity benefits are no longer paid by the Health Insurance Fund; instead, the Social Insurance Fund pays the mother's parental benefit from 1 April 2022. In the 2022 budget, almost 19 million euros was earmarked for maternity benefits. Although the Health Insurance Fund no longer makes payments of maternity benefits, the 2023 budget includes an overpaid maternity benefit of 30 thousand euros that has been refunded to the Health Insurance Fund.

In the reporting year, there was a reduction in the additional cost of the change in the reimbursement of days of sick leave (payment for days 6 to 8). The additional cost in 2023 was more than 13 million euros, which is more than 19.5 million euros, or 60% less than last year.

In addition to the reduction in the COVID-19 caseload, the decrease in benefits for incapacity for work was influenced by the restoration of the procedure for payment that was in place before the coronavirus pandemic.

Table 33. Comparison of benefits for incapacity for work

	2023 actual	2022 actual	Change 2023 vs 2022
<b>Sickness benefit</b>			
Number of cases	435,548	585,377	-26%
Total number of days of incapacity for work	6,529,465	8,437,530	-23%
Number of days compensated by the Health Insurance Fund	4,140,085	5,573,180	-26%
Total benefits paid by the Health Insurance Fund (thousand euros)	114,299	142,671	-20%
Average cost per day (euros)	27.6	25.6	8%
Average duration of the case	15.0	14.4	4%
<b>Carer's allowance</b>			
Number of cases	143,627	164,471	-13%
Total number of days of incapacity for work	1,062,610	1,320,777	-20%
Number of days compensated by the Health Insurance Fund	1,028,729	1,278,954	-20%
Total benefits paid by the Health Insurance Fund (thousand euros)	35,401	40,331	-12%
Average cost per day (euros)	34.4	31.5	9%
Average duration of the case	7.4	8.0	-8%
<b>Occupational accident benefit</b>			
Number of cases	3,163	3,380	-6%
Total number of days of incapacity for work	124,982	146,592	-15%
Number of days compensated by the Health Insurance Fund	126,516	141,879	-11%
Total benefits paid by the Health Insurance Fund (thousand euros)	5,498	5,575	-1%
Average cost per day (euros)	43.5	39.3	11%
Average duration of the case	39.8	43.4	-8%
Average duration of the occupational accident certificate	18.2	18.6	-2%
<b>Total</b>			
Number of cases	582,338	753,228	-23%
Total number of days of incapacity for work	7,717,057	9,904,899	-22%
Number of days compensated by the Health Insurance Fund	5,295,330	6,994,013	-24%
Total benefits paid by the Health Insurance Fund (thousand euros)	155,198	188,577	-18%
Average cost per day (euros)	29.3	27.0	9%

\* In this report, we show statistics on benefits for incapacity for work on a case-by-case basis. A single sickness or carer's case is made up of the initial certificates and related continued certificates. The number of cases and days of incapacity for work is the total number of sickness and carer's cases (including occupational accidents) which began on 1 January 2023 or later.

\*\* The number of days compensated by the Health Insurance Fund is calculated based on the accrual basis of the certificate of incapacity for work.

\*\*\*Data on benefits for incapacity for work for 2022 does not include statistics on maternity benefits.

In 2023, a total of 216,745 people used benefits for incapacity for work, 32% fewer than in the previous year. The total number of cases of incapacity for work decreased by 23% compared to 2022. The total number of days of incapacity for work fell to 7.7 million in 2023, 22% fewer than in 2022. The number of days of incapacity for work compensated by the Health Insurance Fund also decreased. In 2022, nearly 7 million days were compensated; in 2023, more than 5.3 million.

As a result of the spread of the coronavirus and the change in the procedure for sick leave payments, the number of cases of incapacity for work increased sharply in 2021 and 2022. In 2022, the number of days of incapacity for work was a record 753,228. From the second half of 2022, the number of cases of incapacity for work also started to decrease due to the decrease in the coronavirus burden; in 2023, there were 582,338 cases, 23% fewer than in 2022.

## 4.1 Sickness benefits

Sickness benefits are paid to an insured person during the period of their temporary incapacity for work to compensate for the partially unpaid wages at the time of illness. The duration of a case gives an overview of how long a person is absent from work due to an illness. A case consists of the primary sick leave certificate issued to a person and the related continued certificates.

While the number of cases and days of sick leave reimbursed by the Health Insurance Fund increased in 2021 and 2022 due to the changes in the law on benefits for incapacity for work in 2021 and the high caseload resulting from COVID-19, the number of cases and days of sick leave reimbursed by the Health Insurance Fund decreased in 2023. There were a total of 452,050 cases in 2021, 585,377 in 2022, and 435,548 in 2023. In 2023, the number of cases decreased by 26% compared to the previous year.

The decrease in the number of cases and the number of compensated days of sick leave has been influenced by the decrease in the COVID-19 caseload, as well as by the change implemented on 1 July 2023, when the Government of the Republic decided to restore the pre-coronavirus procedure for sick leave payments. This means that the first three days of the initial certificate of incapacity for work are paid by the employee, the employer pays the benefit from the fourth to the eighth day, and from the ninth day onwards, the Health Insurance Fund pays the benefit.

The total number of days of incapacity for work was 6,529,465, of which the Health Insurance Fund compensated 4,140,085 days. The number of days of sick leave compensated by the Health Insurance Fund decreased by 26% compared to 2022: from 5,573,180 days in 2022 to 4,140,085 days in 2023.

A total of 176,502 people used sickness benefits in 2023 – 38% fewer than in 2022.

The average length of a case increased by 4%. In 2022, the average case length was 14.4 days, while in 2023, it was 15 days. The average cost per day of a case increased by 5%.

**Table 34. Distribution of sickness benefits by medical conditions**

Name of the diagnostic group	2023 actual	2022 actual	Change 2023 vs 2022
Diseases of the respiratory system	159,740	226,333	-29%
Certain infectious and parasitic diseases	94,685	100,968	-6%
Diseases of the musculoskeletal system and connective tissue	54,555	58,071	-6%
Injury, poisoning, and certain other consequences of external causes	22,150	25,045	-12%
Symptoms, signs, and abnormal clinical and laboratory findings, not elsewhere classified	15,308	16,019	-4%
Codes for special purposes (diagnostic group U)	14,392	74,617	-81%
Diseases of the digestive system	12,474	12,095	3%
Diseases of the circulatory system	9,402	9,954	-6%
Mental and behavioural disorders	9,315	8,625	8%

In 2023, the largest decrease in the number of cases was in the diagnosis group for diseases of the respiratory system. The number of cases decreased by 66,593, or 29%. There was also a significant decrease in the diagnosis group U (group U diagnoses are used in relation to COVID-19 disease: laboratory-unconfirmed or confirmed COVID-19, post COVID-19, etc.). Compared to 2022, the number of group U

diagnosis cases decreased from 74,617 to 14,392 cases.

## 4.2 Carer's allowances

Carer's allowance is paid to an insured person who is nursing a sick child or family member. In 2023, 56,970 people used carer's allowances, or nearly 11% fewer than in the previous year. The total number of care cases was 143,627, 13% fewer than in 2022. The total number of days of care was 1,062,610, of which the Health Insurance Fund compensated 1,036,926 days, or 98%.

The number of days of care compensated by the Health Insurance Fund decreased by 20% compared to the previous year: from 1,278,954 days in 2022 to 1,028,729 days in 2023.

The average length of a care case decreased by 8%. In 2022, the average care case length was 8 days; in 2023, it was 7.4 days. The average cost per day of a case increased by 6%. In 2023, the average cost per day of care was 34.5 euros.

**Table 35. Distribution of care cases by medical conditions**

Name of the diagnostic group	2023 actual	2022 actual	Change 2023 vs 2022
Diseases of the respiratory system	73,863	88,600	-17%
Certain infectious and parasitic diseases	49,610	48,479	2%
Symptoms, signs, and abnormal clinical and laboratory findings, not elsewhere classified	4,185	4,303	-3%
Diseases of the ear and mastoid process	3,644	3,373	8%
Diseases of the eye and adnexa	1,994	1,623	23%
Injury, poisoning, and certain other consequences of external causes	1,982	1,781	11%
Factors influencing health status and contact with health services	1,843	3,801	-52%
Diseases of the digestive system	1,283	1,195	7%
Codes for special purposes (diagnostic group U)	1,012	7,452	-86%

In 2023, the largest decrease in the number of care cases was in the respiratory diagnosis group. The number of cases decreased by 14,737. There was also a decrease in the diagnosis group U (group U diagnoses are used in relation to COVID-19 disease: laboratory-unconfirmed or confirmed COVID-19, post COVID-19, etc.). Compared to 2022, the number of group U diagnosis care cases decreased from 7,452 to 1,012 cases.

## 4.3 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 leave in sick leave certificate issued due to occupational accidents were divided as follows: occupational accidents 95%, complications resulting from an accident at work 3%, and occupational accidents in traffic 1%.

In 2023, occupational accident benefits were paid to 3,224 people, 229 fewer than in 2022.

In 2023, the number of occupational accidents fell by 6%. In 2022, the number of occupational accidents was 3,380; in 2023, the number of occupational accidents was 3,163. The number of days of incapacity for work fell by 15%. In total, the Health Insurance Fund compensated 126,516 days of incapacity for work in 2023.

The average length of an occupational accident case fell by 8%. In 2023, the case length was 39.8 days. The average cost per day of an occupational accident was 43.5 euros, 9% higher than in 2022.

## 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 2023, we introduced 180 new medical devices and expanded the range of devices to be compensated available for diabetics, patients with severe ichthyosis, various stomas, wounds, urinary dysfunction, sleep apnoea, lymphedema, and venous insufficiency. New devices were also introduced for patients requiring orthoses and sole supports.

Table 36. Execution of the budget for medical device benefits (in thousands of euros)

	2023 actual		2023 budget	Execution of the budget	2022 actual		Change 2023 vs 2022	
	Amount	Number of people	Amount	Amount	Amount	Number of people	Amount	Number of people
Orthoses	3 281	42,789	2,853	115%	2,538	34,325	29%	25%
Insulin pumps, accessories for pump and sensor-augmented therapy	5,847	3,588	6,078	96%	4,167	2,971	40%	21%
Diabetes accessories (excl. pump therapy)	4,403	49,497	5,007	88%	4,663	48,680	-6%	2%
Ostomy care supplies	1,858	2,120	2,094	89%	1,850	2,232	0%	-5%
Continuous positive airway pressure devices and masks	2,033	6,491	1,958	104%	1,734	5,809	17%	12%
Wound dressings and bandages	97	2,018	137	71%	91	1,862	7%	8%
Urination aids	198	1,479	182	109%	154	1,175	29%	26%
Other medical devices	938	5,828	923	102%	675	4,615	39%	26%
<b>Total</b>	<b>18,655</b>	<b>104,032</b>	<b>19,232</b>	<b>97%</b>	<b>15,872</b>	<b>93,647</b>	<b>18%</b>	<b>11%</b>

\* The total number of people is not summed but counted, as one person may use more than one medical device.

Medical devices were compensated in 2023 in the amount of nearly 19 million euros, which is within the planned budget. Compared to the same period in 2022, the financial volume of benefits for medical devices has increased by 18%, or nearly 3 million euros, and the number of users of medical devices has increased by 11%, or over 10,000 people.

The increase in the number of users and the budget for the devices is in line with the change in diabetes treatment, as a result of which, from 2022, the Health Insurance Fund provides continuous glucose monitoring systems for all patients with type 1 diabetes whose treatment decision has been made by an endocrinologist, an internist, or a paediatrician. From the beginning of 2023, insulin pump therapy is additionally funded up to the age of 26 (previously up to 19). As at 31 December 2023, there are nearly 3,600 users of pump or sensor-augmented therapy, which is more than 600 people, or one fifth, more than in 2022, and the cost to the budget has increased by nearly 1.7 million euros.

From the beginning of 2022, the Health Insurance Fund finances orthoses and sole supports to compensate for a functional impairment accompanying acute illness or severe chronic illness. As expected, the number of users is on an upward trend compared to last year: nearly 34,300 users in 2022 and 42,800 in 2023. In addition, we accepted an increase in the prices of some orthoses and sole supports from the beginning of 2023 to ensure sustainable manufacturing and sales. In total, orthopaedics expenditure has increased by nearly 743 thousand euros.

## 6. Treatment of an Estonian insured person abroad

Treatment of an insured person abroad consists of planned treatment and necessary medical care. The Health Insurance Act and a Regulation of the European Parliament and of the Council of Europe regulate the arrangements for planned treatment abroad. Necessary medical care is regulated by a Regulation of the European Parliament and of the Council. The Health Insurance Fund is obliged to pay the health care benefits resulting from the Regulation of the European Parliament and of the Council.

Table 37. Execution of the budget for treatment of an Estonian insured person abroad (in thousands of euros)

	2023 actual	2023 budget	Execution of the budget	2022 actual	Change 2023 vs 2022
Planned treatment abroad	2,349	4,780	49%	1,944	21%
Costs of health service benefit for an Estonian insured person in another Member State	5,911	7,980	74%	5,792	2%
Cross-border medical care	196	250	78%	238	-18%
<b>Total</b>	<b>8,456</b>	<b>13,010</b>	<b>65%</b>	<b>7,974</b>	<b>6%</b>

In 2023, we planned nearly 13 million euros for the treatment of an Estonian insured person abroad, of which more than 8 million euros, or 65% of the planned budget, was used. The result is affected by the under-execution of the budget for planned treatment and necessary medical care abroad (budgetary impact of almost 5 million euros). This may be due to the fact that every year, the Health Insurance Fund adds more health services to the list of health services and therefore the need to help patients in Estonia increases. Patients may also be delayed in receiving treatment abroad due to waiting times in hospitals, and there are cases of patients abandoning planned treatment.

### 6.1 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.

In 2023, the Health Insurance Fund assumed the obligation to pay for planned foreign medical treatment



with a prior authorisation for 69 insured persons (including 20 children) who submitted the relevant application. 23 insured persons (including 17 children) were referred abroad for treatment or examination, and in nine cases, analyses were performed. In addition, the Health Insurance Fund assumed the obligation to pay for 37 insured persons in connection with the search for an unrelated bone marrow donor through the Finnish Red Cross Blood Service.

**Table 38. Countries where health services with a prior authorisation for planned foreign medical treatment were provided to insured persons in 2023 (number of times)**

Country	Treatment and analyses
Finland	13
Germany	4
Netherlands	4
Spain	4
Sweden	2
the United Kingdom	1
Switzerland	1
Denmark	1
Belgium	1
Italy	1

During the reporting period, treatment invoices totalling 2.5 million euros were submitted from other countries based on prior authorisation for planned treatment, of which 712 thousand euros were for costs related to the search for a bone marrow donor. The Health Insurance Fund paid nearly 21 thousand euros for medical transport. Treatment invoices are not always submitted in the year of application, as treatment, examinations, or analyses may take place later. There may also be more than one invoice per patient per month(s). Therefore, the number of medical invoices submitted differs from the number of applications submitted and the number of decisions taken by the Health Insurance Fund in a given year.

**Table 39. High-cost cases of planned treatment abroad reimbursed by the Health Insurance Fund in 2023 (in thousands of euros)**

Specialty	Country	Amount*
Cardiac surgery	Finland	224,563
Cardiac surgery	Finland	211,495
Cardiac surgery	Finland	160,000
Nephrology	Finland	124,000

\* One-off treatment only, does not include the cost of possible medical transport and follow-up treatment.

## 6.2 Costs of health service benefit for an Estonian insured person in another state

Pursuant 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:

- receive necessary medical care while temporarily staying in another EU Member State, EEA countries, Switzerland, and the United Kingdom;
- receive any medical care while living in another EU Member State, EEA countries, Switzerland, and the United Kingdom.

Reimbursement of necessary medical care is made for insured people who are temporarily staying in a

foreign country and have the European health insurance card or a replacement certificate during their stay in another Member State. The rest of the health service benefit costs are paid for Estonian insured persons who are entitled to any medical care while living in another Member State.

For 2023, we planned a budget of nearly 8 million euros, with an actual execution of nearly 6 million euros (74%).

In 2023, we reimbursed more than 5.6 million euros to the national health insurance authorities of foreign countries for the treatment provided to Estonian insured persons under the European health insurance card, as well as for persons living and working in another country and their family members. A total of 8,000 invoices were submitted to the Health Insurance Fund in 2023.

In addition, we reimbursed invoices submitted on the basis of average treatment expenses to foreign national health insurance institutions for Estonian pensioners and their family members living in other EU Member States, amounting to over 307 thousand euros.

Compared to 2022, both the number of invoices submitted and the amount paid remained almost the same.

The largest amounts of reimbursements were made to Finland (more than 2 million euros), Germany (nearly 2 million euros), and Sweden (593 thousand euros), which accounted for nearly 70% of the reimbursements.

### 6.3 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 as well as to states belonging to the European Economic Area (Norway, Iceland, and Liechtenstein) 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, in accordance with the prices provided in the list of health services, the list of pharmaceuticals, and the list of medical devices of the Health Insurance Fund.

In 2023, 171 applications for cross-border health service were accepted (109 in 2022). Compared to the previous year, the number of cases increased by 62 (156%). Patients were reimbursed 196 thousand euros (238 thousand euros in 2022) for health services provided abroad. Although the number of cases was significantly lower in 2022 compared to 2023, there were more expensive treatment cases in 2022 (cochlear implant, heart valve implants, expensive cancer treatment cases, etc.) with no similar cases in 2023.

Since 2020, the cost of prescription medications purchased in the European Union with an Estonian digital prescription is reimbursed. In 2023, we reimbursed 47 applications (20 in 2022).

The highest number of claims for the reimbursement of cross-border health services in 2023 was for the examinations and treatment of tumour-related diseases (19%, 10% in 2022). Similar to 2022, 17% of people seeking help abroad for the treatment of bone and joint diseases were treated abroad, mostly in the form of orthopaedic surgeries, followed by cardiovascular diseases (10%), eye diseases (8%), acute diseases of the upper respiratory, digestive and urinary tracts (8%), various traumas requiring surgical intervention (8%), and otorhinolaryngology (6%).

6% of the patients went to examinations, consultations, and second opinions. 3% of the cases were related to gynaecological, neurological, and dermatological diseases. In a few cases, people were treated for face and jaw, nephrology, and psychiatric diseases.

In 2023, cross-border health care was available in 15 member states (18 in 2022). Most patients went to Germany (24%), Finland (23%), Latvia (22%), and Spain (12%). Patients went to Lithuania and Austria in 4% and 3% of cases, respectively. Some patients went to Greece, Italy, Ireland, Denmark, Belgium, the Netherlands, Cyprus, Iceland, and Portugal.

## 7. Other expenses

Table 40. Execution of the budget for other expenses (in thousands of euros)

	2023 actual	2023 budget	Execution of the budget	2022 actual	Change 2023 vs 2022
Treatment of people insured in another EU Member State	1,881	1,716	110%	1,569	20%
Miscellaneous health care expenses	37,724	38,004	99%	24,725	53%
COVID-19 expenses	5,527	5,404	102%	35,437	-84%
<b>Total</b>	<b>45,132</b>	<b>45,124</b>	<b>100%</b>	<b>61,731</b>	<b>-27%</b>

The budget execution for other expenses has been most affected by the execution of the miscellaneous health care expenses budget, which was lower than planned. Residency costs account for the largest share of the miscellaneous health care expenses budget. Residency costs are planned on the basis of the number of health care students and the principles for the payment of remuneration agreed upon.

### 7.1 Treatment of people insured in another EU Member State

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 insured persons of EU Member States 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 nearly 2 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. The budget was exceeded by 166 thousand euros compared to the planned budget, due to an increase in the provision of health services to foreigners.

### 7.2 Miscellaneous health care expenses

The execution of the miscellaneous health care expenses budget includes health development costs, residency costs, innovation fund costs, vaccine insurance costs, and other health care expenses. In 2023, we paid a total of nearly 38 euros million for miscellaneous health care expenses, over 1 million euros (3%) more than planned. Compared to 2022, the use of the miscellaneous health care expenses budget has increased by 50%.

**Residency costs** made up the majority of the budget for various health care costs. Residency costs are planned on the basis of the number of health care students and the principles for payment of remuneration agreed upon. In 2023, we paid more than 24 million euros as residency costs, which is 1.3 million euros or 6% less than planned. Compared to the previous year, we paid nearly 4 million euros more for residency costs. The increase in costs was most affected by the increase in the minimum wage for doctors in 2023.

In 2023, we paid 14 thousand euros in **recruitment and replacement fees of family physicians**. On 1 January 2022, the Health Insurance Fund took both the organisation of family medical care, including the organisation of the replacement system and management of practice lists, as well as the organisation of competitions for family physicians over from the Health Board. In 2023, the Health Insurance Fund organised 53 competitions for family physicians, of which 22 were successful. The highest number of competitions, 17, was organised in Tallinn.

In 2023, the budget for the **innovation fund** was 10 million euros, of which more than 7.5 million euros 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 costs are approved by the Ministry of Social Affairs.

In 2023, we invested more than 3.5 million euros from the innovation fund in the development of a next-generation health information system (UPTIS). The aim of UPTIS is to make the submission and use of data in the health information system as convenient, secure, and efficient as possible, so that digital solutions enable the team to devote more time to care and human contact. This will ensure people-centred and personalised services.

We paid more than 724 thousand euros for the development of the Health Specialist Portal. The Health Specialist Portal is a health information system interface for health care professionals to quickly and easily get an overview of health data and to document everything together. In December 2023, the first development phase of the treatment scheme app became available as the first service to health care professionals, with developments continuing in 2024. In addition, we paid 395 thousand euros for the development of the digital registry.

We assumed the development costs of the Health Portal since its deployment (over 969 thousand euros in 2023). We covered the development costs of the Health Portal from the targeted financing budget of the Health Insurance Fund. Expenditure eligible for targeted funding is budget-neutral for the Health Insurance Fund, as we also report targeted income in the same amount.

We also financed the acquisition of new solutions for the decision support application with 500 thousand euros, by purchasing the right to use the information management type decision support service for Estonian health care professionals (doctors, including medical students, nurses) working in hospitals of the hospital network development plan or other contract partners of the Health Insurance Fund. In addition, health care professionals working in private health care institutions and health care providers who are not contracted by the Health Insurance Fund were also given the right to use the system. Access to the service opened in April 2023, followed by nationwide training.

We paid 491 thousand euros in 2023 for the development of digital solutions for the e-Ambulance project from the innovation fund. As a result, the platform of the existing solution was upgraded to improve technical quality and reliability. Additionally, a new call data model was implemented for the Emergency Response Centre, which made the call information more accurate and detailed. The e-Ambulance renewal project, which aims to replace the digital solution used by the ambulances, was also successfully launched from the beginning of 2023. The project will lead to improvements in the technical quality of e-Ambulance, as well as to different technical capacities to develop and modernise the ambulance service.

From 2022, the Health Insurance Fund finances a regional pilot project for lung cancer screening and coordinates activities to develop a nationwide screening programme. In 2023, the Health Insurance Fund paid more than 780 thousand euros for the implementation of the pilot project, of which 371 thousand euros were paid from innovation fund and 409 thousand euros were paid from the prevention budget (read more about the pilot project in the prevention section of the report).

We also funded mental health projects for a total of 444 thousand euros and the publication (translation and printing) of the classifiers of 3N nursing results and interventions for 120 thousand euros.

In 2023, we launched the endoprostheses treatment pathway project to help patients get treatment faster and make their treatment pathway smoother. Together with professional associations and representatives of the four major prosthetic hospitals, we developed a new treatment pathway standard to ensure that the roles and responsibilities of the treatment team are clear and that the patient gets to the right specialist at the right time. In 2023, we paid the institutions participating in the pilot project a lump sum in advance as a project management fee and a fee for organising the existing queue. We also developed indicators to measure pre- and post-endoprosthetic quality of life and health outcomes more systematically. In 2023, we financed the implementation of the pilot project for a total amount of 323 thousand euros.

In addition, we financed from the innovation fund the implementation of demonstration projects on remote

services for nearly 90 thousand euros, the implementation of a project on genetic data research at the University of Tartu for 71 thousand euros, and the implementation of prevention projects for 72 thousand euros. We funded a project on near-home analyses for 48 thousand euros, and a project on digital prescriptions for hospital treatment for 40 thousand euros. We also supported a number of other projects for a total of nearly 311 thousand euros.

The **vaccine insurance system** was launched on 1 May 2022. Its purpose is to compensate property and non-property damage in the event of health damage or death caused to a person as a result of the use of vaccines. The new vaccine insurance system is applied retroactively to cases of damage caused by COVID-19 vaccines, and from 2023, the system was additionally extended to other vaccines, including immunisation schedule vaccines, influenza, tick-borne encephalitis, and travel vaccines. People who have suffered serious damage to their health as a result of vaccination can apply for compensation from the Health Insurance Fund. The application can be submitted via the Health Portal, sent digitally signed by email, or signed on paper by post. We used nearly 241 thousand euros for the administrative costs of vaccine insurance in 2023.

In 2023, the Health Insurance Fund received a total of 1,826 valid applications, including 1,826 which were related to COVID-19 vaccines (1,254 of which were submitted during 2022), of which 1,153 were submitted to the Agency of Medicines for assessment. As at 31 December 2023, 74 applications for a total amount of 383 thousand euros have been approved. Of the 74 paid applications paid, in 58 cases, a person was identified to have moderate damage to health, the compensation rate of which is 2,390 euros (2,000 euros in 2022), and in 14 cases, medium damage to health was identified, the compensation rate of which is 11,940 euros (10,000 euros in 2022). In 2023, severe damage to health was identified for the first time (compensation rate 25,000 euros) and a benefit (compensation rate 100,000 euros) was paid in the event of very severe health damage or death.

**Table 41. Diagnostic groups that occurred more frequently in the paid claims for benefit for vaccine insurance**

Name of the diagnostic group	Number of claims reimbursed
Diseases of the nervous system	20
Diseases of the musculoskeletal system and connective tissue	17
Diseases of the skin and subcutaneous tissue	13
Diseases of the circulatory system	11

In 2022, the Health Insurance Fund started organising the **logistics of the pharmaceutical warehouse of the state**. We used 410 thousand euros for the logistics costs of the pharmaceutical warehouse. Previously, the health care service provider had to pick up the pharmaceuticals from the warehouse of the Health Board, or the Health Board delivered the goods. Pharmaceuticals are now also delivered to health care providers by a logistics partner.

For health care development costs, we paid 848 thousand euros (495 thousand euros in 2022) to carry out various projects. In 2023, we put even more emphasis on prevention projects, including expanding the network of health promotion in counties, coordinated by the Health Insurance Fund and the National Institute for Health Development. In 2023, the Health Insurance Fund partnered with 16 local health promoters to promote screening and addiction disorder services. In the second half of 2023, the Health Insurance Fund, together with the Institute for Health Development, started preparations for the implementation of the project of health promotion specialists in local educational institutions, by submitting a cooperation proposal to 15 county development organisations and local government associations, as well as separately to Tartu and Tallinn. The aim is to involve 18 health promotion specialists from educational institutions, some of whom started activities in the final months of 2023.

We paid around 4.7 million euros for the management and maintenance of health information systems (2.6 million euros in 2022). This enabled the operation and maintenance of centralised e-health products that facilitate the provision of health services. The increase in costs is due to the expansion of the e-health product portfolio of the Health Insurance Fund, i.e. the increase in the number of products managed and financed

by the Health Insurance Fund. In 2023, in addition to the image bank and decision support solutions, the running costs of the digital registry, e-consultation, e-Ambulance, and the Health Portal were added.

In addition, costs of 1.8 million euros related to COVID-19 oral medicines (Paxlovid) resold to wholesalers are included in miscellaneous expenses.

### 7.3 COVID-19 expenses

In the 2023 budget, the cost of COVID-19 vaccination and the cost of COVID-19 inpatient treatment for specialised medical care and nursing care are included under miscellaneous expenses: in the 2022 budget, the costs of COVID-19 were included in full, except for the costs of benefits for incapacity for work.

On 5 May 2023, the World Health Organisation declared that COVID-19 is no longer a global health emergency. However, as this does not mean that the global health threat is over, vaccination against COVID-19 is recommended for anyone who, in the opinion of a health care professional, needs it because of health risks or the epidemiological situation.

We paid more than 969 thousand euros in 2023 (nearly 6 million euros in 2022 and nearly 18 million euros in 2021) for COVID-19 vaccination costs and vaccination performance fees.

In 2023, the Health Insurance Fund paid the most for vaccination (vaccination, performance, and standby fees) to hospitals in the hospital network development plan (over 520 thousand euros) as these hospitals carried out most of the vaccinations in 2023. Family medicine centres also continued to carry out vaccinations against COVID-19, who were paid a total of nearly 273 thousand euros in vaccination and vaccination performance fees.

As of 17 May 2021, we fund the operation of a nationwide vaccination call centre, set up in partnership with the emergency response centre, the costs of which are paid to the hospital network development plan hospital leading the call centre project based on the costs actually incurred. Until March 2023, we funded the work of four vaccination coordinators in the counties to improve the efficiency of the vaccination process. As of June 2022, the Health Insurance Fund coordinates vaccination communication activities, including the development of a systematic communication system in cooperation with other parties, to communicate the benefits of vaccination to different groups of the population.

# Operating expenses of the Health Insurance Fund

Table 42. Execution of the budget for the operating expenses of the Health Insurance Fund (in thousands of euros)

	2023 actual	2023 budget	Execution of the budget	2022 actual	Change 2023 vs 2022
Labour expenses	11,157	11,042	101%	9,563	17%
Management expenses	2,799	2,749	102%	2,405	16%
Information technology expenses	4,697	4,923	95%	2,997	57%
Development expenses	326	491	66%	324	1%
Other operating expenses*	1,231	1,421	87%	980	26%
<b>Total*</b>	<b>20,210</b>	<b>20,626</b>	<b>98%</b>	<b>16,269</b>	<b>24%</b>

\* The actual budget for 2022 reflects a change in the presentation of the activities to be funded under targeted financing compared to the 2022 annual report.

## Labour expenses

As at 31 December 2023, the Health Insurance Fund had a total of 210 employees (the average number of employees reduced to full-time equivalent was 205).

The budget for labour expenses in 2023 was planned at 11 million euros. In 2023, the budget for labour expenses was executed at 101%. In 2023, we moved to service-based management, with the aim of maintaining the skills and competitiveness of our workforce. We also had the aim of creating and implementing a range of innovative solutions to work more efficiently and achieve greater impact with fewer people. For example, the addition of new areas (e.g. vaccine insurance and the organisation of prison medicine) to the organisation of the Health Insurance Fund does not necessarily create new positions.

## 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. The budget for management was executed at 87%.

## 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. Information technology expenses in 2023 amounted to nearly 5 million euros (95% budget execution).

In 2023, the Health Insurance Fund continued the service-based transformation of IT services and products. We are implementing modern information technology services to operate more efficiently, including enable remote working.

In 2023, the Health Insurance Fund replaced the outdated infrastructure that serves digital prescriptions, treatment invoices, and all the functionalities of the databases of the Health Insurance Fund. We built the new infrastructure by taking advantage of cloud technologies, which allow us to accelerate the development of services, especially in combination with a service-based management. In addition, cloud technology allows us to increase resilience and benefit from world-class services and technologies to ensure cyber security. With the introduction of cloud services, there has been a leap in infrastructure costs to a normal expected

level, compared to the old amortised hardware.

## Development expenses

Development expenses include the cost of auditing and consultations on health insurance benefits and the cost associated with informing the public (including the development of the website of the Health Insurance Fund). In 2023, total development expenses were executed at 66%.

The costs for the development and auditing of health services amounted to nearly 230 thousand euros and the costs for external communication to 97 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. In 2023, other operating expenses were executed at 158%.

The largest proportion of other operating expenses is made up of value added tax cost, which totalled 975 thousand euros in the reporting period, 58% over budget. The over-execution of other operating expenses was due to the higher coverage of operating expenses under targeted financing. In 2023, the Health Insurance Fund covered the costs related to the development of the Health Portal as activities under targeted financing. Expenditure eligible for targeted funding is budget-neutral for the Health Insurance Fund, as we also report targeted income in the same amount.



## 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 Estonian Health Insurance Fund means the reserve formed of the budget funds of the Estonian Health Insurance Fund in order to minimise the budgetary risks of the Estonian Health Insurance Fund arising from macro-economic changes.
- The legal reserve shall amount to 5.4 per cent 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 in charge of the policy sector. Prior to submitting a proposal to the Government of the Republic, the minister in charge of the policy sector shall hear the opinion of the supervisory board of the Estonian Health Insurance Fund.

By the end of 2022, the legal reserve of the Health Insurance Fund was 100.4 million euros. In accordance with section 38 of the Health Insurance Fund Act, the required size of legal reserve in 2023 was 116.3 million euros. To meet the size required by law, we increased the legal reserve by 15.9 million euros in 2023.

In 2024, the required size of legal reserve is 128.7 million euros. To meet the size required by law, we must increase the legal reserve by 12.4 million euros in 2024.

## Risk reserve

The formation of the risk reserve is governed by section 39<sup>1</sup> of the Estonian Health Insurance Fund Act as follows:

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

By the end of 2022, the risk capital of the Health Insurance Fund stood at 36.8 million euros. In accordance with section 39<sup>1</sup> of the Estonian Health Insurance Fund Act, the required size of the risk reserve in 2023 was 42.7 million euros. To meet the size required by law, we increased the risk capital by 5.9 million euros in 2023.

In 2024, the required size of risk capital is 47.2 million euros. To meet the size required by law, we must increase the risk reserve by 4.5 million euros in 2024.

## Retained earnings

Section 36<sup>1</sup> of the Estonian Health Insurance Fund Act governs the use of retained earnings (profits brought forward) of the Health Insurance Fund as follows:

- The profits of the Estonian Health Insurance Fund brought forward may be used in the amount of up to 30 per cent in one financial year, but not more than in the amount of 7 per cent of the costs of health services prescribed in the budget of the Estonian 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 Estonian Health Insurance Fund brought forward.

At the beginning of 2023, the retained earnings of the Health Insurance Fund amounted to 442.5 million euros.

In 2023, 15.9 million euros of the retained earnings was transferred to the legal reserve and 5.9 million euros to the risk reserve to bring the reserves to the size required by law.

In connection with the transfer of the pharmaceutical warehouse from the Health Board to the Health Insurance Fund, the retained earnings included stocks of vaccines and hospital pharmaceuticals amounting to 4.4 million euros.

We ended the reporting period with a positive result of 115.5 million euros, which is 76.3 million euros more than the 39.2 million euros budgeted. 45.4 million euros of this comes from higher revenue receipts and, at the same time, the Health Insurance Fund has managed in accordance with the budget, i.e. we have spent 30.9 million euros less (1.4% of the budget for the financial year).

At 31 December 2023, the total retained earnings amounted to 425.1 million euros.

The management board of the Health Insurance Fund proposes to the supervisory board to transfer 12.4 million euros of the retained earnings to the legal reserve and 4.5 million euros to the risk reserve to bring the reserves to the legally required size.



**Annual accounts**

# Balance sheet

Assets (thousands of euros)	31 December 2023	31 December 2022	Note
<b>Current assets</b>			
Cash	623,595	508,328	2
Receivables and prepayments	206,316	181,773	3, 14
Inventories	12,802	37,720	4
<b>Total current assets</b>	<b>842,713</b>	<b>727,821</b>	
<b>Fixed assets</b>			
Tangible assets	79	119	5
Total fixed assets	79	119	
<b>Total assets</b>	<b>842,792</b>	<b>727,940</b>	

Liabilities (in thousands of euros)	31 December 2023	31 December 2022	Note
<b>Liabilities</b>			
Payables and prepayments	143,172	148,216	7, 14
Total current liabilities	143,172	148,216	
<b>Total liabilities</b>	<b>143,172</b>	<b>148,216</b>	
<b>Net assets</b>			
Legal reserve	116,343	100,385	8
Risk reserve	42,677	36,823	8
Net result of previous periods	425,109	282,630	
Net result of the financial year	115,491	159,886	
Total net assets	699,620	579,724	
<b>Total liabilities</b>	<b>842,792</b>	<b>727,940</b>	

# Profit and loss statement

In thousands of euros	2023	2022	Note
Health insurance component of social tax, operating support, and recoveries from other persons	2,197,450	1,998,118	9, 14
Expenses related to health insurance	-2,128,109	-1,874,944	11
Targeted financing revenue	39,591	44,637	15
Targeted financing expenses	-1,018	-284	15
<b>Gross result</b>	<b>107,914</b>	<b>167,527</b>	
General administrative expenses	-18,979	-15,289	6, 12
Other operating revenue	8,825	7,113	10
Other operating expenses	-1,231	-980	13
<b>Operating profit</b>	<b>96,529</b>	<b>158,371</b>	
Interest and other financial income	18,962	1,515	2
<b>Net result of the financial year</b>	<b>115,491</b>	<b>159,886</b>	

# Cash flows

In thousands of euros	2023	2022	Note
<b>Cash flows from principal activity</b>			
Social tax proceeds	1,795,054	1,623,472	9
Operational support received	419,111	408,003	9
Invoices and benefits for incapacity for work paid	-2,122,002	-1,898,181	
Fees paid to employees	-6,703	-5,412	12
Taxes paid on labour expenses	-4,667	-3,831	12
Other revenue received	34,474	28,364	10
<b>Total cash flows from principal activity</b>	<b>115,267</b>	<b>152,415</b>	
Bank accounts and cash equivalents at the start of the period	508,328	355,913	2
Change in cash	115,267	152,415	
Bank accounts and cash equivalents at the end of the period	623,595	508,328	2

# Statement of changes in net assets

In thousands of euros	2023	2022	Note
<b>Reserves</b>			
Reserves as at 31 December 2022	137,208	127,380	
Allocation to legal reserve	15,958	7,213	
Allocation to risk reserve	5,854	2,615	
Reserves as at 31 December 2023	159,020	137,208	8
<b>Net result of previous periods</b>			
Net result of previous periods as at 31 December 2022	442,516	264,508	
Allocation to legal reserve	-15,958	-7,213	
Allocation to risk reserve	-5,854	-2,615	
Pharmaceuticals and vaccines transferred	4,405	27,950	
Net result of the financial year	115,491	159,886	
Net result of previous periods as at 31 December 2023	540,600	442,516	
<b>Net assets</b>			
Net assets as at 31 December 2022	579,724	391,888	
Net assets as at 31 December 2023	699,620	579,724	

In 2022, the Health Services Organisation Act was amended, which transferred the organisation of the storage and logistics service of publicly procured pharmaceuticals from the Health Board to the Health Insurance Fund. Consequently, the Health Board transferred to the Health Insurance Fund the 2022-2023 stocks amounting to 32,355 thousand euros.

# Notes to annual accounts

## Note 1. Accounting policies used for preparing the annual report

The annual accounts 2023 of the Health Insurance Fund have been prepared in accordance with the Estonian financial reporting standard. The Estonian financial reporting standard is a body of financial reporting requirements based on the internationally accepted accounting and reporting principles, the principal requirements of which 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 2023 and ended on 31 December 2023. The numeric data in the annual accounts is presented in thousands of euros.

### Reporting layouts

The annual accounts have been drawn up using the balance sheet layout laid down in the Accounting Act, except for equity. Due to the specific nature of the activities of the Health Insurance Fund, the term 'net assets' (*netovara*) has been used instead of 'equity' (*omakapital*).

The income statement layout 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 the profit and loss statement. The cash flow statement has been prepared using the direct method.

### Financial assets and liabilities

Financial assets include cash, trade receivables, and other current and long-term receivables. Financial liabilities include outstanding trade payables, accruals, and other short-term and long-term borrowings. 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 reported at adjusted acquisition cost.

A financial asset is removed from the balance sheet when the right of the Health Insurance Fund 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 and cash equivalents

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. Pursuant to the deposit agreement between the 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 2023.

The Ministry of Finance holds the funds of the Health Insurance Fund in the state group account and deposits them with the funds of the Republic of Estonia, taking into account the need to ensure the fulfilment of the obligations arising from the Estonian Health Insurance Fund Act at all times in accordance with the applicable law. The Ministry of Finance pays the Health Insurance Fund interest on the balance of the funds held in the current accounts forming part of the state group account, equal to the rate of return on the state cash reserve, but not less than 0%.

### Reporting 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 converted into euros as at the reporting date on the basis of the European Central

Bank exchange rates quoted on the reporting date. Exchange gains and losses are reported in the income statement as the revenue and expenditure of the period.

## Receivables and prepayments

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 reported as long-term receivables.

Receivables for goods sold and services provided include receivables for health services provided in Estonia to patients from other EU Member States from the competent institution in the country of coverage, as well as the receivables for pharmaceutical sellers arising from price agreements on pharmaceuticals.

The recoverability of receivables is assessed at least once a year as at the accounting date. Receivables are assessed on an individual basis, and only recoverable amounts are reported in the balance sheet based on the principle of conservatism. Doubtful receivables are reported as an expense in the period in which they arise. Recovery of previously expensed doubtful receivables is reported 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 health care service providers are treated as inventories. Inventories are reported in the balance sheet at acquisition cost or net realisable value, depending on which is lower. Inventories are registered at acquisition cost on the basis of a purchase invoice and expensed in accordance with the payments made to health care providers using the individual cost method. Assets sold are expensed using the individual cost method.

## Tangible assets

Assets are classified as tangible fixed assets when their estimated useful life extends beyond one year and acquisition cost exceeds 10,000 euros (5,000 euros in 2022). 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 based on their expected useful lives. The cost of land and works of art is not depreciated.

The following depreciation periods (in years) are applied:

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

Expenditure on tangible assets incurred after acquisition is generally expensed during the period. Subsequent expenditure is added to the cost of tangible 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 requirements for a designated purpose where the provider of the targeted financing checks whether or not the benefit is used as designated is reported as targeted financing. Targeted financing is not reported as revenue and expenses until the requirements associated with them have been met.

## Revenue and expenses

Revenue and expenses are reported on an accrual basis. Interest income is reported on an accrual basis.



The revenue of the Health Insurance Fund comprises mostly the health insurance component of social tax, operating support, and recoveries from other parties. 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 reporting 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. There are other types of operating grants, which are awarded to beneficiaries on the basis of their statutory tasks and the objectives set out in their development documents. A grant is first reported in the accounts when the funds are received or on the accrual basis.

Recoveries from other parties are reported 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 against natural persons are reported 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 reported as a financial lease. Other leases are classified as operating leases. The Health Insurance Fund reports lease contracts as operating lease, and financial expenses are reported as linear costs over the lease period.

## Related parties

The Health Insurance Fund is a legal person governed by public law and operating under the Health Insurance Fund Act.

The related parties of the Health Insurance Fund are the executive and senior management, the family members of the aforementioned persons (at least the spouse, partner, and child), and the foundations, non-profit associations, and companies under the control or significant influence of all the aforementioned persons.

The annual accounts disclose the remuneration and significant benefits paid to the executive and senior management. The highest body of the Health Insurance Fund is the six-member supervisory board, and day-to-day management is carried out by a four-member management board.

See Note 14.

## Reserves

The reserves of the Health Insurance Fund consist of the legal reserve and the risk reserve.

The legal reserve of the Estonian Health Insurance Fund means the reserve formed of the budget funds of the Estonian Health Insurance Fund to minimise the budgetary risks of the Estonian Health Insurance Fund arising from macro-economic changes.

Pursuant to the Health Insurance Fund Act, the size of the legal reserve is 5.4% of the budget. At least 1/50 of the total budget of the Health Insurance Fund is transferred to the legal reserve each year until the size of the legal reserve set by law is reached. 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 in charge of the policy sector. Prior to submitting a proposal to the Government of the Republic, the minister in charge of the policy sector shall hear the opinion of the supervisory board of the Estonian Health Insurance Fund.

The risk reserve of the Estonian Health Insurance Fund is the reserve formed from the budgetary funds of the Estonian Health Insurance Fund to minimise the risks arising for the Estonian Health Insurance Fund from the obligations assumed.

The size of the risk reserve shall be 2 per cent of the health expenditure budget of the Estonian Health Insurance Fund. The funds of the risk reserve may be used upon a decision of the supervisory board of the Estonian Health Insurance Fund.

See also Note 8.

## 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 2023 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 and cash equivalents

In thousands of euros	31 December 2023	31 December 2022
Demand deposits	623,595	508,328

The Ministry of Finance pays the Health Insurance Fund interest on the balance of the funds held in the current accounts forming part of the state group account, equal to the rate of return on the state cash reserve. The interest rates on the cash balance in 2023 on an annual basis ranged from 1.61% to 4.05% and the interest income in 2023 was 18,962 thousand euros (1,515 thousand euros in 2022, interest rate range 0–1.45%).

## Note 3. Receivables and prepayments

In thousands of euros	31 December 2023	31 December 2022
Social tax receivable	175,258	162,922
Trade receivables	27,519	15,187
Doubtful receivables	-43	-67
Prepaid expenses of future periods	1,517	3,197
Interest receivables	2,019	486
Receivables from policyholders pursuant to a contract	46	48
<b>Total</b>	<b>206,316</b>	<b>181,773</b>

Social tax receivable is a short-term receivable for the health insurance component of social tax calculated for the Tax and Customs Board. As at 31 December 2023, outstanding receivables from related parties amounted to 49 thousand euros, see Note 14.

Prepaid expenses of future periods include the balance of the support of 1,012 thousand euros (2,215 thousand euros in 2022) transferred to the Health and Welfare Information Systems Centre.

## Note 4. Inventories

In thousands of euros	31 December 2023	31 December 2022
Pharmaceuticals	12,797	37,715
Prescription forms	5	5
<b>Total</b>	<b>12,802</b>	<b>37,720</b>

In 2022, the Health Services Organisation Act was amended, which transferred the organisation of the storage and logistics service of publicly procured pharmaceuticals from the Health Board to the Health Insurance Fund. Consequently, the Health Board transferred to the Health Insurance Fund the 2022–2023 stocks amounting to 32,355 thousand euros. The stock of pharmaceuticals and vaccines has decreased due to the inclusion of expired pharmaceuticals and vaccines in the cost of pharmaceuticals and vaccines (30,194 thousand euros) and lower purchases due to a reduction in demand as a result of the end of the COVID-19 epidemic.

## Note 5. Tangible assets

In thousands of euros	Land	Construction works	Other fixtures and fittings	Total tangible assets
<b>Acquisition cost</b>				
31 December 2022	1	451	1,489	1,941
Acquisition	0	0	0	0
Write-off	0	0	1,156	1,156
31 December 2023	1	451	333	785
<b>Accumulated depreciation</b>				
31 December 2022	0	451	1,371	1,822
Calculated depreciation	0	0	40	40
Write-off	0	0	1,156	1,156
31 December 2023	0	451	255	706
<b>Carrying amount</b>				
31 December 2022	1	0	118	119
31 December 2023	1	0	78	79

## Note 6. Lease

Operating lease – accountable as the lessee.

In 2023, the profit and loss statement includes payments for operating leases totalling 692 thousand euros (625 thousand euros in 2022).

The lease contracts are for a fixed term and the notice period for the termination of the lease contract after the agreed lease period is 6–12 months.

Operating lease expenses are covered in Note 12.

## Note 7. Payables and prepayments

In thousands of euros	31 December 2023	31 December 2022
Trade payables	128,575	126,802
Payables to medical institutions for services	90,154	90,479
Payables to pharmacies for pharmaceuticals issued at a discount	17,841	14,377
Payables for health insurance benefits to other suppliers	18,814	21,544
Other trade payables	1,766	402
Tax payables	4,048	4,436
Personal income tax	3,032	3,604
Social tax	844	706
Unemployment insurance premium	28	23
Contribution to mandatory funded pension	10	9
Income tax on fringe benefits	15	10
Value added tax	119	84
Other payables	10,549	16,978
Payables to contractors	1,803	1,506
Other payables	416	392
Prepayments received	8,330	15,080
<b>Total</b>	<b>143,172</b>	<b>148,216</b>

Trade payables include related party transactions in the amount of 24,474 thousand euros (24,092 thousand euros as at 31 December 2022), see Note 14.

Personal income tax liability includes personal income tax in the amount of 2,900 thousand euros (3,491 thousand euros as at 31 December 2022) 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 594 thousand euros (496 thousand euros as at 31 December 2022) 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 2022 and 2023, 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 beginning of the period on 1 January 2023	100,385	36,823	137,208
Formation of the reserve in 2023	15,958	5,854	21,812
Size of the reserve required by law and the size of the reserve as at 31 December 2023	116,343	42,677	159,020

The required size of the legal reserve will be reached in 2023 by using funds from the retained earnings of the Health Insurance Fund. A decision on this will be taken together with the approval of the annual report in April 2024.

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

In thousands of euros	2023	2022
Health insurance component of social tax	1,807,390	1,633,546
Operating support	387,969	363,291
Recoveries from other parties	2,091	1,281
<b>Total</b>	<b>2,197,450</b>	<b>1,998,118</b>

Pursuant 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 2023 in the amount of 256,969 thousand euros (220,460 thousand euros in 2022) and 131,000 thousand euros of support to cover health care costs (142,700 thousand euros in 2022).

Recoveries from other parties include related party transactions in the amount of 204 thousand euros (39 thousand euros in 2022), see Note 14.

## Note 10. Other operating revenue

In thousands of euros	2023	2022
Services provided to the citizens of the European Union	5,001	4,983
Voluntary insurance contracts	1,593	1,478
Insurance contracts with other countries	315	338
Pharmaceuticals sold	1,794	0
Other	122	314
<b>Total</b>	<b>8,825</b>	<b>7,113</b>

Pharmaceuticals sold include pharmaceuticals that were procured through an EU joint procurement procedure, in which only the state could participate and buy the pharmaceuticals. The state resold the pharmaceuticals to wholesalers, who then distributed them to the retail network to reach patients.

## Note 11. Expenses related to health insurance

In thousands of euros	2023	2022
Health service benefits	1,654,474	1,420,685
Specialised medical care	1,122,646	972,952
Family medical care	251,759	207,184
Dental care	86,450	72,122
Emergency medical care	78,919	70,753
Nursing care	78,521	65,653
Disease prevention	24,541	19,264

Personal protective equipment	0	810
Emergency treatment of uninsured persons	11,638	11,947
Costs of benefits for temporary incapacity for work	155,168	207,131
Expenses related to benefits for pharmaceuticals	239,214	186,028
Other expenses of health insurance benefits	65,727	49,857
Benefits for medical devices	18,655	15,872
Health service benefits arising from international agreements	10,337	9,543
Miscellaneous health insurance expenditure	36,706	24,442
Other financial benefits	10,143	8,824
Health promotion expenses	3,412	2,419
<b>Total</b>	<b>2,128,109</b>	<b>1,874,944</b>

From 1 July 2022, the cost of personal protective equipment is reported in the price of the treatment service. Health insurance expenditure includes transactions with related parties in the amount of 371,358 thousand euros (321,951 thousand euros in 2022), see Note 14.

## Note 12. General administrative expenses

In thousands of euros	2023	2022
Personnel and management expenses	11,157	9,563
Wages	8,218	7,052
including remuneration of members of the management board	533	494
Social tax	2,874	2,456
Unemployment insurance	65	55
Information technology expenses	4,697	2,997
Management expenses	2,799	2,405
including operating lease payments*	692	625
Development expenses	326	324
<b>Total</b>	<b>18,979</b>	<b>15,289</b>

\* See Note 6

Average number of employees of the Health Insurance Fund reduced to full-time equivalent as at the reporting date	2023	2022
Members of the management or controlling body of a legal person	4	4
Persons employed under an employment contract	201	183
<b>Total</b>	<b>205</b>	<b>187</b>

In 2023, management costs include 2,000 euros for 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. In 2023, remuneration for members of the supervisory board is 161 euros (203 euros in 2022).

### Note 13. Other operating expenses

In thousands of euros	2023	2022
Value added tax on operating expenses	1,166	896
Receivables expensed	31	59
Other	34	25
<b>Total</b>	<b>1,231</b>	<b>980</b>

### 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 terms and conditions as from other providers.

#### Transactions with related parties

	2023	2022	Note
Purchase of services	371,360	321,951	11, 12
Receivables submitted	204	39	9
Liability on 31 December	24,474	24,092	7
Receivable on 31 December	49	1	3

No write-downs of receivables from related parties were made in 2022 or 2023. 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 reported as the purchase of services.

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

## Note 15. Targeted financing

### Targeted financing revenue:

In thousands of euros	2023	2022
Additional funds for COVID-19 from the state budget	27,444	42,729
Health Portal	976	305
Treatment costs for Ukrainian war refugees	8,225	0
Treatment of people wounded in war	2,362	0
Other	584	1,603
<b>Total</b>	<b>39,591</b>	<b>44,637</b>

Additional funds for COVID-19 from the state budget include coverage for various additional costs related to COVID-19, such as benefits for incapacity for work, medicines, vaccines, and the organisation of vaccination. The Health Portal is a further development of digilugu.ee, where the existing Patient Portal services have been migrated to a new platform. The development is based on the needs of the users, ensuring that navigation is as simple as possible and that all users can understand the explanations of the services.

### Targeted financing expenses:

In thousands of euros	2023	2022
Health Portal	969	284
Other	49	0
<b>Total</b>	<b>1018</b>	<b>284</b>

## Note 16. Events after the balance sheet date

In 2022, the Riigikogu passed a law to create a liability insurance for health care providers (medical institutions), or patient insurance. This will modernise the patient safety system to encourage the reporting and prevention of medical errors and incidents. Patient insurance will apply from July 2024. The role of the Health Insurance Fund is to include an additional cost in the price model for services based on premiums and to compensate for it. The implementation of patient insurance will be supported by 2.5 million euros from the state budget.

From July 2024, the Health Insurance Fund will take over the organisation and financing of the prison medicine service. In cooperation with the Ministry of Social Affairs, the implementing legislation (list of prison services, prison organisation regulation) has been finalised and the price of the service will be included in the list of health services in April 2024. The estimated cost of prison medicine in 2024 is 5 million euros, with 2.4 million euros of funding from the state budget.



# Signatures to the annual report

The management board of the Estonian Health Insurance Fund has prepared the 2023 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 2024



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