The impact of the Israeli National Health Insurance Law on occupational medicine services

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# **Background**

In 1996, the parallel tax law (ordering employers to pay for medical services) was dissolved, and changes were made in the national health insurance law to include the funding of health services at work. The basic services package have been defined as "health services provided by the Histadrut sick fund and by the state in the set date", and included the medical tests of employees, which are carried out according to the law. A budget deducted from the parallel tax collections for funding the Committee of Preventive Action and Research in Occupational Health, was replaced by an allotted portion for the same purposes in the ministry of industry, trade and labor subjected to a change made in the labor inspection regulations.

## **Goals**

The present research examined the impact of the national health insurance law and the cancellation of the parallel tax collection on the occupational health and hygiene services in Israe and their quality.

#### Methods

Conducted in the years 2008-2009, the research was based on data analysis and documents and interviews of 47 experts, functionaries, representatives of

plant managers and organizations dealing with occupational health and hygiene issues.

## Main findings

- The transition to a health package where services and updates are set by the Health Package Committee caused significant reduction of public funding for the health services package, according to estimations over one billion NIS per year. Respectively, the budget for occupational health services derived from the general health services budget became smaller. The inclusion of this budget in the general sections of the HMOs expenses, enabled budget cuts due to changing pressures within the sick funds.
- The dissolution of the preventive action committee, which consisted of representatives from different ministries and public functionaries and experts from different sectors, and its replacement by the preventive action body of the ministry of industry trade and labor caused significant reduction of the budgets available for safety research and special operations.
- Long-term negative effects may be caused in terms of significant regression of the funding for professional manpower training and specialization in occupational health and hygiene services. The lack of directed encouragement by means of financial incentives causes lower number of young joining people and an older average age of experts both in occupational health services and in occupational hygiene services.

- Research is the main field badly affected so far from the law changes, due to the significant reduction of research centers and institutions dealing with occupational health, whether they are affiliated or not to any academic institute. Research initiatives in the various fields of occupational health and hygiene and the potential of researchers in these fields have been significantly affected. The effect may find its expression in the lack of research on local issues in the fields of occupational health and hygiene and in mutual fertilization with global research.
- The Preventive Action Department in MOITAL has funded in the past, among other things, special operations such as mobile hearing test clinics for plants, occupational health clinic in industry zones, national mapping of occupational risk factors, health surveys etc. Significant reduction of such operations is a direct impact of the parallel tax dissolution.
- The freeze of the health package since the national health insurance law came into effect, stopped the updating of present safety and hygiene regulations due to lack of willingness on the part of the ministry of industry trade and labor and the ministry of health to add the required budgets for the necessary medical tests required by proposed new regulations, which no one doubts their necessity in the professional perspective. Therefore, issuing new regulations for medical examinations has not been progressed, exerting its toll on the worker's long term health.

- In the short-term, compensation mechanisms were developed to address the lower public budget. Therefore, in the final perspective, most of the professionals dealing with this issue consider the actual negative effect in scope and quality of services provided to plants and employees to be light, and they think that the system manages to fairly preserve and maintain the professional abilities of occupational health and hygiene.
- The sick funds themselves finance certain services that were earlier provided for free to employees. For some services like vaccinations or general tests the employees themselves have to pay a certain amount to share their funding with their sick fund clinics. Employers more often turn to private institutions, for a higher price, but often with a larger scope of services than those provided by the sick funds, since the latters only provide the service set by the regulations.
- The Preventive Action allots money for funding special projects of safety and hygiene promotion in certain occupational sectors, such as small industry (small plants), which lack the ability to finance a good level of safety and hygiene operations. Such projects are limited in scope and time and they cannot assist employers with medical tests, like hearing tests for employees. Due to the reduced funding of such operations, other funds like the Manof fund have risen for funding studies in the field of safety and hygiene, even though part of them were not originally meant for research funding.
- Correlation was found in most of the examined sections between the trends found in the facts and the trends expressed by the research

interviewees. The interviewees' views on the significant decrease of medical tests were not supported by certain factual data. No measures were found for objectively estimating the changes in quality of occupational health and hygiene services that were provided to the plants. This issue was also indecisive among the interviewees.

# Researchers' Recommendations

- 1. The researchers recommend returning the financial resources of occupational health services inherited in the law for the purpose of current activity, design and development and increase of work force. The addition of financial resources provided for occupational health during the parallel tax period might provide the sick fund and the occupational doctor with higher levels of flexibility in assuming considerations for components of employees' medical surveillance.
- 2. The researchers recommend conducting a comparative survey and realize the significance of allotting jobs for occupational doctors and nurses as well as the proportions between the number of occupational doctors and nurses and the number of employees, between the State of Israel and other countries, which have a similar number of employees and other similar basic data such as the professional level and quality of medicine, economy, demographic spread, etc.
- 3. It is recommended to the involved ministries (health and industry trade and labor) to enlarge the budget destined for occupational health and hygiene in order to enable the issuing of new regulations that include the environmental and biological monitoring as well as medical surveillance.

- 4. It is recommended to reestablish an independent committee similar to the one from before the law changes (public committee) and their implications. A proper budget should be allotted to such a committee for supporting research and projects, special activities and professional training, with an updated vision and according to the occupational health needs of the 21<sup>st</sup> century.
- 5. Other recommendations to the decision makers following issues recommended by the interviewees are:
- a. Passing the responsibility for occupational health to the ministry of health
  - b. Unifying the occupational health services provided by the three sick funds into one service body, which will assure that the service provided to the plant will be given by one system of occupational health services with unified services to all the plant employees.
  - c. Expansion of work force necessary for enforcing the existing laws.
  - d. Establishing a central professional body for research, knowledge and application