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THE ANALYSIS OF ADDITIONAL HEALTH INSURANCE IN CROATIA

KOMPARATIVNA ANALIZA DOPUNSKOG ZDRAVSTVENOG OSIGURANJA U REPUBLICI HRVATSKOJ

ABSTRACT

Every Croatian citizen is obliged to report to the mandatory health insurance.

People residing in the Republic of Croatia and foreigners with permanent residence permits in the Republic of Croatia, if an international agreement on social insurance doesn't provide it differently, to perform the application under the compulsory health insurance.

In an era where the most important thing is the health, the citizens are willing to do anything to keep it and improve their quality of life.

In addition to the compulsory health insurance Croatian citizens have the option of choosing an additional health insurance according to their own preferences.

Additional health insurance can be provided only by persons who have determined the status of the insured person in the compulsory health insurance at the Institute.

The paper will, along with additional insurance by the Croatian Institute for Health Insurance, analyze the additional insurance two Croatian insurance companies.

The aim of this paper is to analyze and determine the difference between additional insurance by the Croatian institute for health Insurance and additional insurance in Croatia and Basler Insurance.

Definition of research objectives derived object of research that relates to the cost of additional health insurance in Croatian institute for health and the previously mentioned insurance companies.

Croatia insurance additional health covers the cost of all kinds of participation in the mandatory health insurance for the full amount without restrictions.

Basler insurance Zagreb provides each insured person entitled to reimbursement up to the full cost of health care from the mandatory health insurance, as defined in the laws and regulations in the field of health care, which refers to the participation and the cost of drugs. During research of facts and possibilities that currently exist, for the formulation of the research results in this paper, the following research methods are used in a different combination: historical method, the method of analysis and synthesis, classification and description method.

Key words: health, additional insurance, analysis

SAŽETAK

Svaki građanin Republike Hrvatske dužan je prijaviti se na obvezno zdravstveno osiguranje. Osobe s prebivalištem u Republici Hrvatskoj i stranci s odobrenim stalnim boravkom u Republici Hrvatskoj, ako međunarodnim ugovorom o socijalnom osiguranju nije drugačije određeno, prijavu vrše prema Zakonu o obveznom zdravstvenom osiguranju.

U današnje vrijeme kada je zdravlje ono najdragocjenije, građani su spremni učiniti sve kako bi ga zadržali i poboljšali kvalitetu svog života.

Uz obvezno zdravstveno osiguranje građani Republike Hrvatske imaju mogućnost odabira dopunskog zdravstvenog osiguranja prema vlastitim preferencijama. Na dopunsko zdravstveno osiguranje, mogu se osigurati samo osobe koje imaju utvrđen status osigurane osobe u obveznom zdravstvenom osiguranju kod Zavoda.

U radu će se, uz dopunsko osiguranje od strane Hrvatskog zavoda za zdravstveno osiguranje, analizirati i dopunsko osiguranje dva hrvatska osiguravajuća društva.

Cilj ovog rada je analizirati i utvrditi razliku između dopunskog osiguranja od strane Hrvatskog zavoda za zdravstveno osiguranje te dopunskog osiguranja u Croatia osiguranju i Basler osiguranju.

Iz definiranja cilja istraživanja proizlazi objekt istraživanja koji se odnosi na troškove dopunskog zdravstvenog osiguranja u HZZO-u te u prethodno navedenim osiguravajućim društvima.

Dopunsko zdravstveno osiguranje Croatia zdravstvenog osiguranja, pokriva troškove svih vrsta sudjelovanja (participacija) u obveznom zdravstvenom osiguranju u punom iznosu bez ograničenja.

Basler osiguranje Zagreb osigurava svakom osiguraniku pravo na naknadu troškova do pune cijene zdravstvene zaštite iz obveznog zdravstvenog osiguranja, kako je definirano zakonima i zakonskim propisima iz područja zdravstva, što se odnosi na participaciju i troškove lijekova.

Pri istraživanju činjenica i mogućnosti koje trenutno postoje; a za formuliranje rezultata istraživanja u ovom radu su u različitoj kombinaciji korištene sljedeće znanstvene metode: povijesna metoda, metoda analize i sinteze, metoda klasifikacije te metoda deskripcije.

Ključne riječi: zdravstvena zaštita, dopunsko osiguranje, analiza

1. Introduction

Health is the most precious thing a man possesses, citizens are willing to do everything to keep and improve the quality of their life. In addition to the compulsory health insurance Croatian citizens have the option of choosing a additional health insurance according to their own preferences. Additional health insurance can be provided only by persons who have

determined the status of the insured person in the compulsory health insurance at the Institute. This paper also analyzes the advantages and disadvantages of additional insurance in the Basler Insurance Zagreb, Croatia Health Insurance and the Croatian Institute for Health Insurance. This paper will analyze the costs arising from contracting additional insurance, length of contractual obligations and what is included in the additional insurance policies.

2. The concept of security and features

Insurance is a term with which everyone encounters every day in the individual properties of the segments. Preventive measures can partially reduce the effects and the harmful consequences of certain hazards. Insurance should be observed from different aspects, from the stand point of the individual, or from the perspective of society. From the standpoint of the individual insurance represents an economic instrument which replaces individual small amount (insurance premium) for a large uncertain financial loss that would exist if individual would not be assured. Another perspective from the standpoint of society is economic instrument for reducing and the eliminating the risk by the process of combining a sufficient number of identical exposure risks, in order to predict losses for the observed group as a whole. It can be concluded that insurance is a method of risk transfer from the insured to the insurer, who accepts to compensate for accidental damage to those in which they are incurred and to distribute them to all members of risk groups. (Klasić, Andrijanić, 2007) The main participants in the insurance are: the insurer, the policy holder, the insured and the reinsurer. The insurer represents an insurance company, legal person with whom the contract of insurance is signed and which agrees to the policy holder or the insurance beneficiary, in accordance with the terms of insurance to compensate the damage or pay indemnity.

The policyholder is the person with whom the insurer has concluded insurance. The contractor is required to pay the insurance premium and fulfill the obligations under the contract by the insurer. The insured is person under insurance contracts whose property interest is secured and whom belongs the rights under the insurance, and the person on whose survival, death, disability or impaired health depends payment of compensation from insurance. (Klasić, Andrijanić, 2007)

2.1. The insurance market

The insurance market represents totality of relationships between suppliers and applicants for insurance products, where these relations are conducted based on the free decision of all participants. The size and strength of the insurance market can be determined in several ways, of which the most commonly are used data on the total annual premium in one country, the average premium. (Klasić, Andrijanić, 2007) It is important to explain the market of insured in order to understand here in after the difference between individual additional health insurance at different insurance companies.

What is important in the insurance market is that the number of insurers does not significantly affect the cost of insurance. Legal regulation relating to the insurance sector, together with other subordinate legislation and ordinances passed by HANFA regulate the behavior of participants in the Croatian insurance market. Croatian market thus meets the characteristics of a competitive insurance market where all participants in the process of insurance are in the equal position.

The insurance market provides: (Klasić, Andrijanić, 2007)

- Homogeneity/risk equivalence by type and size
- transparency
- Personal, spatial and temporal preferences of insured

- Ensuring the economic principles

- A large number of insured and the insurer

Competition affects the selection of risks and it leads to the process of the individualization of premiums (adjustment of the average premium rate to each specific risk).

Individualization of premiums is applied for larger insured companies and it is realized by: (Klasić, Andrijanić, 2007)

- Determining the amount of the premium according to features of each insured person (discount for quantity of insurance, implementation of preventive measures, etc.

- Using experiential premium rate, here the premium depends on the previous individual damages of each insured person individually

- Determining the amount of the premium using the discount or allowance at a premium, whilst taking into account the damage that can occur for the entire duration of insurance of the insured individual (not just in one year).

3. Health insurance

The divisions of insurance by type are incurred by dividing similar or identical risk in specific groups or types of insurance. Types of insurance are classified according to different criteria for historical reasons. Type of insurance denotes the insurance of things or persons covered by the same insurance conditions. According to the division made by HANFA (NN 139/06), a group of insurance, types of insurance within the groups and types of risk within the types of insurance are prescribed.

The division is the following:

1. According to the criterion of balancing the insurance business and the determining of business results
 - a) Non-life insurance
 - b) Life insurance
2. According to the way of concluding the insurance contract
 - a) Voluntary insurance
 - b) Mandatory Insurance

Health insurance is insurance in case of illness, injuries and other accidents, covering: (NN 150/08)

- The cost of treatment, the cost of supplying drugs and medical-technical aids,

- The payment of the agreed financial compensation and

- A combination of the above mentioned payments, and includes:

a) Compulsory insurance of procedural charges in case of injury at work and occupational diseases

b) Additional insurance of differences over the value of health services of mandatory health insurance

c) Additional health insurance on a large scale of law

At the compulsory health insurance, according to one of the bases of insurance established by law on compulsory health insurance, are obliged to provide all persons residing in the Republic of Croatia and foreigners with permanent residence permits in the Republic of Croatia, if an international agreement or special law doesn't provide it differently.

Insured, children up to 18 years, members of their families and other insured persons mandatory insured in certain circumstances are considered insured persons which provide rights and obligations under the compulsory health insurance under this Act.

Today's lifestyle leaves less time to care for our own health. It is necessary to conduct regular checkups in order to timely detect any disease. A medical care is better every day and all the lower number of incurable diseases.

Advances in medicine and technology in this area today was once unthinkable. The costs of treatment in medicine have also progressed. Today, one can hardly endure the burden of the cost of medical treatment alone.

With compulsory health insurance that is required by the Compulsory health insurance Law it is possible to arranged additional medical insurance. When using health care, insured person pays in person health care costs under paragraph 1 act. 35., or by additional health insurance, according to the Voluntary health insurance Law.

In addition to the compulsory health insurance, there is a voluntary health insurance that includes complementary, additional and private health insurance. Additional medical insurance are contracted as long-term insurance, for at least one year.

Additional health insurance is insurance which provides coverage of health care costs of compulsory health insurance in Article 16 Paragraph 3 and 4 and Article 17 paragraph 5 on Compulsory health Insurance Law. Additional health insurance provides a higher standard of care compared to standard care from compulsory health insurance and higher scope of rights in relation to the rights of compulsory health insurance. Private health insurance provides health care to individuals who residing in the Republic of Croatia, who are not obliged to ensure under the Compulsory Health Insurance Law and Health Care Act of foreigners in the Republic of Croatia.

The contractor of additional health insurance, according to the mentioned law, is the insured or a legal entity or natural person, government or other authority which is concluded an additional health insurance for the insured and which is committed for payment of insurance premiums.

Person insured with additional health insurance, according to the provisions of Act, is a physical person who has or who was, by virtue of its consent, concluded a contract for supplementary health insurance and who uses the rights determined by the insurance contract. Insured person under paragraph 1 Law on additional health insurance can only be the person who has determined the status of the insured person in the compulsory health insurance under the Compulsory Health Insurance Law. The insured under paragraph 2 Article of the Law on additional insurance by the loss of status of the insured person in the compulsory health insurance loses the status of the insured person in the additional health insurance.

4. Comparative analysis of additional health insurance in HZZO, Croatia and Basler insurance companies

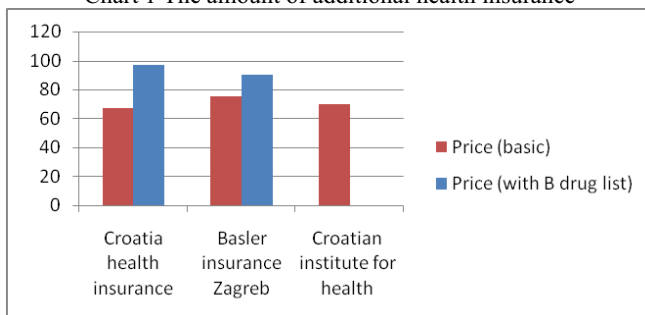
Table 1 The amount of additional health insurance

	Croatia health insurance	Basler insurance Zagreb	Croatian Institute for Health
Price (baasic)	From 67 KN/month	From 75 KN/month	70 KN/month
Price (with B drug list)	From 97 KN/month	From 90 KN/month	-
Contractual obligations	3 years	2 years	1 year

Source: Authors' calculation

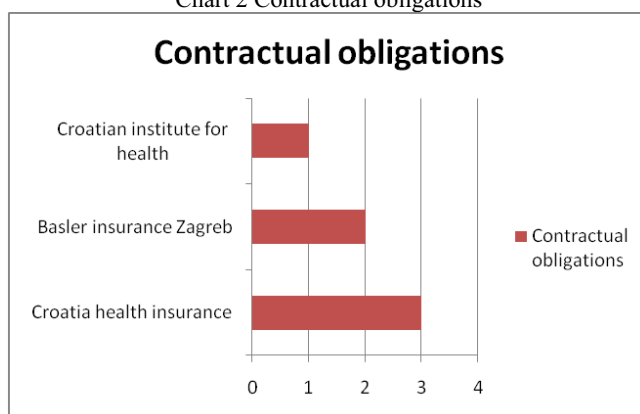
According to Table No.1 price of additional health insurance is from 67 to 75 KN per month. By signing the contract insured person accepts the price of the selected health insurance.

Chart 1 The amount of additional health insurance



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Chart 2 Contractual obligations



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In the Croatia health insurance contract is signed for the period of three years, Basler Insurance Zagreb two years, while the Croatian Institute for Health Insurance one year.

4.1. Croatia health insurance

Croatia health insurance offers the possibility of contracting policies of additional health insurance with or without coverage for drugs from B drug list. Terms of additional health insurance provides financial security through coverage of all participation from the compulsory health insurance: (Croatia health insurance, 2014)

- In primary care for specialist examinations
- Diagnostic laboratory services
- Physical therapy for dental services
- The cost of hospital treatment
- The costs of accommodation and food in hospitals
- Expenses for the issuance of a drug by prescription.

4.2. Basler insurance Zagreb

Basler Insurance Zagreb offers four types of supplemental insurance packages.

Contracting additional health insurance each insured person is entitled to reimbursement up to the full cost of health care from the compulsory health insurance, as defined in the laws and regulations in the field of health care, which refers to the participation and the cost of drugs.

Basler additional health insurance in a package of basic health insurance provides coverage for the treatment and a system of voluntary health insurance Basler safe health. (Basler insurance Zagreb, 2014)

Basler has provided 24 hours a day assistant (professional medical service) Basler insurance Zagreb, through which policyholders are entitled to a service from concluded insurance policy, and if necessary receive various medical referrals and information.

4.3. Croatian institute for health

Insurance in HZZO additional health insurance is the only additional health insurance in Croatia with the same price for all, regardless of age and health.

By setting the price of additional health insurance from 70 KN per month HZZO wishes to show that the concept of public health based on intergenerational solidarity is not only sustainable but also the most affordable for all citizens. (Croatian institute for health, 2014)

In addition to reasonable prices of insurance, HZZO card additional health insurance highlights the simplicity of use.

Only HZZO card allows cashless participation in all public health institutions and practices around the Croatian.

5. Conclusion

Analyzing the additional insurance in Basler Insurance Zagreb, Croatia health insurance and Croatian Institute for Health Insurance leads to conclusion that the Croatian health insurance premiums offered the lowest price of the basic model of additional insurance from 67 KN, while in relation to the three listed insurance companies, the highest price of additional insurance has Basler insurance Zagreb, 75KN.

Croatian Institute for Health Insurance offers affordable cost of additional insurance, 70KN.

The biggest difference was observed in the length of the contractual obligations of the contracting additional insurance policies. Croatian Institute for Health insurance obliges users for a year, Croatia health insurance for three years, and Basler Insurance Zagreb for two years.

In a basic package of additional health insurance all of three insurance companies offer similar benefits.

The biggest drawback Basler Insurance Zagreb and Croatia health insurance is the need for cash payments of services and subsequent payments charged to the cost mentioned by the insurance companies. In conclusion, it can be determined that the ratio of price premiums, coverage and service functionality additional insurance is best arranged in the Croatian Institute for Health Insurance.

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