



REPUBLIC OF SLOVENIA
COURT OF AUDIT

CROSS-SECTIONAL AUDIT REPORT

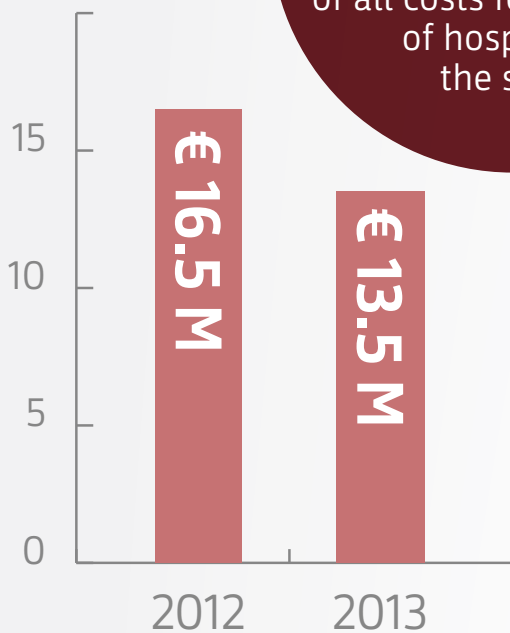
Concluding civil law contracts for the implementation of healthcare services

Regularity audit of a part of operations
of four hospitals in 2012 and 2013

Slovenian hospitals allocate for the implementation of healthcare services under work contracts
more than € 10 million annually.

Payments
under work
contracts:

in million €

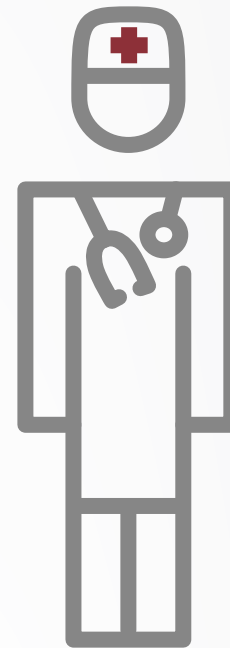


Payments under
work contracts
represented

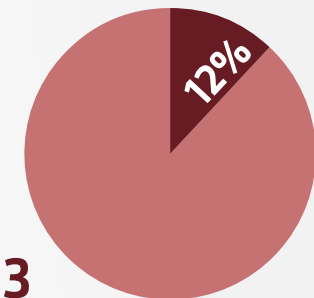
more than 1%

of all costs for operations
of hospitals in
the state.

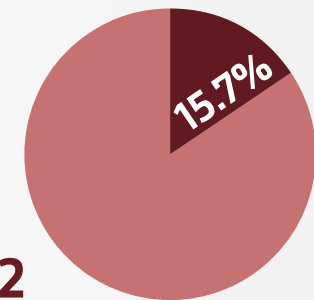
The share of medical doctors employed
in public healthcare institutes who
carried out healthcare services in the
audited period **under work contracts:**



2013



2012



Court of Audit implemented audit at 4 hospitals
where the scope of healthcare services provided under
work contracts compared to other work costs was the largest:

Hospital for
Obstetrics and
Gynaecology
of Kranj

Hospital for
Women's Health
and Obstetrics
of Postojna

Hospital
of Trbovlje

Hospital
of Brežice

All hospitals were expressed a **qualified opinion due to breach**
of provisions of Health Services Act and other regulations.

All audited hospitals already **during the audit remedied most**
of the irregularities, the remaining corrective measures
must be presented in the response reports.

Audited hospitals acted contrary to Health Services Act in the following cases:

- **the records** of made work contracts **did not include** all contracts;
- despite the prescribed limitations the hospitals made work contracts for unlimited period of time respectively the **duration of the contracts was not defined in line with the regulations**;
- medical doctors were **issued consents** to provide medical services elsewhere while hospitals made work contracts with external medical doctors for services of the same type;
- hospitals made work contracts also with **medical doctors who were not issued consents** by their employers;
- also after Fiscal Balance Act came into force hospitals concluded work **contracts with independent entrepreneurs or companies**;
- hospitals made work contracts to provide services **with their own employees** despite **all the conditions were not met**;
- before concluding work contracts, **they failed to carry out cost-efficiency analyses**.

The Court of Audit disclosed other irregularities besides breaching Health Services Act



- **services were paid at a higher price** than agreed by contracts, **double payments, payments for services not implemented**



- operations implemented **contrary to Public Procurement Act**



- **setting prices** for providing services in work contracts **contrary to regulations.**

Regulations set up a system of non-competition clause but it has no effect, since **hospitals do not hold official information or records on services provided under work contracts**, the Ministry of Health, nevertheless, collects certain data, therefore hospitals:

- are not able to review whether their employees (without consent) provide services to other institutes
- do not demand from medical doctors with whom they made work contract to present consents, since they cannot review if they are employed at other healthcare institutes
- cannot obtain official records about employees who are unable to work while possibly working at the same time at other institutes under work contract.

Hospitals pointed out that they would not be able to provide continuous healthcare services to all citizens **if strictly following all limitations**, thus **lives and health of people might be threatened.**



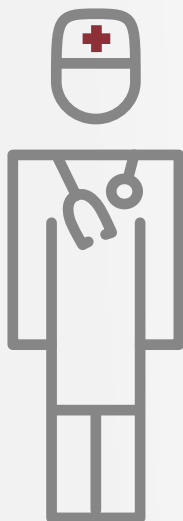
Following the cross-sectional audit, the Court of Audit assessed there are **systemic uncertainties and ambiguities**, i.e.:



- **respecting non-competition clause** and enabling employees daily and weekly **rest**



- **setting prices** of services



- **issue of lack of medical doctors that forces hospitals to conclude work contracts** with medical doctors of certain specialities while they are put in an **inferior position when negotiating prices** for healthcare services despite the fact that criteria for setting prices for most of the services are clearly defined

Lack of medical doctors mainly resulted in **overpayments of services** in the amount of at least

101.894 €

The Court of Audit informed the Ministry of Health about the findings of the cross-sectional audit and situation related to work contracts. The Court of Audit pointed out systemic weaknesses which could be addressed by the Ministry, namely to amend regulations or issue appropriate instructions.

The Court of Audit emphasised

- the **issues of setting prices** and proposed a careful consideration about defining unified prices for certain services
- the **need to set up a formal review mechanism** enabling public healthcare providers **to have control** over implementation of non-competition clause and enabling employees daily and weekly rest.