

Adjustment of SHI Contribution Rates

Country: Austria

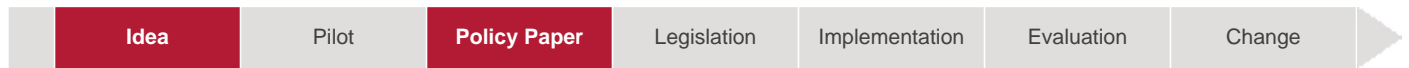
Partner Institute: Institute for Advanced Studies (IHS), Vienna

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Health Policy Issues: Funding / Pooling

Current Process Stages



Featured in half-yearly report: Health Policy Developments 1/2003

1. Abstract

As a part of the new Austrian government's programme for the next legislative period, contribution rates will be equalized at 7.3% of income for blue and white collar workers. The growing deficit of health insurance funds calls for additional revenue; other measures foresee an additional contribution rate for non-work-accidents and an annual 0.25 point increase of the pensioners' contribution from currently 3.75% to 4.75%.

2. Purpose of health policy or idea

Equal health insurance contribution rate of 7.3% for blue and white collar workers (current rates: blue :7,6% white: 6,9%) which essentially increases total contribution revenue;
 new additional contribution rate for non-work-accidents is introduced: 0.1 percent; this applies for all health insured persons, not only blue and white collar workers,
 pensioners' contribution rate is to be increased by 0.25%-points annually until 4.75% is reached (current rate: 3.75%)

Main objectives

revenue generation

Groups affected

blue and white collar workers, all insurees.including pensioners, increased contribution rates for pensioners

3. Characteristics of this policy

Degree of Innovation	traditional	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	innovative
Degree of Controversy	consensual	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	highly controversial
Structural or Systemic Impact	marginal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	fundamental

Public Visibility

very low  very high

Transferability

strongly system-dependent  system-neutral

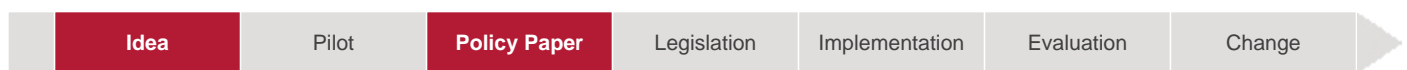
4. Political and economic background

New government; idea is part of the programme of the new government for the next legislative period; the equal contribution rate is in accordance with other means to harmonize the legal situation of blue and white collar workers

The growing deficit of health insurance funds calls for additional funds; predicted deficit for 2003 is 350 million Euro, expected to rise up to 900 million Euro in 2005.

Change based on an overall national health policy statement

5. Purpose and process analysis



Origins of health policy idea

Equal contribution rate is a new objective of the new government;

Additional funds for coverage of leisure accidents have been a topic in public discussion for several years already, though previously other ideas to provide leisure accident insurance had been discussed, i.e. a charge on sport equipment

Main actors : Federal Ministry for Health and Women and Federal Ministry for Social Security and Generations, Federation of Austrian Social Security Institutions.

Initiators of idea/main actors

- Government: Federal Ministry for Health and Women
- Payers: Federation of Austrian Social Security Institutions

Stakeholder positions

Though several approaches in the new government proposal were heavily discussed, adjustments i.e. increases of the contribution rates were hardly discussed in public.

Actors and positions

Description of actors and their positions

Influences in policy making and legislation

As the contribution rate is fixed by law, the ASVG (General Social Security Act) has to be amended accordingly.

Legislative outcome

Actors and influence

Description of actors and their influence

Adoption and implementation

As there is hardly any public discussion on this topic, chances of implementation seem quite high; however, the government programme was launched only one week ago, so the discussion and public pressure might switch from co-payments to contribution rates.

Monitoring and evaluation

No reviewing or evaluation process planned until now.

6. Expected outcome

- Equal health insurance contribution rate of 7.3% for blue and white collar workers: expected yields per year 90 million Euro;
- Additional contribution rate for non-work-accidents: 116 million Euro expected additional receipts per year;
- Contribution rates for pensioners' health insurance to increase incrementally over the next four years, expected to yield 103 million Euro in 2004 and 210 million Euro in 2005.

The predominant goal of contribution adjustments is to increase revenues. A harmonization of rates between blue and white collar workers is certainly overdue. Being the main clientele of the Peoples Party, civil servants' rates are not included in this harmonization - their contribution rates would have to be raised.

The leisure insurance scheme as proposed seems to be superior to former ideas which usually contain incentives against healthy life styles (sport) and did not cover household accidents.

We think that the increased rate of pensioners' contributions can be seen as a step towards risk-adjusted contributions, which have no tradition in the Austrian health care system.

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