



*Ministry of Labour,  
Social Solidarity  
and Family*

# **Legal Framework Regarding a Minimum Income, Health and Care Services for Older Persons in Romania**

**Chişinău, 14 March 2007**

# **1. Relevant Social and Economic Indicators**

## **▶ GDP registered a continuous growth:**

- **2.1% in 2000;**
- **5.7% in 2001;**
- **6.0% in 2006.**

The Romanian GDP/capita reached 32% of the EU 15 Member States average in 2004, and it is estimated to reach about 33.4% of the EU 25 Member States in 2007.

## **▶ The inflation rate:**

- **under 10% in 2004;**
- **about 8.6% in 2005;**
- **about 5% in 2006;**
- **the prognosis : around 4% in 2007**

▶ **The employment rate: 57.7% in 2005,**  
against **63.0% in UE -25.**

The employment rate of elderly persons: **39.4% in 2005,** lower than the European average.

The overall unemployment rate is decreasing:

- **11.8% in 1999;**
- **7.2% in 2006.**

▶ **The poverty rate:**

- **20.1% in 1996;**
- **35.95% in 2000;**
- **25.1% in 2003;**
- **18% in 2006.**

▶ **The elderly 65+ poverty rate: 24.9%.**

## **2. Data Related to the Pension System**

- ▶ **Total number of pensioners:**
  - **5,614, 689** - average pension **363 RON (108 Euro )**;
  - **4,645,281** state public insurance system;  
- average pension **363 RON (108 Euro )**;
  - **969,408** farmer pension system;  
- average pension **140 RON (108 Euro )**;
  
- ▶ **The minimum wage: 390 RON (116 Euro).**

### **3. Pension System - Legal Framework**

▶ Pension system reform started at 01.04.2001, through enforcement ***Law.no.19/2000 on public pension system and other social insurance benefits:***

- regulate the first pillar of the system, based on inter-generation solidarity and publicly administrated, with a defined benefit regime.

▶ ***Law no. 411/2004 on pension funds privately managed:***

- a mandatory component of the systemic component, whose organising and function framework is settled through Law no. 249/2004 on occupational pensions.

▶ ***Law no. 249/2004 on occupational pensions***

- an optional component of the system.

## **4. Social Assistance System**

### **A. BENEFITS**

- ▶ **Guaranteed minimum income**
  - criteria: single person, income = 96 RON (78 Euro);
- ▶ **Financial aid for dwellings**
  - to cover the costs of heating during the winter time;
- ▶ **Financial aid for difficult situations,**
  - based on social assessment of the needs, approved by Governmental Decisions;
- ▶ **Financial aid for emergency situations (natural disasters, floods, etc)**
  - based on social assessment of the needs, approved by Governmental Decisions;
- ▶ **Financial aid for burial;**
- ▶ **Personal budget for disabled elderly persons (according to the disability level);**
- ▶ **Financial aid for war veterans and their widows;**
- ▶ **Financial aid for elderly persons, politically persecuted.**

## **5. Social Assistance System**

### **B. FACILITIES**

- ▶ **Free access to public transport, in urban areas;**
- ▶ **Discount for inter-urban travels tickets;**
- ▶ **Access to special food stores;**
- ▶ **Discount for TV, radio, cable subscription;**
- ▶ **Free access to social canteens.**

## **6. Social Assistance System**

### **C. SOCIAL SERVICES**

- ▶ **Domiciliary care services;**
- ▶ **Residential care services:**
  - **Hostels**
  - **Care and assistance centres for the disabled persons (nursing homes)**
  - **Respite centres**
  - **Socio-medical units (health units for chronically ill persons with social problems);**
- ▶ **Advocacy social services;**
- ▶ **Meals on wheels services.**



## **7. Social Services for the Elderly – Legal Framework**

- ▶ **Law No.17/2000, regarding the social assistance system for elderly persons**
  - **establishes principles and concepts of community services, the administrative responsibilities for domiciliary and residential care;**
- ▶ **New draft regarding the Law regarding the protection of the elderly persons rights – scheduled for approval in 2007.**
- ▶ **Law no. 47/2006 regarding the social assistance system;**
- ▶ **Governmental Ordinance no.68/2003 regarding social services, modified in 2004;**
- ▶ **Governmental Decision no.541 to approve the National Strategy of social assistance development for elderly persons – 2005-2008;**
- ▶ **Law no. 48/2006 regarding the protection of disabled person's rights.**

## **8. National Strategy for the Elderly - Plan of Action**

▶ Designed in respect to the provisions of the International Plan of Action on Ageing adopted in 2002- Madrid. The general objectives of the strategy are:

- **Promoting a coherent, coordinated and integrated social assistance system for elderly;**
- **Combating the risk of social exclusion and improving the quality of life;**
- **Promoting the elderly participation to social life;**

▶ Established for the period 2005/2008.

## **9. National Strategy for the Elderly – Specific Measures**

- Improving the present legislation;
- Setting up a data basis regarding the elderly and their needs;
- Encouraging studies and research concerning the ageing phenomenon;
- Improving the quality of services by developing integrated social services, long term care services;
- Setting up a national network of care services for elderly;
- Developing the quality of personnel training;
- Providing adequate financial support for care services;
- Providing facilities for family informal careers.

## **9. National Strategy for the Elderly – Specific Measures**

- Implementing national programs to prevent the early ageing;
- Developing domiciliary and residential care according to the real needs of population;
- Promoting the public –private partnership to support the development of social care services;
- Promoting regulations to prevent elderly abuse or neglect;
- Organizing national public campaigns to promote a better image of the elderly;
- Promoting the admission on the labour market of the elderly;
- Encouraging elderly volunteers and supporting their activity.

## **10. National Strategy for the Elderly – Legal Framework Implementation**

- ▶ **Governmental Decision no.1024/2004** regarding the accreditation of services providers;
- ▶ **Ministerial Order no.246/2006** to approve the quality standards for domiciliary and residential care for the elderly;
- ▶ **Ministerial Order no./2006** which establishes the priority of the programs for the elderly to access the governmental subsidies provided to the NGOs active in social services field ( Law no.34/1998);
  - In 2006 the approved budget for the governmental subsidies provided to NGOs was doubled; this programme is covering the costs of care services for aprox.5.500 elderly persons;
  - about 45% of the total fund is spent for elderly care services.

## **10. National Strategy for the Elderly – Legal Framework Implementation**

### **▶ The law no.366/2001 regarding Social Solidarity Fund**

**-19.940.486 RON (5.864.849 Euro)** were allocated from the state budget in 2005 and 2006 to rehabilitate 69 social assistance units for elderly and disabled persons ( hostels, day centers, socio-medical units, nursing homes);

**▶ Governmental Decision no.197/2006** regarding national programs of social services for the elderly, disabled and victims of domestic violence; one of the programs is targeted on the development of domiciliary care for the elderly and has a budget of 7.600.000 RON (2.235.294 Euro).

# **11. Problems Related to the Healthcare System**

The main negative aspects of the system are:

- ▶ **Social and geographical polarization of access to health services;**
- ▶ **Continuous growth of the of the medicines cost demanding a financial effort from the insurance system and from the population (full instant liberalization of imports, the decline of domestic pharmaceutical production, inadequate medicine procurement procedures and prescription rules);**
- ▶ **Not enough developed Prevention activities and community services ;**
- ▶ **Low social dimension of the healthcare system and the lack of coordination between health and social services - the health system is more oriented on acute intervention and cure;**
- ▶ **An important part of population not registered on family physician`s list or not insured (more than 1 million people).**

## **12. The New Legal Framework Regarding Healthcare System**

**The Law no. 95/2006 regarding the health reform package is focusing on:**

- ▶ Improving the quality and security of health care;
- ▶ Developing domiciliary health care;
- ▶ Reducing the present polarization of the access to health care, based on the income and residence of the patients;
- ▶ Securing a minimum package of healthcare services for all members of the community;
- ▶ Focusing on preventive services and promoting healthy attitudes and early treatment;
- ▶ Increasing the emphasis on health education and improving the access of the population to health education programmes;
- ▶ Developing the social model and providing social services units within hospitals;
- ▶ Encouraging medical staff to work in poor regions and in rural areas.



## **13. Healthcare Facilities for the Elderly**

- ▶ Free accessibility of pensioners to health care services, their contributions being covered from the social fund for pensions;
  - beginning with 2007, the pensioners having an income similar to the average wage will pay the contribution for health insurance ( 6,5%).
- ▶ Free access to health system of the elderly with low income, elderly who suffered for political or ethnical reasons, disabled elderly persons;
  - their contributions is supported from the state budget
- ▶ Access to subsidized medicine;
  - the costs of medicine drugs are covered from the health insurance fund in different percentages: 50%, 80% and 100%;
  - the minister of public health approves annually the list of subsidized medicines;
- ▶ access of chronically ill persons with social problems to health care delivered by hospitals;
  - socio-medical units for poor and chronically ill persons, providing health care services after the hospitalization in a unit for acute diseases;
- ▶ access to domiciliary health care at the discharge of the patient from acute hospitals;
  - services are delivered by non profit organizations

## **14. The Quality of Life**

The most important progress in the field is represented by the new draft of the Law concerning the protection of the elderly rights.

The main provisions are related to:

- ▶ Limitation of the risk of social exclusion;
- ▶ Increasing the involvement of the elderly to all aspects of society;
- ▶ Strengthening intergeneration relationships;
- ▶ Decreasing the number of the admission claims in acute hospitals or in nursing homes;
- ▶ Development of active social protection measures for the elderly;
- ▶ Increasing the responsibility of each citizen regarding his own future, considering also the situation of dependency;
- ▶ Increasing the access to social care and insuring more flexibility for social and care services;
- ▶ Providing protection measures against abuse or neglect.

## **15. Long-term Care Services**

### **Present situation**

- ▶ Inequitable distribution of domiciliary care services at national level;
- ▶ Limited number of residential units providing long term care services according to the waiting lists;
- ▶ Low number of formal carers;
- ▶ Lack of professionals;
- ▶ Lack of special legislation on long term care;
- ▶ Lack of interest of local authorities.

## **16. Perspectives for the Long-term Care development**

For the first time, the long term care is defined in a law and the entire process of care is regulated:

- ▶ Needs assessment of the elderly;
- ▶ Eligibility criteria;
- ▶ Levels of dependency;
- ▶ Type of activities ( ADL and IADL);
- ▶ Type of services;
- ▶ Informal and formal care, domiciliary and residential care;
- ▶ Admission criteria and beneficiary rights and obligations;
- ▶ Contributions and payments;
- ▶ Case management and interdisciplinary teams;
- ▶ Family obligations and support for informal carers.

Thank you!

