

## SUMMARY

### Performance Auditing Report Financing of laboratory and medical supplies and impact on health care costs

*The Republic Health Insurance Fund financed the costs of laboratory supplies in the amount of 6.3 billion dinars without sufficient convincing of the accuracy of their presentation and justification of their occurrence.*

In recent years, financial auditing and compliance auditing have identified problems in managing the cost of medical and sanitary supplies. Average annual recognized fee for medical and sanitary supplies for health care institutions in the period 2016–2018 amounted to RSD 13.7 billion, of which RSD 6.3 billion related to the cost of laboratory supplies.



*Calculation of compensation per contract with health services institutions – 1. Contracting of Compensation for Services, – Health care services provided through contract between HCI and RHIF – HCI invoices RHIF for services and supplies and medications used – 2. Invoicing – 3. Final calculation of compensation – recognition (Middle: Health Care Institution)*

Funds required for laboratory supplies, within the established fee for medical and sanitary supplies, are not planned according to the number and structure of laboratory services, which makes it impossible to monitor efficiency. This way the procedure for determining compensation leads to risks that the health care institutions reduce or suspend the provision of certain laboratory services, as well as sending the insured persons to other health care institutions, which extends the time in which they will receive the service. If the Republican Health Insurance Fund establishes a link between the contracted compensation and the planned scope and structure of the laboratory services, it will be able to ensure the principle of efficiency – the highest level of entitlement with the lowest expenditure of financial resources.

Due to the lack of a comprehensive analysis of market conditions, no possible savings in the cost of laboratory materials were realized. Healthcare institutions did not fully conduct the market research, which resulted in significant differences in the purchase price of reagents, which did not result in possible savings in the individual procurement of laboratory supplies.

In the process of carrying out the final calculation and recognizing the compensation for these purposes, the competent branches of the Republic Health Insurance Fund were not sufficiently verify the accuracy of the stated costs of laboratory and other medical supplies. The Fund did not define how branches should control the reported data in the forms for the final calculation of the compensation. Due to insufficient control by the competent branches, there is a risk that the Republican Health Insurance Fund also financed part of the costs that were not incurred in connection with the provision of compulsory health insurance services.

## Recommendations

The State Audit Institution has issued the following recommendations to the Republican Health Insurance Fund to:

- Develop a new price list for laboratory services in order to plan the necessary resources for laboratory supplies and related sanitary and medical supplies; finance them based on the number and structure of laboratory services;
- Propose to amend the decree regulating the types of goods and services for which centralized public procurement is carried out for the needs of health institutions in such a way that the centralized procedure of public procurement of laboratory material is carried out for the needs of health institutions performing health activity at primary, secondary and tertiary level health care;
- Establish a unique methodology that will define the procedures of competent branches in controlling the statements of data in the forms for the final calculation of the compensation for sanitary and medical supplies and documentation that will justify the accuracy of the data presented by health institutions.