REFORM IN THE DENTAL SERVICES AREA IN ROMANIA – OBJECTIVE NECESSITY OR SECOND OPTION

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Abstract

The article herein deals with a topic of current interest, not only because the latest economic and social phenomena within the context of globalized crisis in the world, but also from the perspective of the evolution and specific processes in the medical area in Romania.

The writer accomplishes a journey into the various medical systems in national economies, by analyzing the features of each type of system and the opportunity for a 'capitalist' vision related to the healthcare services in general.

The dental medical services share a series of characteristics that help them be better defined from the point of view of provider-customer relation. Thus, it becomes evident that, for Romania, the process initiated in 2006 meaning liberalization of practicing the dental doctor profession represents a natural way of developing the market specific to such services.

From this perspective, this issue targets the mentalities level only – to impose quality standards on the market and to witness the offer-demand balance, both deriving from the specific nature itself of the dental services.

The involvement of the authorities at Health Department into developing a health insurance policy in the dental field and the support of the private initiative in the underserved areas are the main targets of the 'reform'.

Key words: *healthcare services, reform, dental medical services, global crisis*

JEL Classification: I_{15}, I_{18}

Literature review

The scientific literature regarding healthcare services has had a tremendous development in the last twenty years, from the medical point of view but also from a socio-economic perspective.

The latest developments in the economic theory and practice could not interfere with the problems regarding healthcare services consumer habits, quailtative evolution of the relationships between supply and demand on the market, etc.

The qualitative aspects related with the game of demand and supply on the healthcare services market are concerning the degree of consumers' satisfaction, quality of life and their expectations. As far as the dental medical services, this axiom is more real than ever.

Generally speaking, consumers evaluate the dental medical services by making a comparison with other similar units and, if those services meet their expectations, the consumers will define the service as attractive. If a situation of dissatisfaction occurs in case of medical services, then the sensitivity of consumer's perception is higher than in other services and the effects are visible at the level of provider's competitiveness. (Bolog S.A., 2008)

Talking about the evolution of the medical sector in Romania with a focus on the dental medical services, a topic of interest is the sustainable development of this sector and from this perspective, the degree of involvement of the state regarding the correlation between social protection strategies, healthcare strategies of the state and the contribution from the private sector. As Romanian authors mention in an article published in 2009, the aspects regarding the consumers' loyalty towards dental medical services, the factors that are influencing the choice of a particular dental office can efficiently point out what the main action lines are for sustainable development at the level of dental medical services market in Romania. (Gârdan D.A. and Geangu I.P., 2009)

In another article, written by same authors, there is a suggestion for the implementation of educational programs at the level of dental offices as part of an efficient strategy aimed to improve not only the quality of medical dental services but also the quality of consumer's life (Gârdan D.A. et all, 2010). The authors show that, in everday behaviour, the Romanian consumers are not in the habit of quantifying the impact of dietary habits on their dental hygiene.

Within the dental care services, the Romanian consumer behavior tend to evolve step by step under the pressure of socio-economic and technological factors. After a series of qualitative research regarding the marketing implications for the Romanian consumers, researchers have found that consumers tend to accept and use more and more mobile marketing techniques as SMS, MMS, mobile internet advertising, SMS in location, etc as channels that influence their decisional process regarding consumption of healthcare services, along with the dental ones (Gârdan D.A., Geangu I.P., Roşu A.M., 2011)

This thing, plus the level of demands regarding the quality of medical act itself, creates the premises for a conceptual change at the level of consumer behavior and mentality regarding the dental medical services on the Romanian market.

The features of the demand and offer in the dental medical services

The world economy is going now through the worst economic crisis since 1930. While more and more countries are facing high external debts, combined with non-sustainable budget deficits, it comes natural to have a concern for reform in economy and state, in general.

Such reforms could not avoid the medical system – thus, in the context of the present crisis, the efforts to reform the medical system is mainly focused on costs cutting.

People are talking more and more often about how to make the hospitals 'more lucrative' (an internet search will give us the extent of this phenomenon in Romania). For this purpose, more economists and political decision-makers recommend that the patient care be 'industrialized' and standardized.

This conception implies that the medical system rely on the evidence-based practice and not on the clinical judgment. The clinical care should be, in a nutshell, an issue of compliance with books that provide guidelines (similar with the plans in a factory) and the doctors will be evaluated in terms of how they maximize the profits for their 'customers' (Beth Israel Deaconess Medical Center, 2011)[1].

Such solutions that may seem reasonable to any economist who analyze the activities specific to certain entities involved in a free market economy (capitalist) will create major problems when it comes to their effective implementation at the level of medical system.

This is true, as there is no medical system based on free competition, a system of capitalist type. Generally speaking, they are either 'fascist' or socialist or communist.

In a fascist system, the production means are private property, but the government is allowed to control what the entrepreneurs can do or not. Such a health system is in Canada. Doctors monitor the production means, but the government controls the type and content of the medical services as well as the amount to be paid, to the purpose of the 'social benefit'.

In a socialist system, the state owns a large part of the production means, but a private sector is made room to. These health systems are in Great Britain and Romania. Finally, a communist state owns all the production means and no private sector is allowed – see Cuba, for example.

In the United States, there is a combination of more systems. Here, we have a capitalist system, as people can directly pay for the services and many contracts concluded with the insurance companies are voluntary.

Nevertheless, as such companies are subjected to strict governmental regulations, we may say that we have to deal with a fascist system. Medicare/ Medicaid is a socialist system, as supported by the state. Similarly, the government is the one that directly controls and finances most of the medical training.

A question arises: why don't we have exclusively capitalist systems? The answer is that the medical services are not regular merchandise. In his article (first of this kind) *Uncertainty and the Welfare Economics of Medical Care*[2], Kenneth Arrow shows some features of the medical services that put them apart from the other merchandise (Arrow Kenneth, 1963).

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[1] Beth Israel Deaconess Medical Center (2011, October 12). New buzzwords 'reduce medicine to economics': Physicians lament the devaluation of clinical judgment in today's health care world. *ScienceDaily.* Retrieved October 29, 2011, from http:/www.sciencedaily.com/release/2011/10/111012185632.htm.

[2] *The American Economic Review*, Volume 53, Issue 5 (December 1963), pp. 941-973.

A first one would be that the individual demand for medical services is not constant during lifetime (see food and clothing), but irregular and unpredictable.

The medical services, besides the prevention ones, give satisfaction only when a disease is present, which is an abnormal situation. The only area with the same behavior is the legal one, when hiring a lawyer for defending during trials.

Also, the disease in itself is an elevated risk, which may trigger disabilities that may affect the ability to derive income or result in death. For most cases, a quite high income may avoid risks, but not for the diseases (at least, not for all of them).

A second one refers to the behavior expected from the doctor. It is about an altruist one, focused on the consumer welfare, which is not usual for a seller or a regular businessman. The advice given by the doctor for the future treatment in his office or other is not dictated by his own interest. This treatment (as claimed) comes from the objective necessities of the case and is not limited by financial constraints.

Even though this imperative is not absolute, it still has a certain importance in resources distribution. The charitable treatment exists thanks to this tradition of human right to medical care. The distance from the motivation intrinsically linked to profit is pointed out by the predominance of the non-profit organization among the hospital owners. Moreover, an explicit concern in deriving profits may give birth to lack of trust among patients.

A third characteristic of the medical services is the one concerning the uncertainty for the product quality. As for most of merchandise, it is possible that, very often, clients learn from a previous experience, personal or not. For the chronic diseases, this thing is not possible at all. Different people react differently to similar treatment. There is also the possibility that, for a recurrence, the same person react differently to the same treatment (viruses are immune to that treatment). Plus, due to the complexity of medical knowledge, there is an informational asymmetry between the doctor knowledge and the patient's about the disease – where both parties are aware of this asymmetry that affects their relation.

A fourth characteristic of the medical services deals with the offer's requirements. Unlike the situation of a free competition, the access to the medical profession is conditioned by licensing (there is a similar system for many professions). Nevertheless, the medical costs are very high and only a small amount is supported by the students who follow this professional path.

As a consequence, the advantages expected are much more important than the costs.

The fifth characteristic refers to the existence of a price discrimination in relation to the incomes obtained (the access to the medical basic services or emergency services is possible in some countries even in the absence of incomes). There can also be agreements regarding certain fixed prices at the level of the whole industry, without these being submitted to the anti-monopoly legislation.

These characteristics analysed by Kenneth Arrow were considered to be barriers for the adequate functioning of a free competition system (capitalist) in the medical field.

Taking all these into consideration, there is a series of events to be highlighted when we analyse the dental medical services in comparison with the other medical services.

Therefore, there are authors who identify notable differences between the dental affections and treatments and the other affections in the medical field (Sintonen and Linnosmaa, 2000).

If, as seen before, the individual demand for healthcare is unpredictable and intensifies when a person is ill, and the patients do not usually have serious knowledge about their affections, these things are not valid in the case of dental services.

Firstly, the number of the dental affections is relatively low and their occurrence is more predictable then in other cases. Secondly, a person goes through the same dental procedures more than once in a lifetime, therefore is capable of learning from experience about the quality of the services. Thirdly, the dental affections are relatively easy to identify and diagnose and almost all the relevant information can be obtained by radiograms of photographs. Fourthly, there is a more diverse range of alternative treatments available than in the case of other diseases.

Next, there are various prevention possibilities for the emergence of the dental affections and these can lead to important resource economy (which in the case of other medical specialisations is not always possible).

Also, except for the dental accidents and toothaches, the dental treatments are hardly ever classified as emergencies, and ignoring the dental affections rarely has dramatic consequences upon the health of the people. These things give more freedom to the patient in planning the treatments and choosing the medical services supplier, freedom leading to the growth in the price elasticity regarding the individual demand.

Another feature of the market economies is the existence of externalities preventing an efficient distribution of the resources. In the case of the medical services, the transmitted diseases are such an externality. The dental affections are not transmittable and therefore the market mechanism should function better in the case of the dental services.

Nonetheless, the specific features of the dental affections have important consequences on the way the medical insurances function in this field.

The fact that they are not emergencies, that they can be documented accordingly by radiograms or photographs and the existence of many treatments available, with different costs, make it possible to accept or not the recommendations of the dentist treating the patient by the dentist working for the insurance company and therefore, a reduction of the prices can be obtained.

Most of the insurance policies have strict regulations regarding the previous authorisation of any dental treatment. It must be said that the biggest amount of the dental treatments expenses are supported by the patient, and this is valid even for the countries where the healthcare and insurance systems are mostly public.

Particularities of the dental medical services in Romania

The development of the free market after 2006, when the dental medical services became completely liberal (by the possibility to develop the free initiative regarding the dental practices) suggests the fact that there is no need for a "reform" in the sense of an enhanced regulation, as the free market spirit is functioning really well.

The trend of the expenses with the dental services is eloquent, although they are still reduced in comparison with the EU average. An important increase has been registered between 2005- 2010. The demand evolution on the dental services market show not only a quantitative development of the consumption demand, but a qualitative one as well, the consumers being able to modify their consumption behaviour in the sense of adopting more complex services (such as the dental aesthetics). Another dimension of the market development is represented by the differences emerging at the level of the expenses with the dental services for the consumers' different levels of education. The consumers with a superior education level spend up to 8 times more on dental services than the consumers with inferior degrees of preparation.

This indicates a growth of the consumption demand on the medical services market in Romania, maturation that inevitably leads to a necessity of an adequate adaptation of the services offer. Therefore, within this process, an essential role is the one of the dentists- dental practices and clinic managers that will have to promote an active policy regarding the research of the consumers' behaviour, the adaptation of the services to its dynamics.

Although the offer and demand regulated the dental services market, leading to the crystallisation of certain tendencies regarding this market – the highlight of certain practices that specialise in "dental tourism", the establishment of the premises for developing certain private clinic "chains", there still is the need for a "reform" of the decision makers mentalities regarding the promotion of policies in order to prepare and train the medical personnel, the human resources management within the sanitary field.

The particular initiative must be supported rationally, highlighting the development of the rural infrastructure, in the areas where the number of doctors does not fit the needs of the local community.

In conclusion, the medical dental services in Romania are submitted to major qualitative and quantitative changes that are normal and natural in the context of the evolution specific to a capitalist market system. The specific of the medical act and of the associated needs of these services make possible these development directions.

As we have noticed in the short review of the specialty literature, the change in the consumption mentality of the consumers, of the methods and their self-education features, of the information channels and the decision to purchase are the essence of a possible "reform" at the level of the medical dental services market.

The state's intervention is recommended only at the level of correlation of the policies regarding the superior medical education with the needs of the market and

when encouraging the private initiative in the underserved areas. Also, the state could interfere in matters regarding the health insurance market in the medical dental field, as the development of the private dental insurances should be encouraged. At the same time, there are better protection mechanisms of the consumers' interests, which can be promoted in the case of inappropriate medical practices, faulty dental treatments, medical errors, etc.

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