



HEALTH INSURANCE FUND

Annual report 2022

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Principal activity	National health insurance
Management board	Rain Laane (Chairman) Pille Banhard Maivi Parv Karl-Henrik Peterson
Company of auditors	KPMG Baltics OÜ

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Management board's address

The Estonian name for the Estonian Health Insurance Fund, Eesti Haigekassa, has become Tervisekassa. The name change has been a fundamental and necessary change, which is related to the goal of emphasising the end result of our activities – maintaining and restoring health. The Health Insurance Fund is not a passive payer of treatment invoices, but we are increasingly engaged in disease prevention and health promotion to improve the health outcome.

The Health Fund invests more and more money in the health care system every year in order to provide people with high-quality treatment services and the best ways to prevent diseases.

With the support of health insurance, we make sure that the necessary medical care, medications, aids and benefits are available to people according to the possibilities of our common medical wallet. In 2022, we financed health care for 1.9 billion euros, which was 133 million euros more than last year. In doing so, we invested 48.5 million euros in the wage increase of health care professionals.

We are increasingly involved in people's health pathway to help maintain the health of our people and increase the number of healthy years. This is why we will continue to funnel more funds to disease prevention and health promotion year by year. We fund cancer screenings, vaccines, prevention of dental diseases for children and adults as well as provide addiction counselling, mental health services, and support many health promotion projects.

Primary health care is the foundation of a well-functioning health care system. Last year, we added new health services to the primary care level for 5.7 million euros to ensure better treatment options for people. With the support of the Health Insurance Fund, 60 health centres have been established in Estonia as of the end of last year in order to improve the availability of modern medical care in every region. We also extended the possibility of e-consultations to two specialties: paediatric ophthalmology and plastic and reconstructive surgery. To date, the e-consultation service already operates in 31 specialties, and the options will continue to expand in the future.

In order to get in touch with a health care professional faster and more conveniently, we are financing the call centre service as of 2022 and continue to support remote services. To ensure the continuity of the family physician service, we have successfully launched an incubation and mentorship programme.

In 2022, we also introduced a quality system for school nurses at the primary care level, the purpose of which is to motivate school nurses to contribute even more to maintaining children's health and establishing healthy behaviour patterns as well as to disease prevention.

We expanded the package of specialised medical care services to provide people with new treatment and diagnostic options in cancer treatment, neurology, cardiology, surgery, urology, depression treatment, etc. Last year, we financed specialised medical care for 937 million euros, which is 88 million euros more than in 2021.

Every year we finance new and very good pharmaceuticals. In 2022, we compensated pharmaceuticals for nearly 900,000 people for a total of nearly 274 million euros. We started reimbursing several dozen new pharmaceuticals. A dozen new options for the treatment of various forms of cancer were added to the list. Last year we also started financing new pharmaceuticals to support mental health and expanded the range of pharmaceuticals for patients with rare diseases, patients suffering from heart failure and patients suffering from with multiple sclerosis and pulmonary fibrosis, and many other patients.

We expanded the range of reimbursable medical devices by 566 new devices. We significantly improved the availability of devices for blood sugar control for diabetics. The range of reimbursable devices also extended to asthmatics, patients with stomas, sleep apnoea, eye disease, lymphedema or venous insufficiency, wounds and scars. From the beginning of last year, we took financing of orthoses, sole supports, catheters and urine bags over from the Social Insurance Board. In total, we reimbursed medical devices for 93,600 people last year.

Digital capacity, the share of digital services and automation must be increased in Estonian health care, because this is the only way to deal with bottlenecks in health care, such as the shortage and overwork of health care professionals. In 2022, we launched the health management desktop project, which is one of the most important undertakings in the transition to a new generation health information system.



Management board (from the left: Karl-Henrik Peterson, Maivi Parv, Rain Laane, Pille Banhard)

We have firmly established ourselves **in the creation of a comprehensive treatment pathway**. Last year, the stroke treatment pathway project was successfully completed, we started working on improving the treatment pathway of a person in need of endoprosthesis, and we are also contributing to the development of the treatment pathway of a patient suffering from lung cancer.

The health care system needs a change of direction. We see that Estonian health care can provide world-class treatment, but to ensure its sustainability, the state must contribute significantly more to the development of health care, health promotion and disease prevention. Our common goal is to find ways in the future to invest in the health of our people in the most effective way, while maintaining solidary health insurance.

Health is a non-renewable resource and maintaining it is the best possible investment a person can make. The health care network provides the necessary medical care, but no miracle drug or doctor can guarantee us good health if our health behaviour does not support it. To prevent serious diseases, you can live a healthier life, get vaccinated, participate in screenings and go for health check-ups. Please do it because you have a life to live!

Management report

Health insurance system and Health Insurance Fund

The Estonian health care system is based on compulsory solidarity-based health insurance.

In March 2023, the Riigikogu approved an amendment to the Estonian Health Insurance Fund Act, changing the Estonian name of the Estonian Health Insurance Fund, Eesti Haigekassa, to Tervisekassa from 1 April 2023. Accordingly, we use the name Tervisekassa in the Estonian version of the report.

The Health Insurance Fund (Estonian name Eesti Haigekassa until 31 March 2023) is a legal person in public law established under the law, the main function of which at the time of establishment was the administration of the solidary health insurance system and the provision of health insurance benefits to insured people. By now, compared to the time when the institution was founded, we have taken on more tasks and are also responsible for the emergency medical care of people without health insurance and necessary services related to the protection of public health. The institution has taken on public health tasks such as the procurement of pharmaceuticals necessary for the control of infectious diseases, procurement of vaccines, compensation for vaccine damage as well as responsibility for the organisation of family medical care.

The purpose of the Health Insurance Fund is to ensure smooth health and treatment pathways for people.

Our purpose is to provide health insurance benefits, fund health services and perform other tasks related to the organisation of health services in accordance with the Health Insurance Act, the Health Services Organisation Act and other legislation.

We follow two principles when organising health insurance.

Solidarity – currently employed insured persons cover the costs of health insurance for currently unemployed insured persons. This means that the cost of health services for children, students and pensioners is fully covered by those currently employed. Employees whose health insurance portion of the social security contribution paid from their wages is 13% and who receive health insurance benefits on an equal basis, regardless of their own contribution or personal risk of illness, are also mutually in solidarity.

Equal treatment – we guarantee equal rights and equal treatment for all insured persons and partners in accordance with applicable legislation.

Our vision is to create a sense of security for members of society when they face health problems and seek medical care so as to increase the number of healthy life years.

Our mission is to ensure the availability of health insurance benefits to insured persons.

Core values

Aspiration – we aim for continuous and sustainable development, relying on competent, loyal and result-oriented employees.

Consideration – we are reliable, open and friendly. Our decision-making is transparent and considerate of others.

Cooperation – we create an atmosphere of trust within our organisation and in relations with our partners and clients.

Organisation and management

The supreme body of the Health Insurance Fund is the supervisory board, the members of which represent the interests of employers, insured persons, and the state. The chairman of the supervisory board is the Minister of Health and Labour. The daily work of the Health Insurance Fund is managed by a four-member management board. As at 31 December 2022, the Health Insurance Fund had a total of 200 positions, of which 196 were filled (the average number of employees reduced to full-time equivalent was 183).

Table 1. Key indicators in 2018–2022

	2022 actual	2021 actual	2020 actual	2019 actual	2018 actual	Change 2022 vs 2021
Number of insured persons at the end of the period	1 304 431	1 273 743	1 265 601	1 262 381	1 251 617	2%
Revenue of the Health Insurance Fund (thousand euros)	2 051 383	1 931 195	1 654 076	1 476 102	1 318 541	6%
Health care expenditure (thousand euros)	1 874 796	1 781 388	1 623 984	1 424 249	1 287 860	5%
Operating expenses of the Health Insurance Fund (thousand euros)	16 553	13 879	13 356	13 383	11 514	19%
Number of people who used health services and benefits						
Number of people who used health services	1 214 474	1 181 966	1 138 389	1 145 078	1 141 044	3%
Family medical care	1 135 788	1 099 474	1 031 601	1 037 415	1 035 493	3%
Specialised medical care	777 573	742 696	730 200	778 197	779 027	5%
outpatient treatment	762 607	726 950	713 665	761 279	761 799	5%
day treatment	60 116	54 005	53 921	61 301	60 086	11%
inpatient treatment	118 637	118 913	118 748	131 871	131 978	0%
Nursing care	28 714	27 482	23 729	19 326	19 045	4%
Dental care	183 820	169 103	170 265	171 975	167 367	9%
Number of people who used benefits						
Dental care benefit	362 372	318 909	284 523	263 657	223 619	14%
Benefit for dentures	38 745	37 927	35 312	40 957	38 653	2%
Reimbursable pharmaceuticals	885 811	841 074	832 075	863 060	861 925	5%
Medical devices	93 647	80 864	77 951	78 681	75 157	16%
Benefit for incapacity for work	319 107	267 178	209 237	183 659	186 223	19%
Number of appointments						
Number of family physician appointments	8 770 109	8 286 905	7 105 078	6 941 853	6 955 358	6%
family physician appointments	5 111 937	5 025 680	4 740 688	4 867 540	4 961 469	2%
family nurse appointments	3 344 542	2 880 738	2 028 147	1 726 106	1 635 461	16%
incl. family physician and family nurse remote appointments	5 629 847	5 200 006	3 986 058	2 645 907	2 476 701	8%
prophylactic appointments*	313 630	380 487	336 243	348 207	358 428	-18%
Number of outpatient appointments for specialised medical care	3 624 145	3 521 016	3 384 600	3 972 992	3 936 966	3%
physician's appointments	2 396 688	2 365 329	2 329 810	2 857 921	2 893 274	1%
nurse's appointments	720 669	688 792	621 919	589 481	531 087	5%

incl. physician's and nurse's remote appointments	308 783	283 682	363 932	-	-	9%
other appointments	506 788	466 895	432 871	525 590	512 605	9%
Number of nursing care appointments	366 388	348 373	360 032	360 351	332 921	5%
physician's appointments	84 812	70 815	75 524	74 013	66 948	20%
nurse's appointments	280 836	276 851	283 453	272 974	254 769	1%
other appointments	740	707	1 055	13 364	11 204	5%
Number of appointments for nursing care services*	575 616	626 673	327 321	-	-	-8%
	2022 actual	2021 actual	2020 actual	2019 actual	2018 actual	Change 2022 vs 2021
Number of surgeries	143 013	130 989	130 670	144 406	140 950	9%
outpatient treatment	18 330	17 435	15 346	16 644	15 674	5%
day treatment	59 509	51 833	50 963	58 557	57 923	15%
inpatient treatment	65 174	61 721	64 361	69 205	67 353	6%
Number of births	11 245	12 712	12 701	13 594	13 803	-12%
Pharmaceutical benefit						
Number of reimbursable prescriptions	9 556 160	8 988 280	8 782 946	8 706 435	8 636 819	6%
Average cost of a reimbursable prescription for the Health Insurance Fund (euros)	17,53	17,60	17,39	15,98	15,77	0%
Average cost of a reimbursable prescription for the patient (euros)	6,40	6,44	6,42	6,34	6,31	-1%
Benefit for incapacity for work						
Number of days of incapacity for work compensated for by the Health Insurance Fund***	7 391 500	7 932 493	6 969 745	6 409 262	6 458 021	7%
Cost of benefit for incapacity for work per day (euros)	28,02	28,10	27,53	26,11	24,40	0%

* The prophylactic appointment of a family physician includes a preventive medical examination and administering immunisations, including COVID-19 vaccinations administered by family physicians starting from 2021.

**As of 2021, (full) nursing care service in general care homes was added to the indicators, so the numbers of appointments of 2021 and 2020 are not comparable.

*** As of 1 April 2022, instead of maternity benefit, the Social Insurance Board pays parental benefit to mothers.

Report on the execution of the budget

Table 2. Execution of the budget in thousands of euros

	2022 actual	2022 budget	Execution of the budget	2021 actual	Change 2022 vs 2021
REVENUE OF THE HEALTH INSURANCE FUND					
Health insurance component of social tax	1 633 546	1 562 469	105%	1 490 379	10%
Operating support	363 291	369 065	98%	335 935	8%
Revenue from insurance contracts	1 816	1 600	114%	1 632	11%
Recoveries and revenue from health insurance benefits	1 281	1 500	85%	1 660	-23%
Financial revenue	1 515	0	-	-	-
Other revenue	7 205	3 937	183%	9 210	-22%
Total revenue of the Health Insurance Fund, excl. COVID-19 expenses	2 008 654	1 938 571	104%	1 838 816	9%
Additional funds for COVID-19 from the state budget	42 729	28 200	152%	92 379	-54%
Total revenue of the budget of the Health Insurance Fund	2 051 383	1 966 771	104%	1 931 195	6%
HEALTH CARE EXPENDITURE					
Expenditure of health services	1 385 248	1 407 917	98%	1 255 275	10%
Disease prevention costs	19 204	20 065	96%	16 198	19%
Family medical care costs	205 065	204 357	100%	179 396	14%
Specialised medical care costs	937 526	937 722	100%	849 579	10%
Nursing care costs	61 305	63 179	97%	49 090	25%
Dental care costs	72 122	70 559	102%	61 978	16%
Emergency medical care costs	67 109	68 417	98%	61 392	9%
Emergency medical care for uninsured persons	11 947	13 477	89%	9 263	29%
Personal protective equipment	810	13 272	6%	22 757	-96%
Coercive psychiatric treatment	1 259	2 600	48%	-	-
Reserve/incl. compensation of the wage component of the list of health services	8 901	14 269	62%	5 622	58%
Health promotion expenses	2 419	4 550	53%	2 242	8%
Costs of pharmaceuticals	190 174	211 571	90%	183 973	3%
Costs of reimbursable pharmaceuticals for the insured	167 481	182 039	92%	158 159	6%
Additional benefit for pharmaceuticals	8 824	8 432	105%	7 994	10%
HIV and AIDS medications, antidotes and immune preparations	13 869	21 100	66%	17 820	-22%
Costs of benefits for temporary incapacity for work	207 131	179 858	115%	222 933	-7%
Costs of benefits for medical devices	15 872	15 240	104%	12 728	25%
Treatment of Estonian insured persons abroad	7 974	13 000	61%	9 060	-12%
Other expenses	66 126	55 218	120%	95 177	-31%
Other expenses	26 010	37 578	69%	20 703	26%
COVID-19 expenses	40 116	17 640	227%	74 474	-46%
Total	1 874 944	1 887 354	99%	1 781 388	5%

	2022 actual	2022 budget	Execution of the budget	2021 actual	Change 2022 vs 2021
OPERATING EXPENSES					
Labour expenses	9 563	9 476	101%	8 381	14%
Management expenses	2 405	2 500	96%	2 030	18%
Information technology expenses	2 997	3 810	79%	2 249	33%
Development expenses	324	790	41%	254	28%
Other operating expenses	1 264	1 341	94%	965	31%
Total operating expenses	16 553	17 917	92%	13 879	19%
Total budgetary expenses	1 891 497	1 905 271	99%	1 795 267	5%
BUDGET OUTCOME	159 886	61 500	-	135 928	-
RESERVE					
Change in capital reserve	7 213	7 213	-	6 967	-
Change in risk reserve	2 615	2 615	-	2 583	-
Change in retained earnings	150 058	51 672	-	126 378	-
Total change in reserves	159 886	61 500	-	135 928	-

Number of insured persons

Table 3. Number of insured persons

Type of insurance	31.12.2022	31.12.2021	31.12.2020	Change 2022 vs 2021	Change (%) 2022 vs 2021
Employed insured persons	648 618	637 336	620 564	11 282	2%
Persons considered equal to insured persons	594 643	582 662	586 058	11 981	2%
Other insured persons	61 170	53 745	58 979	7 425	14%
State-insured persons	55 921	49 006	54 651	6 915	14%
Persons insured under international agreements	4 597	4 122	3 771	475	12%
Persons considered equal to the insured persons under voluntary contracts	652	617	557	35	6%
Total	1 304 431	1 273 743	1 265 601	30 688	2%

In statistics, the category of employed insured persons is taken into account in particular. This means that if a person has several valid insurance covers, these data are not duplicated in health insurance statistics. The data of a person insured both as a pensioner and an employed person are therefore only recognised in the category of employed insured persons.

Every permanent resident of Estonia as well as those living in Estonia by virtue of a temporary residence permit or by the right of permanent residence or temporary basis to stay are entitled to health insurance, provided that social tax has been paid for them. In addition, the state provides health insurance for children under the age of 19, pupils and students, conscripts, pregnant women, unemployed people, people on parental leave, dependent spouses, pensioners, caregivers of disabled persons and voluntary insurance contractors of Health Insurance Fund. In health insurance statistics, insured persons are divided into five groups, based on different grounds for insurance:

- **employed insured persons** – persons working under an employment contract, self-employed persons (including spouses involved in their activities), members of the management or control body, persons who have signed a contract under the law of obligations, persons who pay taxes on business income, persons with partial or no capacity to work;
- **persons considered equal to insured persons** – old-age pensioners, children, students, pregnant women, dependent spouses, nuns or monks registered in a religious association;
- **state-insured persons** – persons registered in the Unemployment Insurance Fund, persons on parental leave, parents of dependent children, caregivers of disabled persons, conscripts, recipients of doctoral studies allowances, recipients of support for creative activity, recipients of rescue service support, non-working retirement age persons, beneficiaries of international protection;
- **persons insured under international agreements** – old-age pensioners from another European Union (EU) Member State residing in Estonia, workers posted in Estonia from another EU Member State, Estonian pensioners leaving to reside in another EU Member State, military pensioners of the Russian Federation;
- **persons considered equal to insured persons under voluntary contracts** – people insured under a contract for the equalisation with insured persons pursuant to the Health Insurance Act.

As at 31 December 2022, the number of insured persons increased by 30,688 people, i.e. 2%, compared to the same period of the previous year. For comparison, in 2021, the number of insured persons increased by 8,142 insured persons, i.e. 1%, compared to 2020. In 2022, the number of insured persons increased in all insurance groups, but the largest increase was seen in the insurance group of employed insured persons and persons considered equal to insured persons.

In the accounting year, the number of people with health insurance increased significantly among those who do not have a permanent address in Estonia. A large number of Ukrainian war refugees arrived in Estonia, and a fairly significant number of them applied for health insurance on an equal basis with Estonian people after receiving a residence permit. As at 31 December, a total of 30,167 Ukrainian war refugees were insured in Estonia.

In 2022, more than half, i.e. 51%, of the Ukrainian war refugees with health insurance had the status of persons considered equal to insured persons (pensioners, children, students, pregnant women, people with partial or capacity to work), 29% had the status of employed insured persons, and 20% had the status of persons insured by the state. In total, insured Ukrainian war refugees accounted for 2% of people with health insurance in Estonia.

Revenue

The current budget of the health care system depends the most on the receipt of labour taxes, incl. mandatory social tax. The health insurance component of social tax makes up nearly 80% of the revenue of the Health Insurance Fund. Based on the factors affecting the year 2022, at the beginning of 2022, the budgetary position of the Health Insurance Fund for 2022 was confirmed at 61.5 million euros by the supplementary budget of the state.

Compared to the forecast, the revenue of the Health Insurance Fund increased by 85 million euros, i.e. 4%, in 2022. Compared to the previous year, the receipt of the revenue of the accounting year has increased by more than 120 million euros, i.e. 6%.

Table 4. Execution of the revenue budget (in thousands of euros)

	2022 actual	2022 budget	Execution of the budget	2021 actual	Change 2022 vs 2021
Health insurance component of social tax	1 633 546	1 562 469	105%	1 490 379	10%
Operating support	363 291	369 065	98%	335 935	8%
Revenue from insurance contracts	1 816	1 600	114%	1 632	11%
Recoveries and revenue from health insurance benefits	1 281	1 500	85%	1 660	-23%
Financial revenue	1 515	0	-	0	-
Other revenue (excl. COVID-19 revenue)	7 205	3 937	183%	9 210	-22%
Additional funds for COVID-19 from the state budget	42 729	28 200	152%	92 379	-54%
Total revenue	2 051 383	1 966 771	104%	1 931 195	6%

Health insurance component of social tax

In 2022, the health insurance component of social tax was 1.6 billion euros, which exceeded the planned budget by 71 million euros. The better receipt of social tax was mainly due to the relatively high employment and wage growth in 2022. The receipt of taxes was the best in December, when the receipt of social tax revenue in the budget was nearly 11 million euros higher than planned.

From 2022, the state does not pay the health insurance component (13%) of social tax for people listed in clauses 6 (1) and 5) of the Social Tax Act.

Operating support

Operating support is the second largest source of revenue for the Health Insurance Fund after social tax. The purpose of operating support is to extend the health insurance revenue base in order to reduce its dependence on employment-based funding. From 2018, the budget of the Health Insurance Fund has been earmarked for additional allocation from the state budget, which is calculated from the old age pensions of non-working old-age pensioners. From 2020, revenue of the operating support includes an allocation from the state budget to cover health care costs. The purpose of the support allocated to cover health care costs is to maintain the availability of health services to people even in the event of the predicted decrease in social tax revenue. This may be due to the effects of the declining working-age population as well as, for example, the impact of COVID-19 on the economy and receipt of social tax.

The 2022 provision for operating support of the Health Insurance Fund totalled 363 million euros. Of this, 220 million euros was revenue from pensions of non-working old-age pensioners (190 million euros in 2021) and 143 million was support to cover health care costs and ensure the availability of health services (143 million euros in 2021). In 2022, the amount of the provision allocated for operating support from pensions of non-working old-age pensioners was 13% of the total amount of pensions of non-working pensioners (12% in 2021).

From 1 June 2022, communication and information campaigns related to vaccination are organised by the Health Insurance Fund. The Ministry of Social Affairs allocated nearly 130 thousand euros to the Health Insurance Fund for vaccination communication, and this amount is recognised under operating support revenue.

Compared to what was planned, 5.8 million euros, i.e. 2%, less operating support revenue was received, which was influenced by the lower-than-planned receipt of the support allocated for health care costs.

Revenue from insurance contracts

These are the revenues received from the contract under which a person is considered equal to insured persons and from the insurance of military pensioners of the Russian Federation living in Estonia.

Pursuant to section 22 of the Health Insurance Act, an uninsured person can insure themselves by signing a contract with the Health Insurance Fund and paying monthly insurance premiums. The insurance premium is calculated based on the average gross monthly wage in Estonia of the previous calendar year as published by Statistics Estonia, multiplied by 0.13. The amount of the insurance premium changes each year after the Statistics Estonia publishes the average gross wage of the previous calendar year in Estonia. The amount of the insurance premium for one calendar month was 188.20 euros until 30 June 2022 and 201.20 euros from 1 July onwards.

As at 31 December 2022, there were 652 people insured based on the contract under which a person is considered equal to insured persons, and the revenue was 1.5 million euros. Compared to the previous year, the number of people who entered into a voluntary insurance contract increased by 35 people, and the revenue from voluntary insurance contracts increased by nearly 300 thousand euros.

In 2022, revenue from the insurance of non-working military pensioners of the Russian Federation amounted to 337 thousand euros, 158 people were insured. Compared to the previous year, the number of non-working military pensioners of the Russian Federation decreased by 31 people and the revenue received decreased by 74 thousand euros. Until 28 February 2022, the Russian Federation paid 151-50 euros a month and from 1 March onwards 165.33 euros a month for each military pensioner. The monthly fee of health insurance premium is based on the average cost of treatment in 2022 in the age group of 70 to 79 years.

Compared to the plan, the revenue received on the basis of insurance contracts increased by 216 thousand euros, i.e. 14%, which was influenced by the better receipt of revenue from voluntary insurance contracts.

Recoveries and revenue from health insurance benefits

Claims submitted to insurance companies for health care costs paid as a result of traffic injuries as well as receivables from health care providers, pharmacists and insured persons as a result of inspection are registered as recoveries.

In 2022, 1.3 million euros were received from claims, which is nearly 219 thousand euros (15%) less than the planned budget. In 2022, 41% of the recoveries consist of receivables for traffic injuries submitted to insurance companies, 31% are receivables from health care providers, and 28% consist of amounts registered as revenue calculated on the basis of private persons' claims.

The receipt of revenue in 2022 was affected the most by the decrease in claims for traffic damage submitted to insurance companies by 39%, i.e. 343 thousand euros. Based on the claims of private persons, the claims were included in the revenue by 50%, i.e. 118 thousand, euros more than in the previous accounting year.

Financial revenue

Based on the deposit contract entered into with the Ministry of Finance, the Health Insurance Fund earns interest on the balance of funds held on the state's group account at the rate which equals the profitability of the state cash reserve. The profitability of a period depends on the events that influenced the price fluctuations on the bond market and on short-term deposit interest rates.

In the 2022 financial year, the Health Insurance Fund received 1.5 million euros in interest from the balance of funds deposited in the state group account. In the previous accounting year, the Health Insurance Fund did not earn any interest on the balance of funds held on the state's group account.

Other revenue

Other revenue includes claims from the Health Insurance Fund to the competent institutions of EU Member States for medical services provided in Estonia to insured persons of these states, income from processing of medical service invoices, and exchange rate gains related to operating expenses and health insurance costs. Other revenue also includes funds allocated to cover COVID-19 expenses in 2022.

In 2022, other revenue totalled nearly 50 million euros, which is nearly 18 million euros (55%) more than the planned budget. Compared to the previous accounting year, however, receipt of revenue decreased, as there was less need to cover the costs of COVID-19 in the accounting year due to the decrease in the disease burden of COVID-19.

In order to cover the costs of COVID-19, nearly 43 million euros were allocated from the state budget and recognised under other revenue, including more than 20 million euros for improving the availability of health services, more than 4 million euros for COVID-19 medications, 5.6 million euros for vaccination against COVID-19, and more than 12 million euros for compensating the costs of an additional three days of benefit for incapacity for work. In 2022, revenue received to cover the costs of COVID-19 accounted for 86% of other revenue.

Revenue from targeted financing (excl. covering the aforementioned costs of COVID-19) received under other income totalled 1.9 million euros: The Ministry of Social Affairs allocated 500 thousand euros to implement the mental health project, 145 thousand euros to cover the costs of the primary medical examination of Ukrainian war refugees, 406 thousand euros to launch the vaccine insurance system, and more than 434 thousand euros to pay for psychiatric treatment services. More than 305 thousand euros were allocated for the development of the health portal.

Of the receivables from competent institutions of Member States recognised under other revenue, revenue of 5 million euros for medical services provided in Estonia to insured persons of the Member States were received, which was 1.7 million euros more than in 2021.

A total of nearly 314 thousand euros were received from economic activity, incl. as other revenue from economic activity, fines for late payment, contractual penalties and exchange gains, which is nearly 254 thousand euros more than in 2021.

Expenses

The Health Insurance Fund's budget for expenses is divided into health care costs and operating expenses.

The execution of the budget for health care costs during the accounting period was 1.9 billion euros, i.e. 99%. In 2022, we were able to cover health care costs, incl. costs for disease prevention and treatment, finance the purchase of pharmaceuticals and medical devices and pay financial benefits, in total, nearly 92 million euros more (5%) than in 2021. In the accounting period, the execution of the budget for the operating expenses of the Health Insurance Fund was 16 million euros, i.e. 92%.

In planning of the health care budget for the year 2022, we were guided by the following principles:

- provide insured persons with an extended range of evidence-based health services, pharmaceuticals and medical devices;
- pay close attention not only to the diagnosis and treatment of diseases but also to the prevention of health risks;
- finance health services of persons insured by the Health Insurance Fund in accordance with the assessed demand and budgetary resources;
- account for the change in the wage component in service prices as of 1 April 2022;
- account for the continued spread of COVID-19, incl. continue administering vaccinations.

The execution of the budget for 2022 was influenced by:

- significantly higher-than-planned use of temporary incapacity for work benefits;
- lower-than-expected use of the budget for health services, which was affected the most by the lower-than-planned use of the cost of the reimbursement of personal protective equipment;
- lower-than-expected use of the budget for pharmaceuticals;
- the continued spread of the COVID-19 virus and the reimbursement of resulting additional costs for health care providers, the refugee crisis in Ukraine, and rising energy prices.

Execution of budget for costs of temporary incapacity for work benefits

The budget for temporary incapacity for work benefits has been exceeded by more than 27 million euros, i.e. 15%, compared to the planned budget, which results from the larger-than-planned payment of sickness and care benefits. The budget for sickness benefits has been exceeded by 16 million euros, i.e. 13%, compared to what was planned, the budget for carer's allowances 10.5 million euros, i.e. 35% of the total budget. The use of sick leave certificates and care leave certificates has been record high for the last two years due to the COVID-19 pandemic.

The additional cost of the change in compensation for sick leave days, which was related to the temporary change in the procedure for payment of incapacity for work benefits, was 32 million euros, and it was covered by 12.4 million euros from the state budget, and the rest of the costs were covered by the Health Insurance Fund from its own funds.

Execution of the budget for health care costs

The execution of the budget for health services was nearly 22 million euros less than planned (execution by 98%). The budget for health services does not include additional COVID-19 funds for the reorganisation of the work of family medical care, specialised medical care, emergency medical care and nursing care service nor for paying additional remuneration to health care professionals. COVID-19 expenses are included in the budget for other expenses.

The decrease in the costs of health services was affected the most by the lower-than-planned reimbursement of the costs of personal protective equipment. Costs remained slightly lower than planned for all types of health services, except for general and specialised medical care and dental care.

Assuming that the need for personal protective equipment in 2022 would be similar to the previous year, 13 million euros were planned in the budget for health services for the reimbursement of the costs of personal protective equipment in the first half of the year. This is taking into account that from 1 July, the cost of personal protective equipment, waste treatment and disinfectants required for their handling, which have previously been invoiced separately, are included in the prices of services as a separate component. Of the 13 million euros planned in the budget, 6%, i.e. 810

thousand euros, were used to cover the costs of personal protective equipment. The lower use was mainly due to the reduced need for personal protective equipment due to the decrease in the disease burden of COVID-19. Health service providers also had accumulated a sufficient supply of personal protective equipment in the previous two years.

Execution of the budget for the cost of pharmaceuticals

The execution of the budget for pharmaceuticals is more than 21 million euros lower than the planned budget (execution 90%), which results from the lower execution of both the budget for reimbursable pharmaceuticals for the insured and the budget for HIV medications, antidotes and immune preparations.

The area of pharmaceuticals in 2022 was significantly affected by difficulties in the supply of various pharmaceuticals and the delay in the arrival of oral COVID-19 medications in Estonia.

Supply difficulties affected thousands of patients in 2022. The role of the Health Insurance Fund in such cases is to quickly organise the reimbursement of substitute medications (which often do not have a marketing authorisation) in exceptional circumstances.

Factors affecting the operating environment of the Health Insurance Fund

The year 2022 began with the continued widespread spread of the coronavirus. In order to cover the costs of the COVID-19 disease, 12.4 million euros were allocated from the state budget and recognised under other revenue to compensate for the costs of an additional three days of incapacity for work benefit, 5.6 million euros to cover the costs of vaccination for COVID-19, 20.3 million euros to improve access to treatment, and 4.4 million euros for COVID-19 medications.

In 2022, a total of 40 million euros were used to cover additional costs of the COVID-19 disease, which is 34 million euros, i.e. 46%, less than in 2021.

Table 5. Coverage of COVID-19 expenses (in thousands of euros)

Use of additional funds for COVID-19	2022 actual	2021 actual	Change 2022 vs 2021
Disease prevention (school health care)	61	289	-79%
Family medical care	779	5 571	-86%
Family physician advisory line	473	850	-44%
Specialised medical care	20 541	34 120	-40%
Emergency medical care	3 645	5 705	-36%
Nursing care	4 332	3 156	37%
Nursing care in general care services	15	0	-
Pharmaceuticals	4 679	7 065	-34%
COVID-19 vaccination	5 591	17 718	-68%
Total	40 116	74 474	-46%

Only the amount allocated to the Health Insurance Fund from the state budget is shown in the actual data on covering the costs of COVID-19 in 2021. In the case of 2022, the costs covered by both the allocation from the state budget and the health care costs of the Health Insurance Fund are shown.

In 2022, we paid more than 60 thousand euros for the **prevention of the COVID-19 disease**, which covered the costs related to vaccination in school health care.

We paid **family physicians** for working at the on-call centre outside their appointment times or for additional staff on the practice list if a family physician or a nurse had either become ill or sent for isolation and replacing them within

their own practice was not possible. We also paid for attending to patients outside the practice list or without a family physician with a suspicion of the COVID-19 disease and who were not in the service area of their family physician. We paid a total of nearly 399 thousand euros to family physicians as COVID-19 standby fees and nearly 380 thousand euros as performance fees. In total, we paid nearly 779 thousand euros (5.5 million euros in 2021) to family physicians as standby and performance fees.

In 2021, we increased the **family physician advisory line** fee to increase the capacity to refer patients to COVID-19 tests. We paid 473 thousand euros to improve the capacity of the family physician advisory line in 2022 (850 thousand euros in 2021).

In specialised medical care, we reimbursed wages in the infectious disease departments (incl. level I and II intensive care) and level III intensive care departments as well as emergency medical care departments attending to COVID-19 patients. Based on the treatment invoices submitted, we implemented an additional bed day fee related to the COVID-19 disease for the treatment of each patient in the standard and intensive care department. In 2022, we paid a total of more than 20 million euros (more than 34 million euros in 2021) for the standby of beds related to the COVID-19 disease and for the costs of treatment of the COVID-19 disease.

We reimbursed hospitals and owners of ambulance crews of the hospital network development plan for costs related to overtime work because some of the staff was ill/self-isolating and the existing staff had to work overtime. We paid a total of nearly 3.6 million euros in overtime wages (5.7 million euros in 2021) for **emergency medical care**.

In care homes, we paid for the additional nursing resource in connection with the spread of the COVID-19 disease. The total cost of **inpatient nursing service** was nearly 4.3 million euros in 2022 (3.1 million euros in 2021).

Medications used to treat COVID-19 cost a total of nearly 4.7 million euros (7 million euros in 2021).

Coverage of COVID-19 expenses to the hospitals of the hospital network development plan

We reimbursed nearly 23 million euros of COVID-19 expenses to the **hospitals of the hospital network development plan**, the majority of which was spent on covering the standby fees and additional fees of inpatient specialised medical care. Compared to 2021, we paid COVID-19 costs 43% less during the accounting year. This was due to the decrease in the disease burden of COVID-19 in 2022 and the resulting lower need for funding. The North Estonia Medical Centre (4.6 million euros), Tartu University Hospital (4 million euros), and West Tallinn Central Hospital (3.2 million euros) received the most reimbursement.

Table 6. Reimbursement of COVID-19 costs for hospitals in the hospital network (in thousands of euros)

	2022 actual	2021 actual	Change 2022 vs 2021
Specialised medical care	20 425	37 412	-45%
Regional hospital	8 760	14 629	-40%
Central hospital	7 048	15 035	-53%
General hospital	4 617	7 748	-40%
Inpatient nursing care	2 020	1 600	26%
Regional hospital	246	87	183%
Central hospital	1 142	1 033	11%
General hospital	632	480	32%
Emergency medical care	1 048	1 955	-46%
Regional hospital	375	723	-48%
Central hospital	235	410	-43%
General hospital	438	822	-47%
Total	23 493	40 967	-43%

COVID-19 vaccination

The aim of vaccination is to protect the most vulnerable people in Estonia, i.e. the risk groups, to reduce/prevent illnesses and deaths caused by COVID-19, to reduce the burden on the health care system and the economy, to protect workers providing vital services, and to protect the population against the COVID-19 disease. In 2022, similar to the previous year, vaccination against the COVID-19 disease was free for everyone in Estonia.

In 2022, the Health Fund paid the usual fee to health care providers for vaccination and continued to pay fees to boost vaccination – performance fee and standby fee. We paid performance fee to all health care providers based on different payment methods: to family physician centres participating in vaccinations, to hospitals of the hospital network development plan, and to private health care partners. The Health Insurance Fund paid standby fee to all the hospitals of the hospital network development plan to ensure that county vaccination rooms would be permanently open.

We paid nearly 6 million euros for vaccination in 2022, which is 12 million less than in the previous accounting year. The cost of vaccination against COVID-19 decreased in 2022 as the spread of COVID-19 gradually decreased, restrictions were lifted and, as a result, people's willingness to vaccinate themselves against COVID also decreased.

Table 7. Vaccination fee, performance fees and standby fees in 2022 (in thousands of euros)

	2022 actual	2021 actual	Muutus 2022 vs 2021
Vaccination	2 651	10 997	-76%
Hospital of the hospital network development plan	491	3 979	-88%
Other	2 160	7 018	-69%
Performance fees	1 122	5 830	-81%
Hospital of the hospital network development plan	330	1 966	-83%
Other	792	3 864	-80%
Standby fees	1 818	891	104%
Hospital of the hospital network development plan	889	891	0%
Other	929	0	-
Total	5 591	17 718	-68%

In 2022, the Health Insurance Fund paid the most for ordinary vaccination against COVID-19, totalling 2.7 million euros. As the family physician is a person's closest partner in the health care system, in 2022 we increased the role of primary care in vaccination against COVID-19 and extended the payment of standby fee to family physicians as well. For vaccination, the Health Insurance Fund assumed the obligation to pay for all COVID-19 vaccinations, excl. vaccination of own staff within the institution.

The Health Insurance Fund paid the most for vaccination (vaccination and performance fees) to hospitals outside the hospital network (nearly 2 million euros). While in 2021, vaccination included mostly hospitals of the hospital network development plan, in 2022, hospitals outside the hospital network development plan were more involved in vaccination.

We paid vaccination fees the most to Confido Medical Centre (908 thousand euros), Eldred Health Clinic (291 thousand euros) and Qualitas Medical Centre (276 thousand euros). Among hospitals of the hospital network development plan, Tartu University Hospital (333 thousand euros) and Narva Hospital (178 thousand euros) received the most vaccination fees.

We also finance the work of four vaccination coordinators in counties and notification of vaccinations via SMS to improve the vaccination process. From June 2022, the Health Insurance Fund is coordinating vaccination communication activities, including developing systemic communication in cooperation with other parties, which will introduce the benefits of vaccination to different population groups.

As at 31 December 2022, 848,149 people had been vaccinated with at least one dose of the vaccine against COVID-19 in Estonia (815,172 people as at 31 December 2021). In the population group of 12+ years of age, a completed vaccination coverage of 75.4% has been achieved.

The impact of the refugee crisis on health care costs

The war that broke out in Ukraine has brought tens of thousands of Ukrainian war refugees to Estonia to whom the state has guaranteed temporary protection for the first year, which gives them the same rights as Estonian residents. The health services used by these people increase the health care costs of the Health Insurance Fund, which are partially covered by revenue – taxes received from the wages of refugees who have commenced work and allocations paid by the state for unemployed war refugees and non-working old-age pensioners.

As at 31 December 2022, nearly 42,000 people had applied for temporary protection in Estonia. Among them, 30,167 people, i.e. 72% of the war refugees who applied for temporary protection in Estonia, had health insurance as at 31 December.

The impact of Ukrainian war refugees on the health care budget of the Health Insurance Fund amounted to nearly 10 million euros, i.e. 1% of the total budget.

Table 8. Coverage of health care costs for Ukrainian war refugees (in thousands of euros)

	2022. actual	
	Amount	Number of persons
Disease prevention	28	2 207
Family medical care	350	13 231
Outpatient specialised medical care	4 443	13 912
Inpatient specialised medical care	2 882	1 159
Dental care	1 346	4 592
Nursing care	52	38
Additional ambulance crews	328	–
Pharmaceuticals	119	336
Total	9 548	–

In 2022, 2,207 Ukrainian war refugees used **preventive services**, for which the Health Insurance Fund paid a total of nearly 28 thousand euros. School health services were provided the most, to 1,850 children and young people.

In 2022, war refugees needed **outpatient specialised medical care** services the most: a total of 13,912 war refugees, of whom 50%, i.e. 6,959, were children aged 0–18 years. In total, the Health Insurance Fund paid 4.4 million euros for outpatient specialised medical care services for war refugees.

13,231 war refugees went to an appointment of **family physician**, whereas in 44% of the cases, children and young people up to the age of 18 needed the help of a family physician. The Health Insurance Fund paid a total of 350 thousand euros for family medical care for war refugees.

1,159 war refugees, including 467 children aged 0–18, needed **inpatient specialised medical care**. The Health Insurance Fund paid 2.9 million euros for inpatient treatment. In addition, we paid 828 thousand euros for emergency medical care of 175 uninsured war refugees. Upon arrival in Estonia, applying for a temporary residence permit took time, and until the application for temporary protection was granted, the necessary help was received as emergency medical care.

Dental services were provided to 4,592 war refugees, of whom 4,225 were children under 19 years of age. In total, we paid 1.3 million euros for dental care services of war refugees.

In 2022, **nursing care services** were provided to 38 war refugees, more than half of whom (20 people) needed inpatient nursing care. The Health Insurance Fund paid nearly 52 thousand euros for nursing care services, including 40 thousand euros for inpatient nursing care and 12 thousand euros for home nursing service.

The **ambulance** conducted an **initial medical examination** of all war refugees in reception centres located in Tallinn, Tartu, Rakvere and Pärnu. The purpose of medical examinations was to identify those among the war refugees who need immediate medical attention and/or hospitalisation. The Health Insurance Fund paid the ambulance for the initial medical examination of Ukrainian war refugees according to the number of ambulance crews. In 2022, we paid nearly 328 thousand euros to the ambulance for eight additional ambulance crews, including remuneration for medical staff at the reception centre.

The Health Insurance Fund paid 3.8 million euros for **additional or general medical examination**, including 151 thousand euros was spent on general medical examination at control centres. In total, more than 12,270 war refugees, i.e. more than 29% of war refugees who arrived in Estonia, underwent a general medical examination. Estonia has organised free additional or general medical examination for war refugees, which all refugees should undergo within seven days of their arrival in Estonia. The general medical examination is free for both those who are staying here without a visa and those who apply for a temporary residence permit. Free general medical examination is available in all regions of Estonia.

In addition, the Health Insurance Fund also reimburses prescription medications for Ukrainian war refugees, doing so on the same bases as for people with health insurance in Estonia. Pharmacies are also allowed to accept paper prescriptions issued in Ukraine, except for narcotic and psychotropic drugs. In 2022, the Health Insurance Fund reimbursed 10,050 people for prescription medications in the amount of 747 thousand euros. In total, we reimbursed 34,935 prescriptions, more than half of which were medications reimbursed at a 50% discount rate.

Impact of rising energy prices

We mitigated the additional cost caused by the increase in electricity prices for health care providers through service-based prices, increasing service prices from 1 April 2022 to compensate for the impact of energy costs. The impact of the increase in the price component in 2022 was 6 million euros. We also compensated the impact of rising energy prices retroactively on the basis of the list of health services approved on 1 January 2023 with an additional 9 million euros for health care providers.

Average expenses per insured person

The calculation of average expenses is based on the costs of health services, reimbursed pharmaceuticals and medical devices and benefits reimbursed by the Health Insurance Fund to insured persons in Estonia. Average expenses per insured person have increased year by year. Compared to the previous year, the average monthly expenses per insured person increased by 7% in 2022.

According to the age of the insured people, the average expenses are the most expensive in the age group 80–89 years of age.

Table 9. Average expenses per insured person in 2022 (in euros)

Age	Number of insured persons	Prevention	Family medical care	Specialised medical care	Nursing care	Dental care	Pharmaceuticals, incl. additional benefit for pharmaceuticals	Benefit for incapacity for work	Medical devices	Total
0–9	146 853	19	144	329	44	101	35	0	8	678
10–19	155 549	59	133	231	0	181	50	6	15	676
20–29	120 241	11	148	400	1	20	59	200	7	845
30–39	185 826	3	148	466	1	20	74	330	7	1 049
40–49	172 385	4	154	478	5	20	107	260	9	1 037
50–59	161 825	12	167	709	14	24	154	250	13	1 343
60–69	164 328	14	175	1 057	36	44	255	170	17	1 769
70–79	116 425	1	182	1 432	110	48	364	33	21	2 190
80–89	67 880	0	182	1 543	344	36	373	3	18	2 500
90–99	12 876	0	159	1 227	710	16	256	1	10	2 380
100–109	243	1	132	692	586	3	125	0	6	1 545
Total	1 304 431	14	157	672	47	55	146	156	12	1 260

1. Health services

The budget for health services is the cost of services that are reimbursed to health care providers under contracts entered into between the Health Insurance Fund and medical institutions. The budget for health services includes disease prevention, family medical care, specialised medical care, nursing care, dental care benefits for children and adults, emergency medical care, and emergency treatment of uninsured persons. These are so-called non-monetary health insurance benefits – the Health Insurance Fund pays for services and personal protective equipment directly to service providers.

One of the major purposes of the Estonian solidary health insurance is to ensure equal access to medical care and other health insurance benefits to all insured persons. To achieve this purpose, a methodical assessment of the need for medical care, i.e. the demand for health services, is carried out every year prior to planning contracts for financing treatment. We assess demand in all specialties and types of services. In the assessment, we take into account the expected need of the insured persons for health services in the coming year. From 2020, we assess the demand for health services at a more general level compared to previous years, i.e. we assess the need for the service in Estonia as a whole, not on a county-by-county basis. Demand for financed health services is a very important input in the planning for contract offers to medical institutions. Based on this, we draw up contracts and consider treatment needs of insured persons by specialty as well as their admittance for treatment in different medical institutions.

In 2022, the use of health services improved – the number of people who used health services increased across all types of services, and the total increase was 3%. At the same time, the number of people using the services has reached the level preceding COVID-19, to the level of 2019, except for inpatient specialised medical care, where the number of people using the service has remained at the same level for the last three years.

In 2022, the budget for health services was planned at 1.4 billion euros, 1.38 billion euros or 98% of which was used by the end of the year. Similarly to previous years, the budget for health services included a reserve, which in 2022 amounted to 14 million euros, which retroactively covered nearly 9 million euros of energy and support costs based on the list of health services that came into force on 1 January 2023.

Compared to the previous year, the actual financing of health services increased by 10%, i.e. 129 million euros, of which we paid the largest amount, i.e. 88 million euros, more for specialised medical care services, almost 26 million euros more for family medical care services, and 10 million euros more for dental care services.

Table 10. Execution of the budget for health services (in thousands of euros)

Expenses	2022 actual	2022 budget	Execution of the budget	2021 actual	Change 2022 vs 2021
Disease prevention costs	19 204	20 065	96%	16 198	19%
Family medical care costs	205 065	204 357	100%	179 396	14%
Specialised medical care costs	937 526	937 722	100%	849 579	10%
Nursing care costs	61 305	63 179	97%	49 090	25%
Dental care costs	72 122	70 559	102%	61 978	16%
Emergency medical care costs	67 109	68 417	98%	61 392	9%
Emergency treatment of uninsured persons	11 947	13 477	89%	9 263	29%
Personal protective equipment	810	13 272	6%	22 757	-96%
Coercive psychiatric treatment	1 259	2 600	48%	0	-
Reserve/incl. compensation of the wage component of the list of health services	8 901	14 269	62%	5 622	58%
Total	1 385 248	1 407 917	98%	1 255 275	10%

1.1 Disease prevention

Disease prevention means activities that are directly related to the state's national health development plan and the strategic goals of the Health Insurance Fund and that, based on evidence, contribute to the early detection of diseases – medical examinations, screenings for pregnant women and newborns, cancer screenings. It also includes activities aimed at reducing or preventing the aggravation of chronic diseases and their complications. One such example is chronic disease management by implementing a family physician quality system to prevent future high costs associated with the treatment of these diseases and early loss of capacity to work, disability or death. The Health Insurance Fund also compensates, to a large extent, for pharmaceuticals and medical devices dispensed for preventative purposes to its insured. Thus, disease prevention is dealt with at every level of health care.

The most significant changes made to the list of health services that took effect from 2022 and influenced the 2022 budget and execution of the budget are as follows:

- the quality system of school nurses was implemented, the purpose of which is to harmonise the quality of school health care, motivate school nurses to provide higher quality service and engage in health promoting activities;
- from July 2022, family physicians, family nurses and school nurses who have completed the relevant training can provide counselling services for quitting tobacco or nicotine products (including initial counselling for 50 minutes, counselling for 15 minutes, remote and video counselling).

A very important change that has a positive impact on the prevention budget is that from 2021, screenings have been extended to uninsured people, and family physician centres have also started providing cervical cancer screening services. In addition, from October 2021, it is possible to join the contract for cervical cancer prevention service without procurement, which allows more medical institutions to provide prevention services. As a result of the changes, women's participation in screening is much more active than in previous years.

The budget for disease prevention was 19 million euros in the accounting year, increasing by 19%, i.e. 3 million euros, compared to the same period last year. The number of people using prevention services increased in 2022 across all service groups, which shows that people consider regular medical examinations, quitting smoking and consuming alcohol, taking part in screenings and vaccinations to be important.

Table 11. Execution of the budget for disease prevention (in thousands of euros) and the number of treatment cases

	2022 actual		2022 budget		Execution of the budget		2021 actual		Change 2022 vs 2021	
	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases
School health care	10 033	–	10 245	–	98%	–	9 267	–	8%	–
Reproductive health counselling for young people	1 673	23 410	2 036	45 351	82%	52%	1 467	24 201	14%	–3%
Young athletes' health check	1 517	9 881	1 737	13 094	87%	75%	1 298	8 736	17%	13%
Early detection of breast cancer	2 852	57 326	3 416	69 951	83%	82%	2 117	47 080	35%	22%
Early detection of cervical cancer	1 881	34 267	2 007	36 396	94%	94%	1 347	29 396	40%	17%
Early detection of colorectal cancer	685	1 805	495	11 314	138%	16%	590	1 536	16%	18%
Early detection of lung cancer	469	3 322	0	0	–	–	0	0	–	–
Counselling to quit using tobacco	21	717	56	1 582	38%	45%	16	651	31%	10%
Other prevention	73	633	73	1 000	100%	63%	96	15	–24%	4120%
Total	19 204	131 361	20 065	178 688	96%	74%	16 198	111 615	19%	18%

The main purpose of **school health care service** is to systematically monitor the health and development of school-age children, to inform parents in case of possible problems, and refer the child to a specialist for further examinations and help. The school health care service includes preventive medical examinations of students, which includes collecting nursing history and assessment of health status as well as immunisation of students according to the national immunisation plan in force. From July 2022, school nurses who have completed the relevant training are able to provide counselling on quitting tobacco or nicotine products.

We pay for school health care service to the partners on a fixed fee basis. From 2022, the quality system for school nurses entered into force. This is the first stage of the quality system. New indicators to be added to the quality system will be developed in the next stage.

In 2022, a total of 104,840 students, i.e. nearly 63% of the total number of students, used the school health care service, including 1,859 Ukrainian war refugee children and young people up to 19 years of age. The number of students who used school health services increased by 24% compared to 2021.

Reproductive health counselling for young people and prevention of sexually transmitted diseases is, as of 1 July 2018, targeted at young people of both sexes up to the age 26 years. In cooperation with the Estonian Sexual Health Association, the Estonian Gynaecologists Society and the Estonian Midwives Association, we described the content of the reproductive health service for young people, the competencies of service providers, the scope of the service and the infrastructure.

In 2022, a total of 14,663 young people, i.e. nearly 9% of the total number of young people, used reproductive health counselling for young people, remaining at the same level as the previous year. Since February 2022, 86 Ukrainian war refugee young people have received the service.

Young athletes' health check is aimed at young people up to the age of 19 who regularly engage in sports at least three times a week in addition to physical education classes at school. The broader purpose of sports medical examinations is to protect the health of an athlete and ensure training that is safe for health as well as to reduce the risk of future health problems/injuries associated with sports through counselling and preventive activities.

A total of 9,400 children and young people, which is 14% more than in the previous year, underwent young athletes' health check. Since February 2022, 31 Ukrainian war refugee children and young people attended the medical examination of young athletes.

The purpose of **national breast cancer screening** is to increase the proportion of breast cancer detection in the early stages and to reduce breast cancer mortality. From 2018, in accordance with the updated national guidelines for breast cancer screening, we also started inviting women up to the age of 69 for screening. In 2022, the phased expansion of the target group ended, and from now on all women of 50–69 years of age are covered by breast cancer screening in Estonia. This corresponds to the recommendations of the European Commission and the practice of most countries. From 2022, breast cancer screening is also allowed for those with an elevated risk level of the polygenic risk score (PRS) for breast cancer.

In 2022, a total of 54,298 women took part in breast cancer screening, i.e. nearly 9,700 more women than in 2021. Coverage of the screening was 64%, which is 6% higher than in 2021.

The purpose of **cervical cancer screening** is to detect and treat pre-cancerous conditions in a timely manner to reduce the incidence of cervical cancer. The further objective of the cervical cancer screening project is to reduce the mortality and incidence of cervical cancer and to increase the 5-year survival rate.

From October 2021, it is also possible to enter into a contract for the cervical cancer prevention service without a procurement. This allows more medical institutions to provide prevention services. As a result, the number of offices offering cervical cancer prevention services increased by almost a third. As a result of these changes, the participation of women in screening was more active than the previous year. In 2022, a total of 35,422 women participated in breast cancer screening; the coverage was 49%, which is 2% higher than in 2021.

In cooperation with the National Institute for Health Development, we launched a pilot project for HPV home testing in September 2022 and offered home testing to women who had not responded to the screening invitation by that time (52,843 women). In addition, we conducted a pharmacy pilot in Ida-Viru County where 595 home tests were distributed in 28 pharmacies in Ida-Viru County, so that 8% of women in the target group of Ida-Viru screening received the test from the pharmacy. In total, more than 5,000 home tests were conducted. In 2022, automatic notification with the test result and SMS reminders for non-participants were also an innovation.

Early detection screening for colorectal cancer aims to identify people who may exhibit signs of colorectal cancer. This makes it possible to detect colorectal cancer at an earlier stage or before it occurs, i.e. in a precancerous state. The screening consists of a faecal occult blood test and, if necessary, an additional colonoscopy. Colorectal cancer screening is coordinated by family physicians whose responsibility is to advise the target group and make faecal occult blood testing available. Men and women of 60–69 years of age are expected to participate in the screening every two years. In 2022, a total of 43,047 people participated in colorectal cancer screening. Coverage was 54%, which is 6% higher than in 2021.

From 2022, the Health Insurance Fund finances a regional pilot project for **lung cancer screening** and coordinate activities to reach a nationwide screening programme. The pilot project covers Tartu city and county and its practice lists of family physicians and patients. The project is led by the University of Tartu together with Tartu University Hospital. During the pilot project, 28 cases of lung cancer, over 3,000 concomitant findings, including 32 other pre-tumour conditions, were detected. As at 31 December 2022, the Health Insurance Fund had paid more than 1.1 million euros for the implementation of the pilot project, of which 468 thousand euros were paid from the prevention budget of the Health Insurance Fund and more than 665 thousand euros from the expenditure of the innovation fund.

The purpose of **counselling to quit tobacco or nicotine products** is to increase the population's awareness of the harmfulness of tobacco and/or nicotine products and the diseases associated with them. Attention is also paid to the use of tobacco or nicotine products, and people are advised to quit using them. In 2022, 411 people used the counselling service (382 people in 2021).

1.2 Family medical care

A timely primary contact with the health care system is a prerequisite for achieving a high-quality treatment outcome. Therefore, we consider it important to strengthen and expand the role of family physicians and family nurses as treatment coordinators and health advisors. Family medical care must contribute to the development of patient-centred health care, which in turn means providing holistic and integrated treatment in cooperation with different levels of the health care system, which includes close cooperation with the social sector.

The most significant changes made to the list of health services that took effect from 2022 and influenced the 2022 budget and execution of the budget are as follows:

- the basic allowance of a family physician was increased to ensure the service of call centres necessary to service practice lists. The call centre must enable call waiting queue management, call recording service, callback service, queue notifications to the customer, report and call monitoring services;
- 7% of basic allowance was added to the basic allowance to cover other costs (i.e. types of costs that are necessary for the provision of the service, but are not predetermined);
- a new service "Online consultation of the national family physician advisory line in one calendar month" was added, which ensures the availability of the service for hearing-impaired and speech-impaired people who find it difficult to communicate via a regular telephone call;
- a low-dose computed tomography scan was added as a new service to implement the lung cancer screening pilot project;
- the period of home visits by midwives was extended. While before, based on the regulation, home visits were financed only following childbirth, the amendment allows the financing of midwives' home visits until the child is one year old;
- the possibilities of referral to the transcranial direct current stimulation service were expanded, allowing referral to the service to be ordered by a psychiatrist as well as a family physician. The amendment improves accessibility to the service;
- the cost of personal protective equipment, waste treatment and disinfectants required for their handling, which have previously been invoiced separately, were included in the prices of capitation fee services as a separate component.

In 2022, we took on a bigger role in organising the work of family physicians, which was previously done by the Health Board. The tasks are related to the recruitment of family physicians, the management of practice lists of a family physician and the organisation of substitutes for family physicians. In order to develop active cooperation between family physicians and medical specialists, we continued to expand e-consultation services – the possibilities for e-consultation were expanded to the specialty of paediatric ophthalmology and plastic and reconstructive surgery (e-consultations are described in more detail below in the chapter on specialised medical care). In 2022, we also continued with the mentorship programme, the purpose of which is to provide support to family physicians on their way to self-development and increasing their management competence.

The availability of family medical care has improved year by year over the past five years. Since 2018, the number of people who used family medical care has increased by almost 100,000 people. In 2022, the number of people who received family medical care services increased by 3%. During the years of the widespread spread of the COVID-19 disease, a very heavy burden fell on family physicians and nurses.

In 2022, the Health Insurance Fund financed health services for a total of 1.38 billion euros, of which family medical care accounted for 205 million euros, i.e. 15%. Compared to 2021, we were able to finance family medical care in a 14%, i.e. 26 million euros, larger volume in the accounting year.

Table 12. Execution of the budget for family medical care (in thousands of euros)

	2022 actual	2022 budget	Execution of the budget	2021 actual	Change 2022 vs 2021
Basic allowance	29 726	27 890	107%	23 843	25%
Distance surcharge	4 583	6 232	74%	4 764	-4%
Surcharge for the second family nurse	15 226	14 646	104%	13 159	16%
Capitation fee	93 639	94 560	99%	86 877	8%
Capitation fee for up to 3-year-old insured persons	5 222	5 481	95%	5 023	4%
Capitation fee for 3-6-year-old insured persons	5 621	5 589	101%	5 146	9%
Capitation fee for 7-49-year-old insured persons	37 492	37 844	99%	34 718	8%
Capitation fee for 50-69-year-old insured persons	25 951	26 228	99%	24 121	8%
Capitation fee for 70-year-old and older insured persons	19 353	19 418	100%	17 869	8%
Family physician examinations fund	38 085	38 770	98%	31 999	19%
Operational fund	8 051	8 065	100%	6 561	23%
Therapy fund	3 219	2 358	137%	2 014	60%
Home nursing at health centres	1 622	1 311	124%	1 223	33%
Early detection of colorectal cancer	492	460	107%	415	19%
Early detection of cervical cancer	62	58	107%	32	94%
Surcharge for out-of-hours appointments	434	542	80%	431	1%
Surcharge for quality	6 364	6 120	104%	6 089	5%
Travel expenses of substitution service provider	499	782	64%	344	45%
Surcharge for other staff at the health centre	488	240	203%	180	171%
Family physician advisory line	1 425	1 324	108%	1 465	-3%
Counselling to quit using tobacco	1	-	-	-	-
Sample projects	351	-	-	-	-
Family medical care for war refugees	798	1 000	80%	-	-
Total	205 065	204 357	100%	179 396	14%

As at the end of 2022, **basic allowance** was paid to 412 family physician practices (to 783 practice lists). The use of basic allowance in 2022 was 7% higher than planned – we paid 1.8 million more basic allowance than planned. The higher use of basic allowance was due to the continued transfer of practice lists of a family physician to health centres with a higher rate of basic allowance.

In 2022, we paid a total of nearly 30 million euros in basic allowance and nearly 94 million euros in capitation fees. Compared to the previous year, the use of capitation fee increased by 8%, i.e. by nearly 7 million euros. Capitation fee is formed according to the age structure of the practice list of a family physician, and basic allowance differs depending on whether or not the practice list of a family physician belongs to the health centre. Capitation fee includes the wages of a physician and nurse and the fee of an assistant.

The group of recipients of **distance surcharge** was extended in 2020 to all family physicians operating outside major centres, and the distance surcharge rate was multiplied. We paid distance surcharge 1.6 million euros less than planned and 4% less than in 2021.

The number of practice lists receiving a surcharge for the **second family nurse** has increased every year. In 2022, the Health Insurance Fund financed the second family nurse in the amount of 15 million euros, which is 16% higher compared to the previous year.

The use of **family physician's funds** increased. In 2022, the funding of the examinations fund increased by 19% compared to the previous year. The wider spread of both flu and the COVID-19 disease can be considered one of the reasons for the increase. Financing of the therapy fund increased by 60%, i.e. 1.2 million euros, compared to 2021. Compared to the previous year, the volume of both physiotherapy services (increase of 58%) and psychotherapy services (increase of 29%) has increased. The use of the operational fund also increased by 23%, i.e. 1.5 million euros, compared to 2021.

In 2020, home nursing at a health centre was added as a new service to expand the range of services provided to people by family physicians. Home nursing services were offered in health centres more than 40,000 times in 2022, which is 22% more than in the comparable period of the previous year. In 2022, we paid a total of 1.6 million euros for the provision of home nursing services at health centres. Compared to 2021, we paid 33%, i.e. 400 thousand euros, more for home nursing services at health centres.

As of the beginning of 2021, **reimbursement of travel expenses of a substitution service provider** was added as a new service. The service is necessary to ensure better access to family medical care during a longer absence of the family physician or in the event of an unforeseen and urgent need. Travel expenses of a nurse are paid if the nurse joins the substitution list. In 2022, we paid travel expenses of a substitution service provider in the amount of 499 thousand euros, which is 45% more than the year before.

At the beginning of 2022, the **family physician's model project** "Proactive digital designer of health pathway" was launched in primary care. It is a digital solution for effective communication between patients and primary care centres in planning, monitoring and supporting treatment. The Health Insurance Fund paid 52 thousand euros to family physician centres for the implementation of the project. In addition, we commenced with the development of the "Preliminary appointment sample project", which complements the work process of the family physician centre and creates a comprehensive and accessible primary care service. The solution makes it possible to assess the urgency of the patient's concern, so that patients who need faster help can be served as a first priority. In addition, the solution can be used for video appointments. The Health Insurance Fund paid 299 thousand euros to family physician centres for the implementation of the project. In total, we paid 351 thousand euros for the implementation of sample projects.

In cooperation with our important partners, the **development of the quality bonus scheme** for family physicians continues in order to motivate family physicians to focus on disease prevention, monitoring of chronic patients and increasing their competence.

At the initiative of the Health Insurance Fund, we developed a **mentorship programme** for family physicians in cooperation with the company Fontes and the Estonian Association of Family Physicians, which provided 19 family physicians with mentors whose guidance and support helped to manage the practice even better. The mentorship programme supports physicians in their self-development and improves their management competence, ultimately providing an opportunity to develop a stronger family physician system.

The Health Insurance Fund paid 798 thousand euros to family physicians for serving Ukrainian war refugees. 13,231 war refugees visited a family physician, 5,840 of them were children and young people under the age of 18 years.

Table 13. The number of practice lists of a family physician, the number of insured persons in the practice list and the number of out-of-hours appointments

	2022 actual	2021 actual	Change 2022 vs 2021
Number of practice lists	783	786	0%
Number of practice lists receiving distance surcharge	391	396	-1%
Number of practice lists receiving surcharge for the second family nurse	629	594	6%
Average size of a practice list (number of insured persons)	1 610	1 597	1%
Total number of people for whom capitation fee has been paid	1 260 650	1 255 167	0%
Insured persons of up to 3 years of age	39 474	40 706	-3%
Insured persons of 3–6 years of age	57 830	56 794	2%
Insured persons of 7–49 years of age	650 892	647 975	0%
Insured persons of 50–69 years of age	318 261	317 302	0%
Insured persons of 70 years of age and older	194 193	192 390	1%
Number of hours of family physician's out-of-hours appointments	6 240	7 029	-11%
Number of hours of family nurse's out-of-hours appointments	8 202	7 830	5%
Number of calls to the family physician advisory line	443 711	521 400	-15%

As at 31 December 2022, the Health Insurance Fund had a contract with 412 family medical care service providers who serve **783 practice lists**.

In 2022, the transfer of practice lists of a family physician to health centres continued – the number of practice lists related to health centres was 350 as of the end of 2022. As at 31 December, there were 61 health centres. For comparison, in 2021 there were a total of 52 health centres serving 268 practice lists.

The group of recipients of **distance surcharge** was extended in 2020 to all family physicians operating outside major centres, and the distance surcharge rate was multiplied. At the end of 2022, there were 391 practice lists receiving the distance surcharge.

The number of practice lists receiving a surcharge for the **second family nurse** increased in 2022, when we paid the surcharge to 629 practice lists. This is 6% more than the previous year.

The average size of the practice list, i.e. the number of insured people, has remained at the same level over the years.

The number of calls to the **family physician advisory line** decreased by 15% compared to the previous year. In 2022, 443,711 calls were made to the family physician advisory line, which is more than 77 thousand calls less than in 2021. The decrease in the number of calls was impacted by the reduction in the spread and disease burden of COVID-19 during 2022, which also reduced the need for renewing prescriptions and health advice.

From the beginning of 2022, people who find it difficult to communicate via a regular telephone call (for example, the hearing-impaired and the speech-impaired) are able to communicate using online chat. In 2022, 130 online chats took place.

Table 14. Number of family physician and family nurse appointments in 2018–2022

	2022	2021	2020	2019	2018
Family physician appointments	5 111 937	5 025 680	4 740 688	4 867 540	4 961 469
Family nurse appointments	3 344 542	2 880 738	2 028 147	1 726 106	1 635 461
including family physician and family nurse remote appointments	5 629 847	5 200 006	3 986 058	2 645 907	2 476 701
Prophylactic appointments	313 630	380 487	336 243	348 207	358 428
Total appointments	8 770 109	8 286 905	7 105 078	6 941 853	6 955 358
Number of people attending the appointment	1 131 254	1 090 781	1 027 590	1 033 047	1 031 449
Number of people in the family physicians' practice lists	1 304 429	1 273 743	1 265 601	1 246 402	1 238 045
Proportion of people who visited a family physician of all the people in the family physicians' practice lists	87%	86%	81%	83%	83%

In 2022, family physicians and nurses had a total of 8,770,109 appointments, which is 483,204 appointments, i.e. 6%, more than in 2021. At the same time, the number of appointments with family physicians increased by 2%. The number of family nurse appointments increased by 16%, but significantly less than the previous year, when the number of appointments with a nurse increased by as much as 42%. The number of family nurse appointments has increased in the last two years mainly because the heavy additional burden caused by COVID-19 fell on family nurses.

The number of prophylactic family physician appointments decreased by 18% in 2022, which is related to the decrease in the number of COVID-19 vaccinations carried out by family physicians in 2022.

In 2022, family physicians and nurses had a total of 5,629,847 remote appointments, which is nearly 429,900 appointments, i.e. 8%, more than the previous year. Remote appointments are either telephone or e-mail appointments that were used more often than usual during the period of the extensive spread of COVID-19.

1.3 Specialised medical care

A patient needs specialised medical care if the family physician believes that their health concerns require the intervention of a medical specialist in a narrower specialty. The insured has the right to choose a suitable medical specialist and book an appointment at any medical institution that has entered into a contract with the Health Insurance Fund. Our priority is to support the introduction of modern diagnostic and therapeutic methods, both by including new services in the list of health services as well as by enabling wider deployment of services included in the list in previous years. In cooperation with professional associations, we regularly update the structure of services, standard expenses, maximum reference prices, and implementing conditions of services. The purpose is to provide patients with modern and evidence-based treatment, and to ensure effective use of health insurance resources.

The most significant changes made to the list of health services that took effect from 2022 and influenced the 2022 budget and execution of the budget are as follows:

- the list services, incl. urology and cardiology services, reference prices and terms for application were updated;
- five new treatment services were added, including remote therapies, remote services for psoriasis and cancer patients, cardiology services, nuclear medicine services, palliative oxygen therapy. Telemedicine such as tele-physiotherapy and occupational teletherapy are important to ensure patients' access, particularly in rural areas;
- five new diagnostic options, incl. endoscopic examinations, nuclear medical examinations, oesophageal pH-metry examination, were added and the conditions of existing services were extended, incl. stereotactic body radiation therapy, polysomnography, medical air transport from the European Union and Liechtenstein, Norway, Iceland or Switzerland to Estonia;
- treatment options were expanded by various procedures, including treatment of depression, treatment of people with chronic cystitis. From 2022, there is a new treatment service for children in need of a certain type of hematopoietic stem cell transplant, for whom a suitable relative or registry donor cannot be found or there is not enough time to search for a registry donor due to the course of the disease. Until now, this service was provided through scheduled foreign medical treatment, but from now on the necessary technology is available in Estonia and financed by the Health Insurance Fund;

- the appointment time of children's mental health nurse was extended to 90 minutes and an appointment of a psychologist/counsellor was added (including remote and video appointment) in order to create an opportunity to involve additional specialists in solving mental health problems;
- remote services for psoriasis patients and cancer patients were added. From 1 January 2022, video appointments are distinguished in remote services and remote appointments;
- from 1 July 2022, the cost of personal protective equipment, waste treatment and disinfectants required for their handling, which have previously been invoiced separately, were included in the prices of services as a separate component;
- an e-consultation service between specialties was created with the aim of launching and empowering consultation between health care providers and specialties in order to improve the continuity of treatment and the availability of services.

In 2022, a pilot project on ischemic stroke was fully implemented in specialised medical care as an innovation, the aim of which is to implement a comprehensive care pathway and new reimbursement methods, first in stroke treatment, but subsequently also for other diseases with long-term rehabilitation. For the first time in Estonia, the project is implementing systematic measurement of health outcomes, monitoring the patient's quality of life and coping. We also continued to develop pathway-based financing for hip and knee arthroplasty.

In 2022, mental health continued to receive special attention and the focus was on developing a mental health treatment pathway. The priority for 2022 was to develop a unified treatment approach within mental health treatment pathways. This means that in the future, the provision and organisation of services will be uniform throughout Estonia, which in turn will help to establish the second priority, or the principles of how to queue people with mental health problems based on urgency. The aim is also that people can get the help they need as quickly as possible.

In 2022, the Health Insurance Fund financed health services for a total of 1.38 billion euros, of which specialised medical care accounted for 937 million euros, i.e. 68%. Compared to 2021, we were able to finance specialised medical care in a 10%, i.e. 88 million euros, larger volume in the accounting year. The budget was executed to the extent of 100%. At the same time, access to specialised medical care has improved – more than 777,000 people received specialised medical care, reaching the level of outpatient specialised medical care before the widespread spread of the COVID-19 disease, i.e. the level of 2019.

Execution of the budget for specialised medical care by types of service

Table 15. Execution of the budget for specialised medical care (in thousands of euros) and the number of treatment cases by types of services

	2022 actual		2022 budget		Execution of the budget		2021 actual		Change 2022 vs 2021	
	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases
Specialised medical care	789 928	2 939 527	750 012	3 050 394	105%	96%	714 440	2 906 518	11%	1%
Outpatient treatment	322 354	2 722 206	281 045	2 801 039	115%	97%	287 150	2 696 571	12%	1%
Day treatment	38 627	63 607	33 589	60 712	115%	105%	32 977	57 443	17%	11%
Inpatient treatment	428 947	153 714	435 378	188 643	99%	81%	394 313	152 504	9%	1%
Special cases	87 212	66 422	129 687	44 400	67%	150%	78 643	45 830	11%	45%
High-cost treatment cases	12 103	72	11 476	72	105%	100%	9 472	66	28%	9%
Other special cases	75 109	66 350	118 211	44 328	64%	150%	69 171	45 764	9%	45%
Periodic fees	60 386	–	58 023	–	104%	–	56 496	–	7%	–

Monthly fee of specialised medical care	3 429	-	3 178	-	108%	-	3 025	-	13%	-
Standby fee	56 957	-	54 845	-	104%	-	53 471	-	7%	-
Total	937 526	3 005 949	937 722	3 094 794	100%	97%	849 579	2 952 348	10%	2%

The budget for specialised medical care was affected the most by the execution of the budget for outpatient treatment – the use of outpatient treatment increased by 15% despite the fact that the spread of the COVID-19 disease continued to be very widespread in the first half of the year. This is explained by the fact that since hospitals were still busy with inpatient treatment of COVID-19 patients, i.e. the beds were full, it was possible to focus more on outpatient treatment at the same time. The biggest increase was in the use of surgery and internal medicine services (execution of the budget for outpatient treatment by 117% and 115%, respectively, compared to what was planned).

The option of **e-consultation** was used in 32 specialties in 2022. In addition, a pilot project for e-consultation of an ophthalmologist for adults was launched. In 2022, the Health Information System received 61,450 digital referrals for e-consultation from family physicians, in total from 425 institutions. The service was provided for 2.5 million euros. Consultations were offered the most in neurology (14%), followed by orthopaedics (13%), endocrinology (7%) and cardiology (7%). Compared to 2021, the number of e-consultations increased by 26%. The e-consultation digital referral between specialties was sent to another medical specialist 2,228 times. The most advice was sought from neurosurgeons (15%), neurologists (14%) and orthopaedists (11%). The most consultations were requested from Tartu University Hospital (117 times), East Tallinn Central Hospital (71 times) and North Estonia Medical Centre (51 times).

In 2022, the Health Insurance Fund paid nearly 39 million euros for inpatient treatment of COVID-19 patients (more than 50 million euros in 2021). We paid for the treatment of patients the most to Tartu University Hospital (10 million euros for 1,526 treatment cases), North Estonia Medical Centre (8 million euros for 1,019 treatment cases), West Tallinn Central Hospital (nearly 5 million euros for 1,572 treatment cases), East Tallinn Central Hospital (nearly 4 million euros for 1,097 treatment cases), Pärnu Hospital (2 million euros for 830 treatment cases), and Ida-Viru Central Hospital (2 million euros for 763 treatment cases). In 2022, 9,109 people received inpatient treatment for the COVID-19 disease (11,023 people in 2021), 47% of whom were not vaccinated against COVID-19. The treatment of unvaccinated patients accounted for 46% of the costs of inpatient treatment of COVID-19 patients, i.e. nearly 18 million euros. The average duration of treatment was 11.3 treatment days.

In 2022, we financed the treatment of 1,467 fewer births than in the same period of the previous year: while in 2021, there were 12,712 birth treatment cases, in 2022, there were 11,245 cases.

Execution of the budget and treatment cases by specialties

Table 16. Execution of the budget for specialties of specialised medical care (in thousands of euros) and the number of treatment cases

	2022 actual		2022 budget		Execution of the budget		2021 actual		Change 2022 vs 2021	
	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases
Surgery	215 058	815 870	186 535	792 251	115%	103%	181 118	757 389	19%	8%
Outpatient treatment	61 940	739 459	52 877	718 544	117%	103%	52 053	688 304	19%	7%
Day treatment	17 491	27 270	13 181	22 455	133%	121%	13 936	23 326	26%	17%
Inpatient treatment	135 627	49 141	120 477	51 252	113%	96%	115 129	45 759	18%	7%
Ophthalmology	30 692	339 895	22 921	322 905	134%	105%	24 772	331 792	24%	2%
Outpatient treatment	26 752	336 340	19 649	319 710	136%	105%	21 292	328 481	26%	2%

Day treatment	1 027	1 730	704	1 396	146%	124%	833	1 533	23%	13%
Inpatient treatment	2 913	1 825	2 568	1 799	113%	101%	2 647	1 778	10%	3%
Oncology	105 793	154 331	115 105	186 156	92%	83%	103 597	167 197	2%	-8%
Outpatient treatment	64 561	137 126	56 192	162 438	115%	84%	60 566	149 011	7%	-8%
Day treatment	3 697	5 594	4 386	7 263	84%	77%	3 815	5 579	-3%	0%
Inpatient treatment	37 535	11 611	54 527	16 455	69%	71%	39 216	12 607	-4%	-8%
Gynaecology	56 321	410 618	51 343	419 220	110%	98%	49 057	411 905	15%	0%
Outpatient treatment	39 153	387 169	34 154	392 183	115%	99%	34 876	390 395	12%	-1%
Day treatment	5 329	13 997	4 794	15 465	111%	91%	4 356	13 163	22%	6%
Inpatient treatment	11 839	9 452	12 395	11 572	96%	82%	9 825	8 347	20%	13%
Paediatrics	30 756	122 842	37 089	126 021	83%	97%	27 390	117 194	12%	5%
Outpatient treatment	9 654	109 001	9 907	105 628	97%	103%	8 790	104 361	10%	4%
Day treatment	1 820	2 465	1 930	3 402	94%	72%	1 688	2 192	8%	12%
Inpatient treatment	19 282	11 376	25 252	16 991	76%	67%	16 912	10 641	14%	7%
Psychiatry	44 291	243 024	46 901	281 658	94%	86%	40 618	263 212	9%	-8%
Outpatient treatment	13 303	234 658	14 195	271 675	94%	86%	12 222	254 494	9%	-8%
Day treatment	238	316	681	628	35%	50%	237	322	0%	-2%
Inpatient treatment	30 750	8 050	32 025	9 355	96%	86%	28 159	8 396	9%	-4%
Internal medicine	281 995	771 286	262 384	827 818	107%	93%	266 959	775 430	6%	-1%
Outpatient treatment	97 747	704 957	84 745	748 022	115%	94%	89 433	707 365	9%	0%
Day treatment	8 913	12 116	7 884	10 052	113%	121%	8 049	11 256	11%	8%
Inpatient treatment	175 335	54 213	169 755	69 744	103%	78%	169 477	56 809	3%	-5%
Primary follow-up treatment	3 072	2 401	4 435	4 081	69%	59%	3 182	2 683	-3%	-11%
Inpatient treatment	3 072	2 401	4 435	4 081	69%	59%	3 182	2 683	-3%	-11%
Rehabilitation	21 950	79 260	23 299	90 284	94%	88%	17 747	79 716	24%	-1%
Outpatient treatment	9 244	73 496	9 326	82 839	99%	89%	7 918	74 160	17%	-1%
Day treatment	112	119	29	51	386%	233%	63	72	78%	65%
Inpatient treatment	12 594	5 645	13 944	7 394	90%	76%	9 766	5 484	29%	3%
Total	789 928	2 939 527	750 012	3 050 394	105%	96%	714 440	2 906 518	11%	1%

In 2022, we paid for the treatment of a total of 777,573 people in specialised medical care, incl. 769,615 people received treatment in the main specialties of specialised medical care. Compared to 2021, the number of people who received treatment in main specialties has increased by almost 4%. The increase has taken place at the expense of outpatient treatment, where the number of service users decreased by 35,657 people. By specialties, the number of service users in 2022 was the highest in the area of outpatient treatment of internal diseases (320,023 people). The number of people in this specialty has increased by 3%, i.e. by 9,978 people, compared to the previous year. The specialty of internal medicine had a higher use of services in 2021 as well, due to the high disease burden of COVID-19.

The specialty of **surgery** includes cardiac surgery, paediatric surgery, neurosurgery, face and jaw surgery, orthopaedics, otorhinolaryngology, thoracic surgery, urology, vascular surgery and general surgery treatment services.

In 2022, we paid for the treatment of 379,926 people in the specialty of surgery. The number of people receiving treatment increased by 28,511 compared to 2021. Financing of surgeries and additional aids required during surgeries increased the most.

During the accounting period, we financed 23,619 more treatment cases in the specialty of surgery than planned in the budget. The increased use of the budget for treatment cases is influenced the most by general surgery, where 23,190 more treatment cases were carried out than planned. Fewer than planned treatment cases were provided only in otorhinolaryngology: 33,548 fewer treatment cases.

In the specialty of **ophthalmology**, we paid for the ophthalmologist services of approximately 168,757 people. The number of people receiving treatment has increased by 6,595 people compared to the previous year (4% increase), financing increased by 24%.

The main specialty of **oncology** also includes the use of haematology treatment services. In the main specialty of oncology, we paid for the treatment of 38,960 people. The number of persons receiving treatment decreased by 10%, i.e. 4,165 persons, compared to the previous year. Financing of oncology increased by 2%, i.e. 2 million euros. The increase in financing was influenced by the 33% increase in the use of pharmaceuticals and the 7% increase in financing.

During the accounting period, 183,800 people used **gynaecology services**, which included about 410,618 treatment cases for which the Health Insurance Fund paid to medical institutions 56 million euros. The number of people receiving treatment has decreased by 2%, i.e. by 4,341 people, compared to the previous year, whereas financing has increased by 15%. The increase in financing is caused by the increase in financing for all service groups.

In **paediatrics**, we paid for the treatment of 61,233 children. The number of children receiving treatment has increased by 11%, i.e. 6,067 children, compared to the previous year, in particular at the expense of children receiving outpatient treatment. The 12% increase in financing is influenced the most by the increase in the number of laboratory tests.

In **psychiatry**, the Health Insurance Fund paid for the treatment of 65,899 people. The number of persons receiving treatment decreased by 3%, i.e. 2,374 persons, compared to the previous year. The number of people has decreased in outpatient care and is related to the decreased number of outpatient appointments. The increase in financing for the specialty of psychiatry compared to the previous year has been affected the most by the increase in the cost of bed days.

The specialty of **internal medicine** covers the treatment services of medical services of dermatovenerology (skin diseases), endocrinology (hormonal diseases), gastroenterology (gastrointestinal diseases), infectious diseases, cardiology, occupational diseases, nephrology (kidney and urinary tract diseases), neurology, pulmonology (lung diseases), rheumatology and internal diseases. In 2022, the Health Insurance Fund paid for the treatment of 336,740 people in the specialty of internal medicine. The number of people receiving treatment has increased by 3%, i.e. 8,274 people, compared to the previous year. It was influenced the most by the increase in the number of people who received outpatient treatment. In inpatient treatment, the number of people decreased by 6%, i.e. 2,489 people, which was affected by the decrease in the disease burden of COVID-19 in 2022.

The number of people receiving **primary follow-up treatment** as well as the number of treatment cases have decreased. In 2022, 2,292 people received follow-up treatment. Compared to the previous year, their number has decreased by 10%.

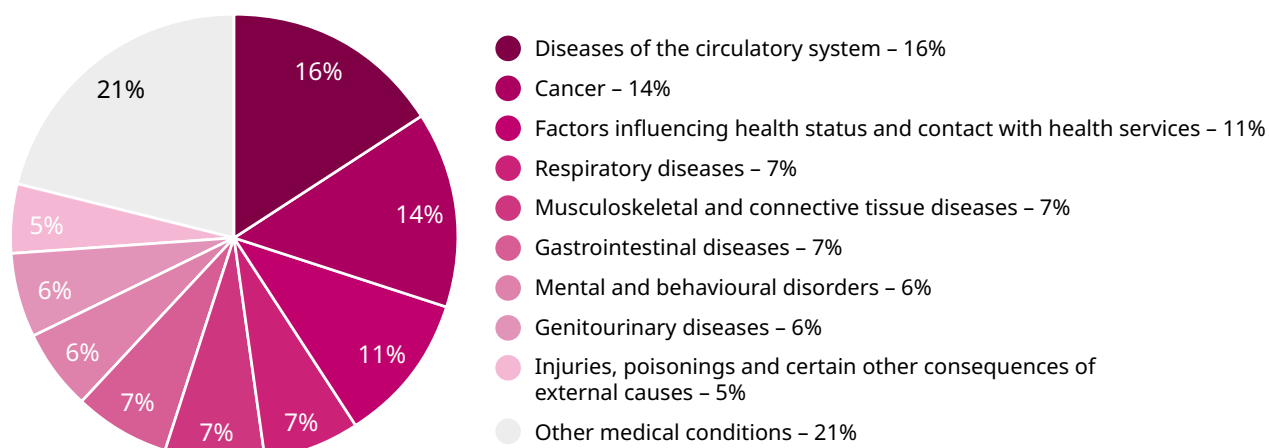
In the **rehabilitation** specialty, we paid for the treatment of 52,759 people. The number of people receiving treatment has decreased by 1%, i.e. 680 people, compared to the previous year, which is due to decrease in the number of people who received outpatient care. Financing has increased by 4 million euros.

The use of health services of specialised medical care by main diagnosis groups indicated on treatment invoices

The largest diagnosis groups that we funded in 2022 were diseases of the circulatory system, tumours, factors affecting the health status and contact with health services, and respiratory diseases.

Compared to the previous year, the number of people receiving treatment has increased in the majority of diagnosis groups, the most in the diagnosis group “factors affecting the health status and contact with health services”. Financing increased the most compared to the previous year in the treatment of respiratory diseases but decreased only in the treatment of the diseases of the circulatory system and certain conditions occurring during perinatal or the birth period.

Figure 1. Distribution of funding for specialised medical care by health conditions



Primary diagnosis groups indicated on the treatment invoices under the International Classification of Diseases ICD-10

Health services indicated on specialised medical care treatment invoices

The biggest part of the services included in the specialised medical care treatment invoices in 2022 were examinations and procedures (26%) and bed days (23%).

The volume of examinations and procedures increased compared to the same period of last year by 10% in use cases and 25% in terms of the amount. The number of bed days has increased compared to the previous year by 3%, while financing has increased by 13%. Compared to the same period the previous year, the number of times the service is used and financing has increased the most for surgeries and additional aids required during surgeries, by 34% and 50%, respectively. The number of outpatient appointments has increased by 3% and financing by 18%.

Table 17. Proportion of service groups in treatment invoices by amounts

	2022 actual	2021 actual	Change 2022 vs 2021
Examinations and procedures	26%	25%	1%
Bed days	23%	25%	- 2%
Laboratory tests	16%	17%	- 1%
Surgeries and additional resources	12%	10%	2%
Outpatient appointments	9%	9%	0%
Pharmaceuticals	7%	9%	- 2%
Anaesthesia	3%	3%	0%
Blood and blood products	2%	2%	0%
Other services	2%	0%	2%

Reimbursement for treatment services exceeding the contract volume, i.e. overtime work

The Health Insurance Fund pays overtime in outpatient treatment and day treatment with a coefficient of 0.7, and in inpatient specialised medical care with a coefficient of 0.3. The Health Insurance Fund assumes the agreed obligation to pay for treatment cases exceeding the total amount of obligations if the health care provider provides services to insured persons in excess of the total amount agreed upon the contract period.

Table 18. Treatment cases provided in excess of the contractual volume (in thousands of euros) and the number of treatment cases

	2022 actual		2021 actual		Change 2022 vs 2021	
	Amount	Number of treatment cases	Amount	Number of treatment cases	Amount	Number of treatment cases
Outpatient treatment	8 063	89 886	6 461	74 366	25%	21%
Day treatment	501	1 024	287	566	75%	81%
Inpatient treatment	566	623	592	742	-4%	-16%
Total	9 130	91 533	7 340	75 674	24%	21%

The proportion of medical services exceeding the contract amount in specialised medical care was 3% for treatment cases and 1% for the amount. Treatment invoices for overtime were submitted in all main specialties, the most in surgery (24,225 treatment cases) and the specialty of internal medicine (19,098 treatment cases), which were also the highest in amount (2 million and 2.3 million euros, respectively). Compared to 2021, the amount of overtime in treatment cases has increased by 21%, and the amount has increased by 24%. This is due to the fact that in the previous year, in 2021, planned treatment was limited due to the spread of the COVID-19 disease, and health care providers therefore submitted overtime invoices in the minimum amount. For comparison, in the period before COVID-19, i.e. in 2019, the volume of overtime for specialised medical care was almost 14 million euros, which shows that the capacity of health care providers is currently recovering.

Execution of the budget for special cases and treatment cases

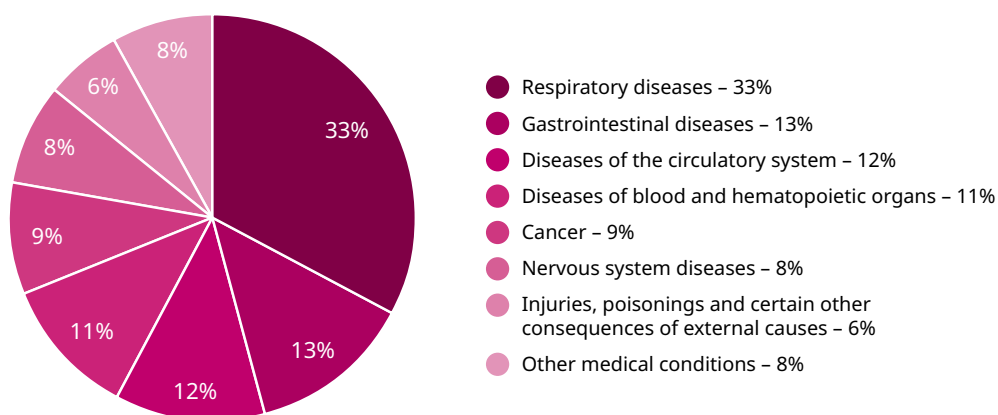
Special cases are specialised medical care services that do not fall under the main specialties of specialised medical care. The budget for special cases includes high-cost treatment cases and other special cases – organ transplantation, bone marrow transplantation, childbirth, haemodialysis, peritoneal dialysis, endoprostheses, infertility treatment, cochlear implants and cataract surgeries.

High-cost treatment cases

From 1 April 2020, a treatment invoice with a cost of at least 104 thousand euros for regional hospitals and at least 73 thousand euros for other health care providers is considered a high-cost treatment invoice.

In 2022, health care providers submitted 72 high-cost treatment cases in the amount of 12 million euros to be reimbursed. Among the main diagnosis groups, high-cost treatment cases were the most frequent for respiratory diseases (33%) and gastrointestinal diseases (13%). The biggest number of high-cost treatment cases occurred at the North Estonia Medical Centre (24 cases) and Tartu University Hospital (20 cases).

Figure 2. Distribution of funding for high-cost treatment cases by health conditions



Other special cases

Other special case is an earmarked case for financing and the content of such service is described in the treatment financing agreement published on the website of the Health Insurance Fund.

In 2022, we paid for special cases of 50,856 people, which is 17,355 fewer people than in 2021. The number of people was the highest in cataract surgeries and births.

Table 19. Execution of the budget for other special cases (in thousands of euros) and the number of treatment cases

	2022 actual		2022 budget		Execution of the budget		2021 actual		Change 2022 vs 2021	
	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases
Childbirths	19 528	11 245	22 055	13 372	89%	84%	20 067	12 712	-3%	-12%
Endoprostheses	20 282	3 903	22 148	4 329	92%	90%	17 363	3 468	17%	13%
Haemodialysis	14 279	4 970	13 415	4 735	106%	105%	13 238	4 747	8%	5%
Cataract surgeries	11 271	18 422	10 855	18 027	104%	102%	9 668	16 733	17%	10%
Infertility treatment	3 190	3 444	2 338	2 665	136%	129%	3 060	3 427	4%	0%
Bone marrow transplantation	2 733	323	2 638	397	104%	81%	2 852	376	-4%	-14%
Organ transplantation	1 530	158	2 196	222	70%	71%	1 239	153	23%	3%
Peritoneal dialysis	949	545	966	550	98%	99%	1 054	596	-10%	-9%
Hearing implants	536	25	400	31	134%	81%	534	26	0%	-4%
Influenza vaccination	110	14 135	-	-	-	-	96	3 526	15%	301%
War refugees - specialised medical care	701	9 180	41 200	-	2%	-	-	-	-	-
Total	75 109	66 350	118 211	44 328	64%	150%	69 171	45 764	9%	45%

In 2022, more than 19,100 cataract surgeries were performed on 12,725 people. The number of people operated on has increased by 8% and the number of surgeries has also increased by 11%, i.e. 1,823 surgeries were performed more than in the previous year.

Slightly more endoprostheses were performed during the accounting period than in the same period of the previous year. While in 2021, 3,640 endoprosthesis surgeries were performed on 3,344 people, in 2022, 4,405 surgeries were performed on 3,764 people.

In 2022, we financed births in a 3% smaller amount than at the same time the previous year: while in 2021, we financed 12,712 birth treatment cases, the number was 11,245 in 2022.

Execution of the budget for periodic fees

In 2022, the Health Insurance Fund paid a total of 60 million euros for standby and periodic fees (55 million in 2021).

In 2022, we paid a total of 3.4 million euros as **specialised medical care monthly fee**, which is nearly 400 thousand euros more than the previous year. We paid specialised medical care monthly fee to Hiiumaa Hospital where the budget-based financing model is being implemented since 1 April 2018. The change in the remuneration method has been justified in the case of Hiiumaa Hospital as it ensures the continued provision of specialised medical care and people's satisfaction. The purpose of introducing a budget-based financing principle is to ensure the sustainability of a hospital in a region with small a population and difficult access, and to continue providing people with medical care in their home place. According to the new system, the Health Insurance Fund pays to Hiiumaa Hospital on the basis of a budget, which means that the Health Insurance Fund does not purchase services from the hospital by treatment cases or by services.

In 2022, **standby fees** were paid in the amount of nearly 57 million euros, i.e. nearly 3 million euros more than the previous year.

The cost of standby fees was affected the most by financing of the emergency medical department, the principles of which were added to the list of health services as of 1 January 2020. In 2022, the Health Insurance Fund paid a total of 36 million euros (33 million euros in 2021) as standby fees of emergency medical care.

Since 2020, the Health Insurance Fund has taken over the tasks of the state-regulated transplant institution. To this end, the financing model of the national transplant centre has been updated and standby fee of the transplant centre has been included in the list of health services. In 2022, the Health Insurance Fund paid 582 thousand euros as standby fees of the transplant centre.

Availability of specialised medical care

As of December 2021, contract partners no longer submit regular reports on the waiting list to the Health Insurance Fund.

Medical institutions are obligated to provide the Health Information System with information on all bookings and visits made at the medical institution, which must be linked to a specific referral if available. Based on these data, the Health Insurance Fund in cooperation with the Health and Welfare Information Systems Centre (TEHIK) has compiled a new report on waiting times. Waiting times are measured from the time of booking until the appointment and are presented as median waiting times. In addition, the proportion of appointments with a waiting time of 42 days can be highlighted. The new data make it possible to estimate waiting times for all medical institutions providing specialised medical care. Also regarding the fields/specialties and regarding each service (appointment of a corresponding medical specialist and nurse), including access to a doctor's appointment via teleconsultation.

As data on availability is calculated automatically, contract partners no longer submit regular reports on the waiting list to the Health Insurance Fund. The new report is also available on the website of the Health Insurance Fund, which shows the median waiting times of medical institutions offering outpatient specialised medical care.

In 2022, almost 1.7 million bookings, incl. bookings made via e-consultation, were made for all primary appointments of a doctor, nurse and midwife of outpatient specialised medical care. The majority, i.e. 80%, of bookings were made at hospitals of the hospital network development plan.

Waiting time for outpatient medical care has slightly increased in 2022. The increase in the number of outpatient appointments in 2022 had an effect on the increase in waiting times – the number of appointments has increased by 4%, i.e. 136,400 appointments, compared to the previous year. The increased number of outpatient appointments indicates the improved capacity of the medical institution. Additional funds funnelled into contracts also play their part in this. Unfortunately, a large number of people still wait more than six weeks to get treatment. In conclusion, it can be said that both the number of people receiving treatment and the number of people waiting for treatment have increased.

According to the data of the Health Information System, initial bookings with a waiting time of up to 42 days constituted 74% in 2022. A year earlier, this indicator was 78%. Initial bookings with a waiting time of up to 42 days at regional hospitals constituted 65%, at central hospitals 72%, and at general hospitals and local hospitals 82%. Availability has slightly deteriorated in hospitals of all hospital types. The number of initial bookings with a waiting time of up to 42 days at contract partners has also decreased: from 85% to 83%.

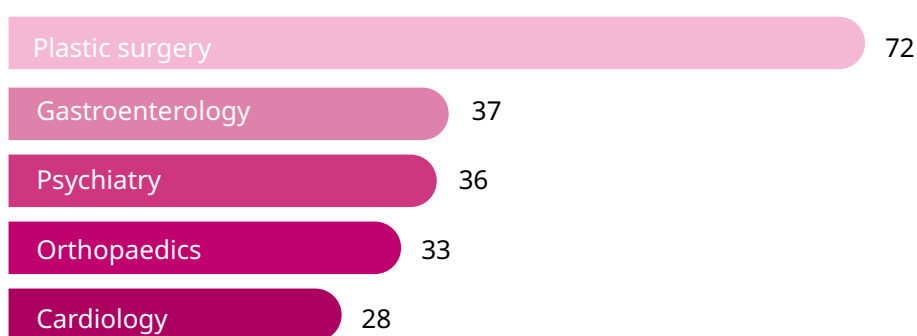
There have been no major changes in waiting lists of specialties. Waiting times are longer usually in narrower specialties (areas) of specialised medical care. In 2022, the longest waiting times were in neurosurgery (average waiting time 58 days) and allergology-immunology (53 days). The wait was also longer in mammology (average waiting time 49 days), medical genetics (average waiting time 47 days), cardiac surgery (average waiting time 44 days) and gastroenterology (41 days).

Similar to 2021, mental health was under special attention in 2022. In the area of psychiatry, first bookings with a waiting time of up to 42 days accounted for 65% in 2022. A year earlier, this indicator was 72%. Hospitals and clinics have made efforts in recent years to make access to a mental health nurse available. It is the nurse who administers the initial assessment and, if necessary, refers the patient to a psychiatrist. In this area, patient treatment has changed since 2021. The proportion of mental health concerns in society has increased, which is understandable given that the pandemic situation has lasted for more than two years. Hospitals have responded to this by making the mental health nurse as the primary contact, meaning that people no longer turn directly to the psychiatrist themselves very often. This is also illustrated by the number of bookings made in the area of psychiatry – their number has fallen from 52,394 bookings in 2021 to 46,000 bookings in 2022.

Figure 3. Median waiting times registered in waiting lists of hospitals of the hospital network development plan



Figure 4. Median waiting times registered in waiting lists of partners outside the hospital network development plan



Performance of specialised medical care contracts

Table 20. Performance of specialised medical care contracts (in thousands of euros)

	2022 contract		Performance of the 2022 contract		2021 contract		Performance of the 2021 contract	
	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases
Hospitals of the hospital network development plan	883 762	2 395 702	100%	104%	805 896	2 415 249	100%	102%
Regional hospitals	480 821	1 013 297	100%	107%	440 017	1 040 990	100%	103%
Central hospitals	282 958	938 916	100%	103%	260 060	941 880	100%	103%
General hospitals, local hospital, rehabilitation hospital	119 983	443 489	98%	103%	105 819	432 379	98%	100%
Partners outside the hospital network	54 206	466 340	104%	108%	43 195	460 356	102%	104%
Total	937 968	2 862 042	100%	105%	849 091	2 875 605	100%	103%

Compared to 2021, the amount paid to hospitals of the hospital network development plan increased by 10% and the number of treatment cases increased by 1%. The amount paid to partners outside the hospital network increased by 29%, and the number of treatment cases increased by 5%. The Health Insurance Fund outsources specialised medical care services from the private sector in an increasing volume.

The amounts paid to **regional hospitals**, (North Estonia Medical Centre, Tallinn Children's Hospital and Tartu University Hospital) increased by 9% in 2022 compared to the previous year, the number of treatment cases increased by 2% compared to 2021. The treatment cases of regional hospitals constituted 36% and the amount constituted 51% of the total performance of specialised medical care contracts.

The amounts paid to **central hospitals** (East Tallinn Central Hospital, Ida-Viru Central Hospital, West Tallinn Central Hospital, Pärnu Hospital) increased by 8% in 2022 compared to the previous year, the number of treatment cases provided in central hospitals increased by 1% compared to 2021.

General hospitals, local hospital, and rehabilitation hospital (Hiiumaa Hospital, Järvamaa Hospital, Kuressaare Hospital, South Estonian Hospital, Läänemaa Hospital, Narva Hospital, Põlva Hospital, Rakvere Hospital, Raplamaa Hospital, Viljandi Hospital, Jõgeva Hospital and Haapsalu Neurological Rehabilitation Centre) administered 6% more treatment cases than in 2021, and the amount paid increased by 13% in 2022 compared to the previous year. In 2022, the proportion of treatment cases of general hospitals and local hospitals constituted 15% and the amount constituted 13% of the total performance of specialised medical care contracts.

Partners outside the hospital network provided 5% more treatment cases than in 2021, and the amount paid increased by 29% in 2022 compared to the previous year. In 2022, the proportion of partners outside the hospital network in the performance of specialised medical care contacts is 17% with regard to treatment cases and 6% with regard to the amount.

1.4 Nursing care

The purpose of nursing care is to help a patient achieve or maintain the best possible quality of life and coping. Patients in need of nursing care are those who are not able to independently cope with various disorders and disabilities caused by chronic diseases. These are mostly elderly people.

Nursing care services are becoming more available to the population, as nurses have started providing independent appointments, also home nursing services and nursing care in primary care centres have expanded.

Caregiving is a subject of both the health care and care systems. The Health Insurance Fund finances nursing care service provided by various health care providers.

Below, nursing care includes the services provided according to the patient's need as a health service both as inpatient (nursing care at the hospital or care institution) and outpatient (home nursing) care also as nursing service at a general care home. This does not include home nursing services provide by nurses at primary care centres and in primary care nor services provided by nurses in specialised medical care (incl. independent appointments).

In the development of nursing care, the key word for the coming years is qualitative growth. In cooperation with the Ministry of Social Affairs, we are developing common principles and guidelines for assessing the need for care assistance and nursing care, and in this regard, we have planned additional resources for inpatient nursing care. In the development of nursing care, the priority of the Health Insurance Fund continued to be improving the availability of the home nursing service, thereby reducing the burden of active treatment.

In 2022, we continued to finance nursing services in general nursing homes. A general care service provided outside a person's home is a social service organised by the local government, the purpose of which is to ensure a safe environment and coping for an adult who, due to their health conditions, ability to function or the living environment, is temporarily or permanently unable to cope independently at home. The goal is that all people living in nursing homes are covered by nursing services. In 2022, the development of the 3N electronic nursing documentation concept continued, which was financed from the funds of the innovation fund of the Health Insurance Fund in the amount of 386 thousand euros.

From 2020, hospice care is also financed as part of the inpatient nursing care service. As at the end of 2022, inpatient hospice care is provided by five hospitals with a total of 44 beds.

Table 21. Execution of the budget for nursing care (in thousands of euros) and the number of treatment cases

Service	2022 actual		2022 budget		Execution of the budget		2021 actual		Change 2022 vs 2021	
	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases
Home nursing	10 914	42 367	11 716	41 357	93%	102%	9 538	41 570	14%	2%
Inpatient nursing care	43 992	19 318	44 962	20 215	98%	96%	34 126	17 463	29%	11%
Nursing care in general care services	6 399	71 324	6 501	–	98%	–	5 426	70 027	18%	2%
Total	61 305	133 009	63 179	61 572	97%	216%	49 090	129 060	25%	3%

The budget for nursing care in 2022 was planned at over 63 million euros, however, the actual amount of funding was over 61 million euros, which is 3% lower than planned. Compared to 2021, the financing of the service increased by 25%.

In 2022, we financed the nursing care service of more than 28,714 people. The number of people who received the service increased by about 4% compared to the previous year. The number of people receiving the service has increased in all nursing services, the most in inpatient nursing care by 1,036 people, i.e. 9%.

Home nursing service was provided to 9,871 people and 280,874 home nursing visits were made. The number of persons who received the service has increased by 2% compared to the previous year. At the same time, home nursing service was also offered at health centres – it was provided more than 40,000 times, which is 22% more compared to the previous year.

Nursing services were provided to 10,844 people in general nursing homes – compared to the previous year, 500 more people received the service.

Performance of nursing care contracts

Table 22. Performance of nursing care contracts (in thousands of euros) and the number of treatment cases

	2022 contract		Performance of the 2022 contract		2021 contract		Performance of the 2021 contract	
	Amount	Number of treatment cases	Amount	Number of treatment cases	Amount	Number of treatment cases	Amount	Number of treatment cases
Hospitals of the hospital network development plan	30 737	26 350	95%	99%	27 204	25 571	87%	94%
Regional hospitals	5 980	5 565	88%	90%	4 857	4 379	90%	96%
Central hospitals	12 101	7 763	94%	99%	11 041	8 125	87%	89%
General hospitals, local hospital	12 656	13 022	98%	102%	11 306	13 067	87%	97%
Partners outside the hospital network	26 494	32 289	97%	110%	20 437	33 717	97%	103%
Total	57 231	58 039	96%	105%	47 641	59 288	92%	100%

As at 31 December 2022, the Health Insurance Fund had 103 contract partners for nursing service, including 76 contract partners for general care service of nursing care. As at 31 December of the previous accounting year, the Health Insurance Fund had 98 contract partners for nursing services.

Compared to 2021, the amount paid to the hospitals of the hospital network development plan for nursing care services increased by 22%, while the number of treatment cases increased by 1,872 cases. The performance of contracts entered into with partners outside the hospital network increased by nearly 6 million euros compared to 2021, 2% more treatment cases were provided.

1.5 Dental care

Our goal is to gradually increase the availability of dental services and benefits, taking into account people's needs related to their age and treatment specificity. The majority of dental care services is made up of planned dental care for adults and dental care for children under the age of 19. Some groups of society (children, the elderly and disabled people) have received treatment benefits at a rate higher than healthy adults, and dental care for people with poor dental hygiene is free of charge.

The priority for 2022 was to harmonise and improve the prevention of children's dental diseases and access to treatment services. To this end, we simplified entry into the contract for dental care for children to increase regional coverage. The activities of the children's dental health project focused on information work, the focus of which was on dental care at home. In addition to preventive activities, health promotion projects aimed at family nurses and school nurses, which support preventive activities, also continued.

The most significant changes made to the list of health services that took effect from 2022 and influenced the 2022 budget and execution of the budget are as follows:

- the opportunities for free dental care were extended to haematological and oncological patients who have a significantly increased need for dental care due to the underlying disease;
- orthodontic treatment was made possible for people older than 19 years who have cleft lip and palate, other congenital malformations of the maxillofacial system, or rare diseases. This is necessary because these indications require treatment at a later age;
- the target group of people receiving dental care benefit at an increased rate was extended to the unemployed and people receiving subsistence benefit.

When preparing the budget for 2022, two rates were used for dental care benefit – benefit rate for adults, which is 40 euros per year with a 50% co-payment, and the increased rate paid to pregnant women, mothers of children under 1 year of age, persons receiving pension for incapacity for work and old-age pensioners, people with partial or no capacity for work, people with increased dental care needs, and people registered as unemployed since 2022 and people receiving subsistence benefit.

The increased benefit rate was 85 euros and co-payment was 15%. The Health Insurance Fund takes over the obligation to pay for the dental prosthesis service for persons receiving pension for incapacity for work, old-age pensioners, people with partial or no capacity for work and people over 63 years of age, all with health insurance, in the amount of up to 260 euros over three years.

Table 23. Execution of the budget for dental care (in thousands of euros) and the number of treatment cases

	2022 actual		2022 budget		Execution of the budget		2021 actual		Change 2022 vs 2021	
	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases
Prevention and treatment of children's dental diseases	32 760	363 709	30 216	380 120	108%	96%	27 181	333 824	21%	9%
Orthodontics	10 026	77 724	9 215	84 331	109%	92%	8 960	76 941	12%	1%
Emergency dental care for adults	1 969	24 020	2 367	22 191	83%	108%	1 954	25 031	1%	-4%
Planned dental care for adults	27 320	551 951	28 715	412 939	95%	134%	23 842	510 333	15%	8%
Planned dental care	168	214	127	201	132%	106%	111	196	51%	9%
Life-long dental care	383	2 925	242	2 040	158%	143%	232	2 013	65%	45%
Non-monetary dental care benefit	19 343	498 154	19 191	368 698	101%	135%	16 289	457 771	19%	9%
Non-monetary benefit for dentures	7 379	50 341	7 700	42 000	96%	120%	7 210	50 353	2%	0%
Hospital treatment – dental care	0	0	55	0	0%	–	0	0	–	–
Orthodontics	47	317	1 400	0	3%	–	0	0	–	–
Standby fee	47	8	46	8	102%	100%	41	8	15%	0%
Total	72 122	1 017 412	70 559	899 589	102%	113%	61 978	946 137	16%	8%

In 2022, the Health Insurance Fund paid a total of 72 million euros for people's dental care services and benefits, which is 16% more than the year before. The budget for dental care was exceeded by 1.5 million euros (2%). More than half a million people visited the dentist; the number of children who used dental care services increased the most – 15,000 more children visited the dentist than the year before.

The use of dental care has increased in large part because due to the widespread spread of the COVID-19 disease, people postponed dental care and used services in 2022, when the pandemic spread of the disease was no longer so great and vaccination provided confidence. The increase in the use of dental care services was also affected by the increase in the number of contract partners.

On the other hand, we cannot fail to mention the amount paid for services provided to war refugees. Dental care services were provided to 4,592 Ukrainian war refugees for 1.3 million euros, including 4,290 children under the age of 19 years.

Prevention and treatment of children's dental diseases

Dental care for children at contract partners of the Health Insurance Fund is financed according to the price list established by the Health Insurance Fund. Dental care for children is free of charge in Estonia, i.e. the Health Insurance Fund pays for the dental care of insured persons under 19 years of age.

In 2022, there were a total of 299,543 children aged 3–19 years of age of whom 148,456, i.e. 64% of the target group, visited the dentist in 2022. In 2022, the coverage increased by 6% compared to the previous year (in 2021 the coverage was 59%). In 2022, 4,259 Ukrainian war refugee children and young people were among those who received the service. The coverage of 6–8-year-old children was the highest, 77%, which increased by 5% compared to the previous year. This shows that school-aged children are taken to the dentist quite often. However, the coverage is decreasing among adolescents aged 14 to 19 years.

In 2022, the coverage was the highest in Saare, Võru and Jõgeva Counties (64%), Tartu County (63%) and Lääne County (62%), and the lowest in Lääne-Viru County (53%) and Ida-Viru and Valga Counties (54%).

Orthodontics

The Health Insurance Fund also pays for children's orthodontics services (including braces), but only for specific cases.

In 2022, the Health Insurance Fund financed orthodontic services for 20,472 children for 10 million euros. The number of children receiving orthodontic services remained at the same level as the previous year. In 2022, 84 Ukrainian war refugee children and young people were among those who received the service. 92% of children's orthodontic treatment cases were completed.

Emergency dental care for adults

All adults have the right to free emergency dental care, whether or not they have health insurance. Free dental care is provided if the postponement or non-provision of care could result in the death or permanent damage to the health of the person in need. Compared to the previous year, the financing of emergency dental care for adults remained almost at the same level, within 2 million euros.

In 2022, 18,670 people used emergency dental care for adults for nearly 2 million euros, including 302 Ukrainian war refugees.

Planned dental care for adults

Planned dental care for adults includes planned dental care for adults, life-long dental care and non-monetary dental and dentures benefits.

Last year, the Health Insurance Fund reimbursed planned dental care for adults for 27 million euros. In 2022, a total of 362,372 people used dental care benefits for adults, i.e. 44,000 more than the year before. At the same time, more than 207,500 people used the 40-euro dental care benefit, and more than 158,600 people used the 85-euro benefit, which is intended for people with an increased need for dental care. The number of people who used the benefit at the increased rate (85 euros) has increased the most, i.e. by 26,900 people. More than half of this increase is made up by the unemployed registered with the Unemployment Insurance Fund and recipients of subsistence benefit – these target groups can use the 85-euro dental benefit from 1 January 2022.

The amount of non-monetary compensation for dentures is 260 euros for one person over three years. In 2022, 38,745 people used the benefit for dentures for adults, i.e. 818 people more than the year before.

In addition to the reformed dental care benefit for adults, the Health Insurance Fund expanded free dental care for people with severe physical and mental disabilities who are unable to take care of their dental hygiene from 2019. The Health Insurance Fund pays for the dental care of these people in full, i.e. they will have free dental care for the rest of their life. 141 people used the service in its first year of launch, 427 people in 2020, 623 people in 2021, and 906 people in 2022.

Performance of dental care contracts

Table 24. Performance of dental care contracts (in thousands of euros) and the number of treatment cases

	2022 contract		Performance of the 2022 contract		2021 contract		Change 2022 vs 2021	
	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases	Amount	Treatment cases
Hospitals of the hospital network development plan	4 482	53 273	90%	85%	4 013	50 840	91%	87%
Regional hospitals	2 506	32 546	91%	84%	2 151	29 683	91%	87%
Central hospitals	1 528	15 612	92%	90%	1 439	16 029	91%	89%
General hospitals, local hospital	448	5 115	83%	75%	423	5 128	87%	83%
Partners outside the hospital network	42 161	452 447	98%	94%	36 089	433 197	97%	91%
Total	46 643	505 720	97%	93%	40 012	484 037	96%	90%

Compared to 2021, the amount paid for dental care increased by 18% – 11% in hospitals of the hospital network development plan and 19% in partners outside the hospital network.

In 2022, the performance of dental care contracts was affected the most by the addition of new partners. In 2022, the Health Insurance Fund received 26 partners for dental care for children under an initial annual contract, which further increased the availability of free dental care for children. In dental care for adults, 19 contract partners were added.

1.6 Emergency medical care

From 2019, contracts with the emergency medical care providers are entered into and the emergency medical care service is paid for under the terms and conditions set out in the Health Services Organisation Act by the Health Insurance Fund. As at 31 December 2022, there were 10 service providers and 102 ambulance crews in emergency medical care.

Table 25. Execution of the budget for emergency medical care (in thousands of euros)

	2022 actual	2022 budget	Execution of the budget	2021 actual	Change 2022 vs 2021
Total emergency medical care	67 109	68 417	98%	61 392	9%

More than 68 million euros were planned for the emergency medical care service for 2022. Compared to what was planned, the actual financing of emergency medical care was lower by 2%, i.e. 1.3 million euros. This is despite the fact that additional ambulance crews were used in the first half of the year for the initial medical examination of Ukrainian war refugees and due to the high spread of COVID-19.

In 2022, there were a total of 298,564 calls for emergency medical care. In 2022, the number of calls decreased by 3%, i.e. 9,216 calls, compared to the previous year. On average, emergency medical care received more than 24,880 calls in one month, the most in January (27,929 calls). The lower number of calls was mainly due to the reduction in the disease burden of COVID-19 from March 2022.

By the order of the Health Board, emergency medical care can use additional reduced ambulance crews in responding to calls. In 2022, 33 additional ambulance crews were added to respond to calls – five additional ambulance crews with reduced staff were added in January, nine additional ambulance crews were added in February, five in March, four in April, five in May, three in June, two in August, one additional ambulance crew in November and December. Additional ambulance crews were used to carry out and transport COVID-19 tests and from the beginning of March, to carry out initial medical examinations of Ukrainian war refugees. Six additional ambulance crews and two temporary one-day ambulance crews handled their initial medical examinations.

1.7 Emergency treatment of uninsured persons

From 2019, the Health Insurance Fund is financing emergency treatment of uninsured persons. This includes treatment of the coronavirus in the hospital and COVID-19 tests prescribed by the family physician.

Table 26. Execution of the budget for emergency treatment of uninsured people, in thousands of euros

	2022 actual	2022 budget	Execution of the budget	2021 actual	Change 2022 vs 2021
Total emergency treatment of uninsured persons	11 947	13 477	89%	9 263	29%

A total of 49,485 people received treatment in 2022 (51,576 people in 2021) and we paid nearly 12 million euros, i.e. 29% more than the previous year, for their treatment invoices. The budget planned for the medical service of uninsured persons was executed by 89%.

Compared to 2021, the number of people who received emergency treatment decreased by 4%, i.e. by 2,091 people. Compared to the previous year, the number of uninsured people who needed outpatient treatment decreased the most.

Emergency medical care is available to all people in Estonia, including Ukrainian war refugees who have arrived in Estonia or people who are in transit here. As at 31 December 2022, 7,611 people with Ukrainian citizenship (Ukrainian national identification) had been invoiced for emergency treatment, of whom 3,077 people were provided with emergency medical care and 4,534 people underwent medical examinations. The Health Insurance Fund paid a total of 649 thousand euros for the emergency medical care of Ukrainian war refugees.

1.8 Reimbursement of the cost of personal protective equipment

As at 1 September 2020, the Health Insurance Fund reimbursed additional costs of personal protective equipment and disinfection incurred during the spread of a new, particularly dangerous infectious disease. While we previously reimbursed based on the limit, starting from 1 July 2022, we are paying health care providers for personal protective equipment for COVID-19 on a service-by-service basis based on the list of health services.

This restored the situation preceding the spread of the COVID-19 disease, i.e. the cost of personal protective equipment presented as separate invoices; waste treatment and disinfectants required for handling thereof are included as a separate component in the service prices.

Table 27. Execution of the budget for personal protective equipment (in thousands of euros)

	2022 actual	2022 budget	Execution of the budget	2021 actual
Total compensation for personal protective equipment	810	13 272	6%	22 757

In 2022, we reimbursed personal protective equipment for a total of 810 thousand euros from the budget for health services. The actual cost of purchasing personal protective equipment was more than 12 million euros lower than planned. This is because the disease burden of COVID-19 gradually decreased from the second quarter of 2022, and medical institutions had already acquired a sufficient supply of personal protective equipment in the previous years of the COVID-19 health crisis.

1.9 Coercive psychiatric treatment

Until 2022, the Health Insurance Fund checked all treatment invoices for coercive psychiatric treatment and emergency psychiatric care and paid for the provision of emergency psychiatric care, including involuntary psychiatric care, for uninsured people.

Starting from October 2022, in addition to the above services, the Health Insurance Fund is also paying for prescribed coercive psychiatric treatment, i.e. involuntary treatment, thus harmonising the financing of health services. Thus, from October 2022, all psychiatric care services are included in the services financed through the list of health services. Previously, the costs of coercive psychiatric treatment were covered through the Ministry of Social Affairs.

Table 28. Execution of the budget for coercive treatment (in thousands of euros)

	2022 actual	2022 budget	Execution of the budget	2021 actual
Total coercive treatment	1 259	2 600	48%	-

In 2022, we paid a total of more than 1.2 million euros for coercive psychiatric treatment services of 138 people, which is more than 1.3 million euros less than planned. As the financing of coercive treatment was planned in the budget of the Health Insurance Fund from July 2022 but the actual financing started from October, the execution of the budget was less than planned.

2. Health promotion

The area of health promotion has been receiving more and more attention every year, as there is a growing awareness of the importance of health promotion activities in disease prevention. In connection with this, funds for promotion have also been increasing every year.

The 2022 budget for health promotion increased by 12%, i.e. 500 thousand euros. The 2022 budget for the area of health promotion was a total of 4.5 million euros, of which 2.4 million euros, i.e. 53%, had been used as of the end of the year.

Table 29. Execution of the budget for health promotion (in thousands of euros)

Action	2022 actual	2022 budget	Execution of the budget	2021 actual	Change 2022 vs 2021
Activities aimed at children's health development	627	1 250	50%	597	5%
Activities aimed at raising patients' awareness	1 162	2 100	55%	1 098	6%
Development of the health care system	630	1 200	53%	547	15%
Total	2 419	4 550	53%	2 242	8%

With regard to the **activities aimed at the healthy development of children and young people**, we continued with health promotion projects, such as health promotion in kindergarten and school, promotion of oral health and mental health of children and young people, online sexual counselling and pregnancy crisis counselling. The children's oral health campaign "Send the child to the dentist!" was carried out, the purpose of which was to remind of the most important rules of oral health and encourage children to visit the dentist once a year.

In May, the Suukool dental cleaning app was completed, which helps to develop the habit of brushing teeth and teaches children to take care of their oral health properly. In the second half of September, the app publicity campaign took place in outdoor media, social media and online platforms. We also distributed toothbrushes and toothpaste to specialised schools, shelters and to children from underprivileged families through the Food Bank.

With regard to the **activities aimed at patient awareness**, we organised media support for the vaccination campaign "The third boosts security" (in cooperation with the Ministry of Social Affairs) and the mental health campaign "Balance is the main thing" (in cooperation with project partner peaasi.ee).

In addition, we paid a lot of attention to heart health. In February, in cooperation with the Sport Volunteers Movement in Estonia, we organised a digital media campaign with the call #sõbersportima. In April, as part of the Heart Month, we organised an example campaign related to movement, which, like last year, was aimed at increasing the physical activity of children and young people and developing health awareness. As part of a campaign focusing on yard games and outdoor exercise, the Health Insurance Fund, in cooperation with the Estonian Football Association and the University of Tartu Research Group of Physical Activity for Health, encouraged families, schools and hobby schools to play yard games and spend time together in fresh air. We published all the recordings of yard games on the campaign's website www.liigun.ee and also awarded participants with personal diplomas and souvenirs.

We started small-scale outreach work related to screenings already at the beginning of the year – we distributed information materials to family physicians and hospitals of the hospital network development plan and continued cooperating with pharmacies belonging to the Union of Estonian Pharmacists in the field of outreach. In May, the breast cancer screening awareness campaign "You are the keeper of your breast" took place, and we started sending out SMS notifications to inform the target group of women about the arrival of the mammography bus in their area of residence. The breast cancer screening campaign was joined by Estonia's largest retail chains, who shared the call for breast cancer screening with their employees and customers. We also began working with county health promoters to expand screening outreach.

We developed a long-term communications and marketing strategy aimed at harmonising messages to the public, creating a visual end-to-end solution for national screening publicity campaigns. The awareness campaign "Life is ahead. Come for screening when it's your year" launched in November, inviting people in the target group to participate in breast, cervical and colorectal cancer screening.

We paid attention to men's health, and as a collaborative project we prepared the six-part programme series "Mehed, hakkame elama!", which talks about men's mental and physical health. We also cooperated with the Ministry of Social Affairs and the National Institute for Health Development to support the preparations for the new season of the programme "Selge Pilt" on the topic of prevention and promotion of mental health.

From 1 June 2022, communication and information campaigns related to vaccination are organised by the Health Insurance Fund. In July, the information campaign "Corona does not rest in the summer" was launched to remind, in particular, the risk groups and unvaccinated people of the necessity of vaccination against COVID-19 during the summer months. We conducted a focus group study among Ukrainian war refugees with the aim of finding out the best channels for informing war refugees. In December, we started a new vaccination campaign for COVID-19 with the message "Safer with the vaccine". In the campaign, we juxtaposed safety elements with the vaccine, such as a helmet, reflector, seat belt, and a condom.

In activities aimed at **developing the health care system**, activities related to treatment guidelines, clinical audits and treatment quality indicators were central. In cooperation with PricewaterhouseCoopers, we analysed the activities of the Health Insurance Fund related to ensuring the quality of treatment. The Health Insurance Fund also put together a working group for follow-up activities of treatment quality indicators at the beginning of 2022. Its aim is to agree on which indicators are still relevant and to map bottlenecks in clinical work, their causes and follow-up activities for quality improvement based on the calculated results. In 2022, we developed monitoring indicators for the following treatment guidelines: "Diagnosis and treatment of Alzheimer's disease", "Management of pulmonary and extrapulmonary tuberculosis", "Diagnosis and treatment of varicose veins of the leg and chronic venous insufficiency", "Management of bariatric patients before and after surgical intervention" and "Prevention and management of chronic kidney disease". In addition to the indicators, a target selection of the rationale for outpatient dressing and an audit of the rationale for orthopaedic MRI scans of people with orthopaedic diseases were completed.

3. Pharmaceuticals

Pharmaceuticals and vaccines are expensive, and as such, the Health Insurance Fund helps to partially or fully pay for them. Offering pharmaceutical benefit, i.e. paying for pharmaceuticals in full or partially, is one way to ensure that people have access to affordable pharmaceuticals. This helps to prevent a situation where the patient does not commence with treatment or stops taking the pharmaceutical due to its high cost.

The Health Insurance Fund finances and procures medications, vaccines and immunoglobulins to control infectious diseases. In addition, the Health Insurance Fund organises and finances public procurement for antidotes, which are used to ensure the treatment of the most common cases of poisoning in emergency medical departments.

The most important changes in the list of health services and reimbursable pharmaceuticals that entered into force in 2022 that affected the budget for 2022 and execution of the budget as well as co-payment of an insured person:

- the pharmaceutical arsenal of haematologists in the treatment of true polycythaemia, chronic lymphocytic leukaemia, multiple myeloma, acute myeloid leukaemia and mantle cell lymphoma was significantly expanded;
- a significant addition was made to the selection of reimbursable pharmaceuticals for various solid tumours (prostate tumour, breast tumour, adjuvant treatment of melanoma, head and neck tumour, lung tumour, liver cancer, liposarcoma, ovarian tumour);
- the selection of pharmaceuticals for multiple sclerosis was supplemented with several new treatment options;
- among rare diseases, patients with spinal muscular atrophy and homocystinuria received a new treatment option for the first time;
- the target group of patients receiving free flu vaccines expanded (children and expectant mothers);
- at the end of the year, the first oral COVID-19 medication arrived in Estonia;
- we reimburse esketamine nasal spray for the treatment of severe depression;
- we continued with the course of action that aims to make pharmaceuticals that were previously only given to patients in the hospital available from retail pharmacies on the basis of a prescription. In the process, we have aimed for and achieved significant price reductions in negotiations with the pharmaceutical industry.

In 2022, in cooperation with hospitals, we continued to procure pharmaceuticals jointly, resulting in saving an estimated 0.7 million euros in the budget for financing pharmaceuticals in 2022, which we directed to the acquisition of new pharmaceuticals and financing new pharmaceutical services.

In 2022, the field of pharmaceuticals was significantly affected by difficulties in the supply of various pharmaceuticals. The role of the Health Insurance Fund in such cases is to quickly organise the reimbursement of substitute medications (which often do not have a marketing authorisation) in exceptional circumstances. Thousands of patients are affected by supply difficulties.

In 2022, the Health Services Organisation Act was amended, which transferred the organisation of the storage and logistics service of publicly procured pharmaceuticals from the Health Board to the Health Insurance Fund. For this purpose, we organised a public procurement to find a partner on the private market, and the public contract was awarded to Magnum Logistics OÜ. We also obtained a limited wholesale license, i.e. a wholesale license without storage rights, for the Health Insurance Fund, developed an electronic ordering environment for customers in cooperation with a partner, trained people ordering pharmaceuticals, moved pharmaceuticals to a new warehouse in cooperation with a partner, and started fulfilling orders in December. By now, the new arrangement is working smoothly and the service has been well received by hospitals and family physicians.

Table 30. Execution of the budget for pharmaceuticals (in thousands of euros)

Pharmaceuticals	2022 actual	2022 budget	Execution of the budget	2021 actual	Change 2022 vs 2021
Costs of reimbursable pharmaceuticals for the insured	167 481	182 039	92%	158 159	6%
Additional benefit for pharmaceuticals	8 824	8 432	105%	7 994	10%
HIV and AIDS medications, antidotes and immune preparations	13 869	21 100	66%	17 820	-22%
Total	190 174	211 571	90%	183 973	3%

The budget for financing pharmaceuticals in 2022 was planned at 211 million euros, but the actual amount of financing ended up at 190 million euros, which is nearly 3% higher than in 2021. 90% of the planned budget was executed. The execution of the budget for the area of pharmaceuticals was significantly affected by difficulties in the supply of various pharmaceuticals and the delay in the arrival of oral COVID-19 medications in Estonia.

3.1 Pharmaceuticals to be reimbursed for insured persons

For reimbursable pharmaceuticals sold at a pharmacy, part of the prescription cost is paid by the Health Insurance Fund and the respective amount is automatically deducted at a pharmacy. For various diseases and pharmaceuticals, different discount rates apply that are established by the regulations of the Government of the Republic, the Minister of Social Affairs and the Minister of Health and Labour, which in turn are based on the Health Insurance Act.

In addition to the above, the Health Insurance Fund pays an additional benefit for pharmaceuticals to patients with higher need for pharmaceuticals and when the deductible part of reimbursable pharmaceuticals is significantly large. The Health Insurance Fund also finances the purchase of vaccines provided for in the immunisation plan and pays for tuberculosis medications, antiretroviral medications, antidotes and immunoglobulins.

Table 31. Number of reimbursable prescriptions (RP) and their average cost for the Health Insurance Fund, in euros

	2022 actual		2021 actual		Change 2022 vs 2021	
	Number of RPs	Average cost of RP for the Health Insurance Fund	Number of RPs	Average cost of RP for the Health Insurance Fund	Number of RPs	Average cost of RP for the Health Insurance Fund
100% reimbursable pharmaceuticals	1 082 869	79,62	1 010 441	81,84	7%	-3%
90% reimbursable pharmaceuticals	3 463 599	15,73	3 311 695	15,20	5%	3%
75% reimbursable pharmaceuticals	737 548	11,17	667 917	10,81	10%	3%
50% reimbursable pharmaceuticals	4 272 144	4,34	3 998 227	4,48	7%	-3%
Kokku	9 556 160	17,53	8 988 280	17,60	6%	0%

Table 32. Co-payment of an insured person, in euros

	2022 actual	2021 actual	Change 2022 vs 2021
100% reimbursable pharmaceuticals	4,37	4,21	4%
90% reimbursable pharmaceuticals	5,87	5,85	0%

75% reimbursable pharmaceuticals	7,91	7,80	1%
50% reimbursable pharmaceuticals	7,08	7,26	-2%
Total	6,40	6,44	-1%

The insured person's co-payment has decreased slightly, being 6.40 euros per average reimbursable prescription in 2022. In addition to the patient's share, the Health Insurance Fund paid 17.53 euros for the average reimbursable prescription.

Table 33. Diagnoses related to higher pharmaceutical benefits, in thousands of euros

	2022 actual		2021 actual	
	Reimbursed by the Health Insurance Fund	% of the total amount of pharmaceutical benefit	Reimbursed by the Health Insurance Fund	% of the total amount of pharmaceutical benefit
Diseases of the circulatory system (I00-I99)	34 418	21	32 205	20
Neoplasms (C00-D48)	28 472	17	29 527	19
Diabetes mellitus (E10-E14)	27 031	16	24 035	15
Diseases of the nervous system (G00-G99)	12 228	7	9 911	6
Obstructive pulmonary diseases (J43-J45)	8 612	5	9 069	6
Diseases of the musculoskeletal system and connective tissue (M00-M99)	7 827	5	7 107	4
Mental and behavioural disorders (F00-F99)	4 495	3	4 061	3
Viral hepatitis (B15-B19)	4 338	3	5 280	3
Other diseases in total	40 060	24	36 964	23
Total	167 481	100	158 159	100

Among reimbursable pharmaceuticals, we reimbursed the most pharmaceuticals for the treatment of diseases of the circulatory system, diabetes and diseases of the nervous system, where growth is among the fastest. Pharmaceuticals for tumour diseases also high up. Given the demographic processes and the focus of pharmaceutical development in the pharmaceutical industry, this could be expected.

Reimbursement of hospital pharmaceuticals from the budget for health services

The Health Insurance Fund reimburses the pharmaceuticals intended for hospital use and listed in the list of health services. Hospital pharmaceuticals are reimbursed through various price components in the list of health services, the main ones being separate pharmaceutical services (R-services), the estimated cost of the pharmaceutical component in health services (e.g. part of the bed day cost is used to purchase necessary basic pharmaceuticals in hospitals), etc.

Among the pharmaceuticals with a separate service code, the pharmaceuticals used to treat oncological and haematological diseases have the greatest impact on the budget (approximately 50%). In the second place, there are the biological pharmaceuticals used for various autoimmune diseases (rheumatic, dermatological, gastroenterological diseases, asthma, multiple sclerosis, etc.). We reimbursed them in the amount of approx. 12 million euros. This amount is decreasing because the prices of biological pharmaceuticals are getting cheaper and we are increasingly reimbursing them as reimbursable pharmaceuticals.

In 2022, we also purchased COVID-19 medications in a total amount of 5 million euros (remdesivir, monoclonal antibodies, tocilizumab).

Table 34. Funds of the budget for health insurance spent on pharmaceuticals (in thousands of euros)

	2022 actual	2021 actual	Change 2022 vs 2021
Pharmaceuticals to be reimbursed for insured persons	167 481	158 159	6%
Use of pharmaceutical codes in the list of health services	63 286	61 610	3%
Cost of pharmaceuticals in health services	15 654	15 885	-1%
Additional benefit for pharmaceuticals	8 824	7 994	10%
HIV and AIDS medications, antidotes and immune preparations	13 869	17 820	-22%
COVID-19 medications	4 679	7 065	-34%
Total	273 793	268 533	2%

In 2022, the Health Insurance Fund reimbursed pharmaceuticals for 274 million euros through various budget lines. This accounts for approx. 15% of health care costs.

3.2. Additional benefit for pharmaceuticals

Additional benefit for pharmaceuticals is helpful for patients who have many different pharmaceuticals in their treatment regimen, resulting in high pharmaceutical costs. Thanks to the digital prescription, the additional benefit for pharmaceuticals is automatically applied in the pharmacy along with the usual pharmaceutical discount when purchasing the medication. The discount applies to expenses that exceed 100 euros per calendar year and increases to 90% on expenses that exceed 300 euros.

Table 35. Additional benefit for pharmaceuticals (in thousands of euros)

	2022 actual		2022 budget	Execution of the budget	2021 actual		Change 2022 vs 2021	
	Amount	Number of people	Amount		Amount	Amount	Number of people	Amount
Total additional benefit for pharmaceuticals	8 824	154 455	8 432	105%	7 994	145 840	10%	6%

In 2022, additional benefit for pharmaceuticals has been used in the amount of nearly 9 million euros, i.e. 10% more than in 2021. The budget has been exceeded by 5%. In 2022, 154,455 people used the pharmaceutical benefit, i.e. nearly 9,000 people more than last year.

3.3. HIV medications, antidotes and immune preparations

In 2022, we started offering free flu vaccine to additional target groups – children, expectant mothers and students with chronic diseases.

We continued to supply hospitals with COVID-19 medications. For the first time, we obtained a monoclonal antibody for patients whose immunity remains deficient despite vaccination, i.e. very high-risk patients. We started sourcing oral pharmaceuticals to suppress a dangerous immune response in patients requiring intensive care. At the end of the year, an oral COVID-19 medication arrived in Estonia.

Table 36. Execution of the budget for HIV medications, antidotes and immune preparations (in thousands of euros)

Action	2022 actual	2022 budget	Execution of the budget	2021 actual	Change 2022 vs 2021
HIV/AIDS medications	8 311	14 000	59%	10 031	-17%
Immune preparations	3 661	6 200	59%	5 978	-39%
Tuberculosis medications	294	600	49%	408	-28%
Antidotes	335	300	112%	178	88%
Value added tax on pharmaceuticals	1 268	0	-	1 225	4%
Total	13 869	21 100	66%	17 820	-22%

In 2022, we paid nearly 14 million euros for HIV medications, antidotes and immune preparations, which is 4 million euros less than at the same time in 2021. The budget for 2022 has been executed by 66%. With regard to HIV medications, the reason for the under-execution of the budget is the delayed deliveries during the COVID crisis in 2021, which significantly covered the need for 2022, as well as the cheaper treatment regimens and the lower-than-planned increase in the number of patients.

We obtained the usual amount of immune preparations, i.e. vaccines. In 2021, a large number of vaccines was destroyed in the Health Board due to which we had to replace the stockpiles for 2021, i.e. the reference base for 2021 is significantly higher than usual.

The budget for antidotes was increased by very active vipers in the spring and mushroom poisonings in the autumn. The prices of antidotes have also become more expensive in recent years. We managed to obtain immune globulins with a very good shelf life in 2021 and because of this we did not have to fully renew the immune globulin stockpile in 2022.

4. Benefits for temporary incapacity for work

Benefit for temporary incapacity for work is financial compensation paid based on a certificate of incapacity for work to an employed insured person who, due to a temporary leave from work, loses their income subject to social tax. The payment of the benefit depends on the type of certificate of incapacity for work and the cause of incapacity for work. If the doctor has sent the data of the certificate of incapacity for work to the Health Insurance Fund, the person's employer will receive information about the person's absence from work and the issued certificate of incapacity for work and its estimated date of expiry from the state portal service.

The procedure for payment of temporary incapacity for work changed in 2021. This established the co-payment for the first sick leave day for the person in the event of illness and injuries and the obligation of the employer to compensate for the second to the third sick leave day (instead of the previous days 4 to 8). The Health Insurance Fund compensates illnesses from the sixth sick leave day (previously from the ninth day). Thus, the number of sick days compensated by the Health Insurance Fund increased by three days. Earlier compensation for sick days will continue until 30 June 2023.

As at 31 December 2022, the additional cost of the change in compensation for sick days for the accounting year was more than 32 million euros for illnesses that started from 1 January (payment for days 6–8). 12.4 million of this was financed from the 2022 state budget, and the remaining costs were covered from the Health Insurance Fund's own funds. For comparison, the additional cost in 2021 was nearly 24 million euros.

The cost of benefits for temporary incapacity for work and the number of people who needed benefits have increased over the years, and we predict this increase for the following years as well. The proportion of benefits for temporary incapacity for work in the health care costs of the Health Insurance Fund is nearly 11%.

Table 37. Execution of the budget for benefits for incapacity for work (in thousands of euros)

Benefit	2022 actual	2022 budget	Execution of the budget	2021 actual	Change 2022 vs 2021
Sickness benefits	142 671	126 030	113%	130 595	9%
Carer's allowances	40 331	29 829	135%	29 140	38%
Maternity benefits	18 554	17 589	105%	57 864	-68%
Occupational accident benefits	5 575	6 410	87%	5 334	5%
Total	207 131	179 858	115%	222 933	-7%

In 2022, we paid a total of more than 207 million euros in benefits for temporary incapacity for work, which is nearly 16 million euros, i.e. 7%, less than was used at the same time the previous year. The decrease is related to the reform of the parental benefit system that entered into force on 1 April 2022, which renamed the previous pregnancy and maternity leave as maternity leave and instead of maternity benefit, the benefit is paid instead of the Health Insurance Fund by the Social Insurance Funds from 1 April 2022.

At the same time, we exceeded the budget for paid benefits for incapacity for work by more than 27 million euros compared to what was planned, which results from the larger-than-planned payment of sickness benefits and carer's allowances. The budget for sickness benefits has been exceeded by 16 million euros, i.e. 13%, compared to what was planned, the budget for carer's allowances by 10.5 million euros, i.e. 35%. At the same time, occupational accident benefits have been used 835 thousand euros less than budgeted. Compared to the previous year, occupational accident benefits have also been paid out by 241 thousand euros more.

Table 38. Comparison of benefits for incapacity for work

	2022 actual	2021 actual	Change 2022 vs 2021
Sickness benefit			
Number of the sick leave certificates compensated by the Health Insurance Fund	578 907	486 181	19%
Number of days compensated by the Health Insurance Fund	5 573 180	5 426 339	3%
Total benefits paid by the Health Insurance Fund (thousand euros)	142 671	130 595	9%
Average benefit per day (euros)	25,6	24,1	6%
Average duration of sick leave certificate	9,6	11,2	-14%
Carer's allowance			
Number of care leave certificates compensated by the Health Insurance Fund	173 573	126 118	38%
Number of days compensated by the Health Insurance Fund	1 278 954	995 729	28%
Total benefits paid by the Health Insurance Fund (thousand euros)	40 331	29 140	38%
Average benefit per day (euros)	31,5	29,3	8%
Average duration of care leave certificate	7,4	7,9	-7%
Maternity benefit			
Number of maternity leave certificates compensated by the Health Insurance Fund	2 848	9 812	-71%
Number of days compensated by the Health Insurance Fund	397 487	1 369 358	-71%
Total benefits paid by the Health Insurance Fund (thousand euros)	18 554	57 864	-68%
Average benefit per day (euros)	46,7	42,3	10%
Average duration of maternity leave certificate	139,6	139,6	0%
Occupational accident benefit			
Occupational accident certificates compensated by the Health Insurance Fund	7 502	7 425	1%
Number of days compensated by the Health Insurance Fund	141 879	141 067	1%
Total benefits paid by the Health Insurance Fund (thousand euros)	5 575	5 334	5%
Average benefit per day (euros)	39,3	37,8	4%
Average duration of occupational accident certificate	18,9	19,0	0%
Total			
Number of certificates of incapacity for work compensated by the Health Insurance Fund	762 830	629 536	21%
Number of days compensated by the Health Insurance Fund	7 391 500	7 932 493	-7%
Benefits paid by the Health Insurance Fund (thousands of euros)	207 131	222 933	-7%
Average benefit per day	28,0	28,1	0%

In 2022, 319,107 people used benefits for incapacity for work, i.e. nearly 52,000 people more than the previous year. The number of compensated certificates of incapacity for work increased by 21%, i.e. 133,294 certificates. Compared to the time before the coronavirus, i.e. 2019, the number of people who used benefits for incapacity for work has increased by more than 135,000 people.

In 2022, we compensated a total of 762,830 certificates of incapacity for work, including 76%, i.e. 578,907, sick leave certificates and 23%, i.e. 173,573, certificates for care leave. While 92,726 more sick leave certificates were taken compared to the previous year (19% increase), the biggest increase was in the compensation of certificates for care leave: 38%, i.e. 47,455, more certificates. The use of both sick leave certificates and certificates for care leave has been record-breaking in the last two years, primarily due to the high disease burden of COVID-19.

In 2022, the number of days compensated by the Health Insurance Fund decreased by 7%. The change in the number of compensated days is related to the reform of the maternity benefit through which the benefit is paid by the Social Insurance Board instead of the Health Insurance Fund from 1 April 2022. The average duration of the certificate of incapacity for work was shortened by more than a day. More certificates of incapacity for work were taken, but for a shorter period. This is related to the continued rapid spread of COVID-19 and the entry into force of a more favourable regulation. Similarly to the previous year, in the case of self-isolation, a sick leave certificate was received if the person was exposed to a coronavirus patient, or a care certificate if the child was exposed. From January 2022, the period of self-isolation of a person that has come into contact with a person infected with the coronavirus as well as the period of isolation of a person infected with the coronavirus were shortened in the second half of the year, which also affected the average duration of the compensated certificate.

Sickness benefits

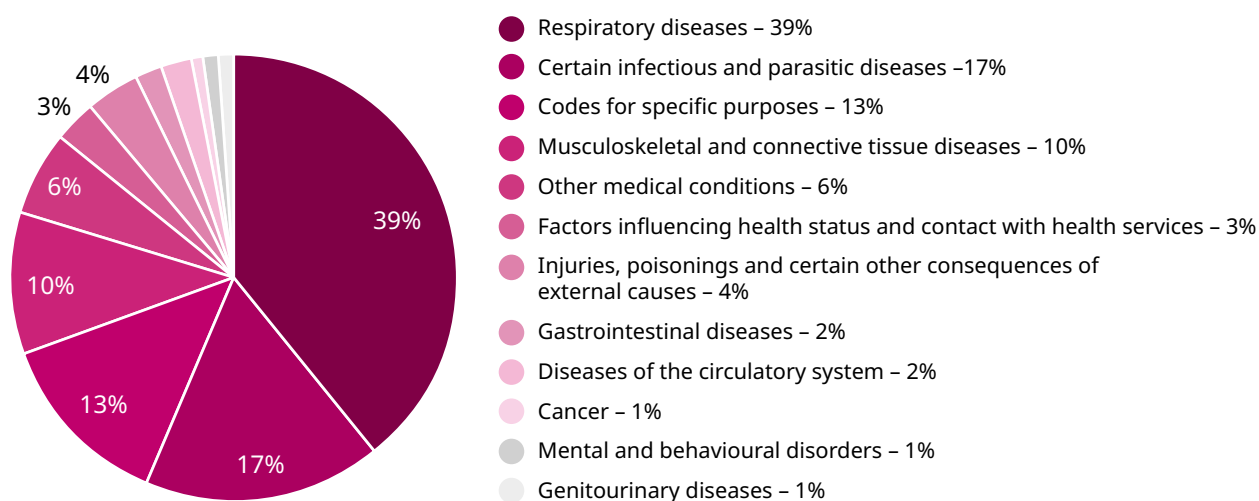
Sickness benefits are paid to an insured person during the period of their temporary incapacity for work in order to compensate for the partially unpaid wages at the time of illness.

In 2022, the number of sick leave certificates taken was the highest throughout the years. In 2022, more than 283,000 people, i.e. nearly 52,000 people more than the previous year, used sickness benefits. A total of 578,907 sick leave certificates were compensated, which is 92,726 certificates, i.e. 19%, more than in 2021. Sick leave certificates were compensated the most in the first half of the year. The record months were February and March, when more than 85,000 sick leave certificates were issued in one month. This was affected by the very widespread spread of the COVID-19 disease in the first months of the year.

The number of sick leave certificates issued per employed insured person was 0.9 in 2022 and 0.8 in 2021. Sick leave certificates were mostly compensated for diseases of the respiratory system and infectious diseases. More than 81,000 sick leave certificates with a COVID-19 diagnosis were compensated, which makes up 14% of all sick leave certificates compensated (6% in 2021).

The duration of an illness gives an overview of how long a person is absent from work due to an illness. An illness consists primarily of the primary sick leave certificate issued to a person and the related continued certificates. In 2022, the average duration of one illness was 26.3 days (30 days in 2021, 39.7 days in 2020).

Figure 6. Distribution of sickness benefits by medical conditions



Carer's allowances

Carer's allowances are paid to an insured person who is caring for a sick child or family member. The reasons for using care leave certificates have not changed compared to the previous year.

In 2022, more than 64,000 people, i.e. nearly 12,000 more people than the previous year, used carer's allowances. A total of 173,573 care leave certificates were compensated, which is 47,455 certificates (38%) more than in 2021. Care leave certificates were compensated the most at the beginning of the year in February and at the end of the year in December (22,480 and 21,869 certificates, respectively). The number of care leave certificate paid out was more than 47,000 certificates more than in the same period the previous year. For comparison, in 2021, 27,000 more care leave certificates were taken. While the higher number of care leave certificates in February was caused by the increased incidence of the COVID-19 virus in schools and kindergartens when parents were at home with their sick child and needed a care leave certificate for that, the flu virus added to the numbers in the autumn.

In 2022, the average duration of one care case was 8.3 days (7.9 days in 2021).

Care leave certificates for caring for a child under 12 years of age made up 94% of all care leave certificates. Care leave certificates for taking care of a child under 3 years of age or a disabled child under 16 years of age accounted for a total of 4% of all care leave certificates. In 2022, care leave certificates were compensated the most due to respiratory diseases, infectious diseases, and factors affecting the health status. Compared to 2021, the number of care leave certificates taken due to respiratory diseases increased the most: 32%, i.e. 21,926 more care leave certificates.

Maternity benefit

Maternity benefit is paid to an employed insured woman for pregnancy and maternity leave.

The number of maternity leave certificates and compensated days in 2022 describes the half-year indicators. This is related to the reform of the parental benefit system that entered into force on 1 April 2022, which renamed the previous pregnancy and maternity leave as maternity leave, and instead of the maternity benefit, the Social Insurance Board pays parental benefit to mothers. In the first half of the year, the Health Insurance Fund continued to pay compensation to those whose child was born before 10 June 2022.

Occupational accident benefits

The Health Insurance Fund pays occupational accident benefits from the second day of the certificate of incapacity for work. The causes for issuing certificates of incapacity for work due to an occupational accident have not changed in 2021 compared to the previous year.

The causes for leave in sick leave certificate issued due to accidents at work were divided as follows: accidents at work 95%, complications resulting from an accident at work 3%, and occupational accidents in traffic 1%.

In 2022, occupational accident benefits were paid to 3,291 people, i.e. 271 more people than in 2021. A total of 7,502 certificates of occupational accident were compensated, which is 1% more than the previous year. The average duration of a certificate of occupational accident compensated by the Health Insurance Fund was at the same level as in 2020.

Benefits paid on the basis of certificates issued by physicians abroad

The Health Insurance Fund pays the benefit for temporary incapacity for work to employed persons also based on a certificate issued by a physician of a foreign country. In 2022, foreign physicians issued 1,724 leave certificates to Estonian insured persons, based on which the Health Insurance Fund paid benefits for incapacity for work to 1,566 people. The number of people who were paid compensation on the basis of a foreign physician's certificate decreased by 117 people compared to the previous year.

In 2022, benefits were requested based on a certificate issued by a physician abroad as follows: sick leave benefits in 87%, carer's allowances in 9.5%, benefits for incapacity for work in 3.3% and maternity benefits in 0.2% of the cases. Compared to the previous accounting year, the share of sickness benefits, occupational accident benefits and maternity benefits has decreased, and the share of carer's allowances has increased.

5. Benefits for medical devices

The Health Insurance Fund compensates for medical devices that can be used to treat diseases and injuries or which help to prevent the aggravation of diseases. We update the list of medical devices on a yearly basis by adding new products as necessary, modernising the terms and conditions of compensation and updating the price list based on contracts entered into with distributors.

In 2022, we added 566 new medical devices to the list of medical devices and expanded our range of devices for treatment of asthma, sleep apnoea, eye diseases, lymphedema, venous insufficiency, wounds, and diabetes. We also added new ostomy products, urination aids and orthoses to the list, and for the first time began compensating silicone patches and gels for patients with a pathological scar or a high risk of developing one.

Table 39. Execution of the budget for medical device benefits (in thousands of euros) and the number of people

	2022 actual		2022 budget	Execution of the budget	2021 actual		Change 2022 vs 2021	
	Amount	Number of persons*	Amount	Amount	Amount	Number of persons*	Amount	Number of persons
Early primary prostheses and orthoses	2 538	34 325	2 313	110%	1 865	21 415	36%	60%
Insulin pumps, accessories for pump and sensor-augmented therapy	4 167	2 971	3 411	122%	2 112	749	97%	297%
Diabetes accessories (excl. pump therapy)	4 663	48 680	4 780	98%	4 755	49 436	-2%	-2%
Ostomy care supplies	1 850	2 232	1 977	94%	1 766	2 268	5%	-2%
Continuous positive airway pressure devices and masks	1 734	5 809	1 929	90%	1 601	5 476	8%	6%
Wound dressings and bandages	91	1 862	94	97%	87	1 957	5%	-5%
Urination aids	154	1 175	136	113%	16	245	863%	380%
Other medical devices	675	4 615	600	113%	526	3 512	28%	31%
Total	15 872	93 647	15 240	104%	12 728	80 864	25%	16%

* The total number of people is not summarised because the same person could fall under several rows of the table.

Medical devices were compensated in 2022 in the amount of nearly 16 million euros, which exceeds the planned budget by 4%. Compared to 2021, the amount of benefits for medical devices has increased by 25%, i.e. 3.1 million euros, while the number of users of medical devices has increased by 16%, i.e. 12,783 people. The increase in the number of users of devices and budget is in line with the change that came into force at the beginning of the year, as a result of which, the Health Insurance Fund is financing medical devices for a significantly wider target group than before – orthoses and sole supports to compensate for functional impairment accompanying acute illness or a severe chronic disease, and catheters and urine collectors for patients with urinary dysfunction. The number of patients receiving treatment with the support of the Health Insurance Fund has increased by 12,910 and 930 people, respectively.

In 2022, it was still important to improve the availability of medical devices for diabetics to control their blood sugar. Continuous glucose monitoring systems are now available to all patients with type 1 diabetes whose treatment decision has been made by an endocrinologist or paediatrician. There were nearly 3,000 users in 2022, which is over four times more than in 2021, the cost to the budget has increased by 1.88 million euros. At the same time, the use of test strips and lancets that go with the glucometer has decreased in this target group (cost savings of 248 thousand euros).

Compared to 2021, the number of users of other medical devices has also increased, mainly at the expense of compression therapy for lymphedema and venous insufficiency and the use of intermediate tanks. For example, from the beginning of the year, adjustable compression products in standard sizes became available for patients with lymphedema, for whom other compression products are not suitable due to their health condition. The increase in the number of intermediate tank users may be due to the impact of COVID-19.

The greater execution of the budget is primarily due to the higher-than-forecast sales of orthoses. Also due to the higher additional costs associated with financing continuous glucose monitoring, because at the beginning of the year the availability of these devices was disrupted due to high demand, and many patients therefore bought a considerable amount of test strips and lancets in parallel. In addition, the transfer of prosthesis compensation to the Social Insurance Board was delayed, which is why the Health Insurance Fund continued financing longer instead of the planned first two months, so we financed medical devices for a total of four months.

6. Treatment of an Estonian insured person abroad

Treatment of an Estonian insured person abroad consists of planned treatment provided under the Health Insurance Act and benefits under the European Union legislation where the beneficiary is a person insured by the Estonian Health Insurance Fund. The provision of health services and payment is regulated by the regulations of the European Parliament and of the Council on the coordination of social security systems of EU Member States, pursuant to which health care benefits are a commitment to the Health Insurance Fund.

Table 40. Execution of the budget for treatment of an Estonian insured person abroad (in thousands of euros)

Treatment	2022 actual	2022 budget	Execution of the budget	2021 actual	Change 2022 vs 2021
Planned treatment abroad	1 944	4 900	40%	2 967	-34%
Costs of health service benefit for an Estonian insured person in another Member State	5 792	7 980	73%	6 022	-4%
Cross-border medical care	238	120	198%	71	235%
Total	7 974	13 000	61%	9 060	-12%

In 2022, we planned 13 million euros for the treatment of an Estonian insured person abroad, of which 8 million euros, i.e. 61% of the planned budget, was used. The under-execution of the budget may be due to the continued spread of COVID-19, which affected the postponement of treatment in foreign countries, but the fact that various health services are added to the Health Insurance Fund's list of health services every year and the ability to help patients locally in Estonia continues to increase cannot be ignored.

Planned treatment abroad

Cross-border free movement of insured persons for the purpose of planned treatment is governed by the legislation of the European Union (Directive 2011/24/EU of the European Parliament and of the Council, i.e. directive on the free movement of patients, and Article 20 of Regulation (EC) No 883/2004 of the European Parliament and of the Council) and subsection 271 (1) of the Health Insurance Act. The last two regulations require prior authorisation to refer a patient for planned treatment or examination abroad.

An insured person is referred for planned treatment or examination abroad based on a prior authorisation if the requested health service and/or alternatives to it are not available in Estonia. The medical efficacy of the health service must be medically indicated and proven for the patient and the average probability of achieving this goal must be at least 50%. Prior authorisation for going abroad is also issued if the medically indicated health service provided in Estonia cannot be provided within a medically justified period of time. A council consisting of at least two medical specialists will provide an assessment of compliance with the criteria.

The execution of the budget for planned treatment of an Estonian insured person abroad with a prior authorisation has been affected by the lower-than-expected use to the extent of nearly 13 million euros (execution of the budget 40%). The under-execution may be due to the continued spread of COVID-19, affecting the postponement of planned treatment with prior authorisation in foreign countries. The fact that various health services are added to the list of health services of the Health Insurance Fund every year and that the ability to help patients in Estonia is increasing cannot be ignored.

Table 41. Countries where health services with a prior authorisation for planned foreign medical treatment were provided to insured persons in 2022 (in multiples)

Country	Treatment and analyses
Finland	12
Germany	6
Sweden	5
Netherlands	3
Denmark	2
Great Britain	2
Spain	6

In 2022, the Health Insurance Fund has assumed the obligation to pay for planned treatment with a prior authorisation abroad for 65 insured persons who submitted the respective application. 25 insured persons (including 12 children) of them were referred abroad for treatment or examinations, in 11 cases (including 2 children) analyses were performed. In addition, the Health Insurance Fund assumed the obligation to pay the fee for 29 insured persons (incl. eight children) in connection with a search for an unrelated bone marrow donor through the Finnish Red Cross Blood Service.

There were seven negative decisions in the period under review (incl. one child), and 11 applications were revoked/returned. The main reason for negative responses has been the fact that the patient can be treated in Estonia. In a few cases, non-evidence-based treatment was administered, or the requested health service was not medically indicated.

The reasons for revoking/returning applications have been the following: the deficiencies in the application were not eliminated, the health service being requested was not included under planned foreign medical treatment, or the applicant withdrew the application at their own request.

During the accounting period, treatment invoices totalling 1.9 million euros were submitted from other countries based on prior authorisation for planned treatment, of which 445 thousand euros were for costs related to the search for a bone marrow donor. The Health Insurance Fund paid nearly 50 thousand euros for medical transport.

Table 42. High-cost cases of planned treatment abroad reimbursed by the Health Insurance Fund in 2022 (in thousands of euros)

	Country	Amount
Cardiac surgery	Finland	250
	Finland	75
Oncology	Finland	422
	Denmark	52
Nephrology	Finland	110

Costs of health service benefit for an Estonian insured person in another state

According to Regulation (EC) No 883/2004 of the European Parliament and of the Council, people insured by the Estonian Health Insurance Fund are entitled to:

- receive necessary medical care while temporarily staying in another EU Member State, EEA countries, Switzerland and the United Kingdom;
- receive any medical care while living in another EU Member State, EEA countries, Switzerland and the United Kingdom.

Reimbursement of necessary medical care is made for insured people who are temporarily staying in a foreign country and have the European health insurance card or another document certifying European health insurance during their stay in another Member State. The rest of the health service benefit costs were paid for Estonian insured persons who are entitled to any medical care while living in another Member State.

We planned the budget for 2022 at 8 million euros, the actual execution of the budget was 6 million euros (73%). Of this amount, more than 7.5 million euros were reimbursed for 10,469 medical care cases in 2022. Compared to 2021, both the number of cases of medical care and the amount paid have almost doubled.

We reimbursed the largest amounts to Finland and Germany to compensate for health care costs.

Table 43. Most expensive costs of benefit paid for by the Health Insurance Fund in 2022 (in thousands of euros)

Country	Number of people	Amount
Germany	2804	2 301
Finland	2516	1 612
Sweden	609	822

Cross-border medical care

According to the Directive on patients' rights 2011/24/EU of the European Parliament and of the Council, which provides for the application of patients' rights in cross-border health care, patients can go to another EU Member State as well as to states belonging to the European Economic Area (Norway, Iceland and Liechtenstein) to receive treatment there and claim financial benefits from the Health Insurance Fund. A benefit can be applied for by patients for the services that they are entitled to receive at the expense of the Health Insurance Fund also in Estonia, according to the prices provided in the Health Insurance Fund's list of health services, the list of medications, and the list of medical devices.

In 2022, we accepted 109 applications (compared to 86 applications in 2021) based on cross-border health service and reimbursed nearly 238 thousand euros (compared to 71 thousand euros in 2021) for health services provided to people abroad. The compensated amount was much higher in 2022 compared to the previous year, when there was only one treatment case with the highest cost (cost of more than 17 thousand euros). In 2022, treatment cases were generally more expensive, including several very expensive treatment cases – we compensated more than 48 thousand euros for fitting bilateral cochlear implants, more than 26 thousand euros for treatment of cancer in a rare location (the patient themselves paid more than 113 thousand euros for the treatment provided in a foreign country), more than 22 thousand euros for heart surgery. In addition, we paid compensations of more than 10 thousand euros for cancer treatment in two cases. The number of applications was also much higher than in 2021, reaching the same level as before the spread of the COVID-19 disease.

Since 2020, the cost of prescription medications purchased in the European Union (initially in Finland) with an Estonian digital prescription is reimbursed, for which 20 applications were submitted (27 applications in 2021).

In 2022, the most applications for compensation for cross-border health services were submitted for the treatment of bone and joint diseases, mostly in the form of orthopaedic surgeries (17%), followed by research and treatment of tumour diseases (10%), heart and cardiovascular diseases (10%), eye diseases (10%), acute diseases of the upper respiratory, digestive and urinary tracts (10%), various traumas (7%), health services for the treatment of neurological diseases (7%), gynaecological diseases (5%), emergency dental care (4%). A smaller part was made up of cases where various examinations were performed, skin diseases, diabetes were treated, children received surgical treatment of the maxillofacial area, etc.

One application was denied because the service was not eligible for compensation by the Health Insurance Fund.

In 2022, cross-border health care was available in 18 member states (15 member states in 2021). Most patients went to Germany (25%), Finland (21%), Latvia (15%) and Spain (12%). Patients went to Bulgaria and the Netherlands in 6% and 4% of cases, respectively. Individual visits were made to France, Belgium, Austria, Italy, Lithuania, Poland, Malta, Croatia, Slovakia, Cyprus, Iceland and Portugal.

In addition, pharmaceuticals were purchased based on a digital prescription 18 times in Finland, once in the Netherlands and once in Denmark.

In 2022, the Health Insurance Fund received six queries about the estimated reimbursable amount of a planned health service in accordance with the list of services of the Health Insurance Fund. The number of inquiries is actually higher as the Health Insurance Fund performs the function of a national contact point, which also receives additional inquiries for such information.

7. Other expenses

Table 44. Execution of the budget for other expenses, in thousands of euros

Expense	2022 actual	2022 budget	Execution of the budget	2021 actual	Change 2022 vs 2021
Other expenses	26 010	37 578	69%	20 703	26%
Support activities	22	466	5%	16	38%
Health services for European insured persons	1 569	1 500	105%	1 513	4%
Other health care costs, excl. COVID-19 expenses	24 419	35 612	69%	19 174	27%
COVID-19 expenses	40 116	17 640	227%	74 474	-46%
Total	66 126	55 218	120%	95 177	-31%

7.1 Support activities

As of 2018, the Health Insurance Fund's budget includes support activities related to functions transferred from the state budget. Support activities include replacement fees of family physicians, the possibility to provide seafarers with 24-hour remote medical consultation in Estonian and English on-board ships, and supporting the work of the HIV and AIDS medical council.

In 2022, we paid 22 thousand euros for support activities, and 5% of the 2022 budget has been executed. The budget for support activities was under-executed because the amounts planned for supporting the work of the HIV and AIDS medical council in 2022 are included in the costs of specialised medical care.

In 2022, more than 6 thousand euros were paid as family physician recruitment and replacement fees. From 1 January 2022, the Health Insurance Fund took both the organisation of family medical care, including the organisation of the replacement system and management of practice lists, as well as the organisation of competitions for family physicians over from the Health Board. Since activities were substantially reorganised in 2022, the costs related to recruitment and replacement fees in 2022 were even lower than planned.

We paid nearly 16 thousand euros for round-the-clock medical remote consultation in Estonian and English to seafarers (15 thousand euros in 2021).

7.2 Health services for European insured persons

Insured persons of other EU Member States are entitled to:

- receive necessary medical care during their temporary stay in Estonia;
- receive any medical care while living in Estonia.

Necessary medical care for EU Member States' insured persons is first paid by the Health Insurance Fund, but the final health care costs are borne by the country of coverage.

We paid a total of 1.6 million euros for health services and reimbursable pharmaceuticals issued to patients from other Member States who received treatment in Estonia, 99% of which are made up by costs of health services. Compared to the plan, the budget was exceeded by nearly 70 thousand euros due to the provision of health services to foreigners on a larger scale.

7.3 Miscellaneous health care expenses

Health care expenses reimbursed exceptionally on the basis of the decision of the management board of the Health Insurance Fund, residency costs and the innovation fund are recognised under the execution of the budget for miscellaneous health care expenses. In 2022, we paid more than 24 million euros for various health care costs, which is 11 million euros less than planned (69% of the budget).

In 2022, **residency costs** made up the majority of the budget for various health care costs. Residency costs are planned on the basis of the number of health care students and the principles for payment of fee agreed upon. In 2022, we paid nearly 20 million euros as residency costs, which is 786 thousand euros more than the previous year. The increase in costs was affected the most by the increase in the minimum wage for doctors in 2022.

The budget of the **innovation fund** for 2022 was planned at 10 million euros, 6 million euros of which were used. The basis for the use of the innovation fund is section 4 of the Health Insurance Act, which provides that the Health Insurance Fund may use health insurance funds and the funds allocated to the Health Insurance Fund from the state budget to pay for activities or projects improving the quality, availability and effectiveness of provision of health services and for health care system development activities. The corresponding costs are approved by the Ministry of Social Affairs. In 2022, we paid more than 2 million euros from the innovation fund for the development of the health information system and 787 thousand euros for the development of the new generation health information system. We paid 381 thousand euros for the development of the digital registry.

From 2022, the Health Insurance Fund finances a regional pilot project for lung cancer screening and coordinates activities to reach a nationwide screening programme. As at 31 December 2022, the Health Insurance Fund paid more than 1.1 million euros for the implementation of the pilot project, of which 665 thousand euros were paid from the costs of the innovation fund and 468 thousand euros were paid from the prevention budget of the Health Insurance Fund (the pilot project is described in more detail in the prevention chapter of the report).

More than 548 thousand euros were paid from the innovation fund in 2022 to implement the stroke treatment pathway project. The pilot project on ischemic stroke is aimed at organising the treatment of ischemic stroke. Four hospitals received support from the innovation fund for the initial implementation of the development project: Tartu University Hospital, North Estonia Medical Centre, West Tallinn Central Hospital and East Viru Central Hospital, which tested, inter alia, the service of the stroke treatment pathway coordinator in 2021. Payment based on the treatment pathway and measurement of health outcomes ended in June 2022 and the project will continue on to be financed from the Health Insurance Fund's budget for health services. The obtained results will be used in the implementation of the endoprosthesis treatment pathway project, the development of which began in 2022.

Under the leadership of the Health Insurance Fund, a sample project competition has been ongoing since 2021, with the implementation phase of the four winning solutions starting in 2022. Two of them support the work of family medical centres and two bring specialised medical care closer to the person. The purpose of remote services is to improve the availability of medical care and the quality of treatment when planned treatment is temporarily suspended or the pathway to a physician is long. In 2022, we financed the implementation of sample projects in the amount of 453 thousand euros.

We paid 287 thousand euros for the development of the e-ambulance project. As a result, the technological base of e-ambulance was changed, which improved the technical quality and reliability of e-ambulance. A new call-related data model of the emergency response centre was implemented, which made the call information more accurate and detailed, contributing to the operative response of the ambulance. In 2022, the development of a new e-ambulance project also commenced, an analysis of the e-ambulance solution was carried out, a procurement of the solution was organised, and a new solution and partner were selected.

In the field of mental health, we started with the development of assessment instruments, including we agreed on the assessment instruments for mood and anxiety disorders and described the design of the primary examination. In 2022, we financed the development of mental health assessment instruments in the amount of 9 thousand euros from the innovation fund.

In addition, with the funds of the innovation fund, we financed the publication (translation and printing) of the classifiers of 3N nursing results and interventions in the amount of 238 thousand euros, the implementation of the World Bank's risk-based treatment management project as a prevention project and the preparation of the final report of the study in the amount of 149 thousand euros, the acquisition of new decision support solutions in the amount of 103 thousand euros, we supported the implementation of the genetic data study project of the University of Tartu in the amount of 83 thousand euros and other smaller projects in the amount of nearly 97 thousand euros.

The vaccine insurance system started on 1 May 2022, which means that people who have suffered serious damage to health due to vaccination against COVID-19 have the opportunity to request compensation from the Health Insurance Fund. In 2022, the Health Insurance Fund received a total of 1,254 applications for compensation, of which we submitted 832 to the Agency of Medicines for assessment. As at 31 December, 39 applications totalling 142 thousand euros were granted. Of the 39 paid applications paid, in 31 cases, a person was identified to have severe damage to health of moderate severity, the compensation rate of which is 2,000 euros, and in 8 cases, severe damage to health of medium severity was identified, the compensation rate of which is 10,000 euros.

Table 45. Diagnostic groups that occurred more frequently in the paid claims for benefit for vaccine insurance

Name of the diagnostic group	Number of claims reimbursed
Diseases of the nervous system	11
Musculoskeletal and connective tissue diseases	9
Diseases of the circulatory system	8

The vaccine insurance is valid for COVID-19 vaccines retroactively from the start of vaccination on 27 December 2020. More than 87 thousand euros were used for administrative costs of vaccine insurance.

For health care development costs, we paid 495 thousand euros (202 thousand euros in 2021) to carry out various projects.

From the budget for various health care costs, we paid 2.6 million euros (641 thousand euros in 2021) for the administration and maintenance costs of health care information systems.

From 2022, the Health Insurance Fund is organising the logistics of the state's pharmaceutical warehouse. We used 303 thousand euros for the logistics costs of the pharmaceutical warehouse. Previously, the health care service provider had to pick up the pharmaceuticals from the Health Board's warehouse, or the Health Board delivered the goods. Pharmaceuticals are now also delivered to health care providers by a logistics partner.

In the first half of the year, the Health Insurance Fund received refunds for price agreements for hospital pharmaceuticals in the amount of more than 5 million euros, which is more than 1.4 million euros more than the previous year.

7.4 COVID-19 expenses

COVID-19 kulud moodustavad kõige suurema osa muude tervishoiukulude eelarvest tehtud maksetest. 2022. aastal maksime COVID-19 kuludeks kokku ligi 40 miljonit eurot (2021. aastal 74 miljonit eurot). Seejuures ei sisalda COVID-19 kulud töövõimetushüvitiste kulusid, mis kajastuvad töövõimetushüvitiste real. COVID-19 kulude tuluallikatest ning kulude katmisest on pikemalt kirjutatud aruande esimeses osas, täpsemalt kulude eelarve mõjude alapeatükis.

Operating expenses of the Health Insurance Fund

When planning its activities and operating expenses, the Health Insurance Fund proceeds from its strategic objectives and development plan as well as the objectives of the current year's approved scorecard. In 2022, 18 million euros were planned for administrative operating expenses of health care, and the budget was executed by 92%.

The operating expenses of the Health Insurance Fund in 2022 accounted for 0.9% of the total costs. During the years of operation of the whole organisation, this proportion has always remained below 1%.

Table 46. Execution of the budget for the Health Insurance Fund's operating expenses (in thousands of euros)

	2022 actual	2022 budget	Execution of the budget	2021 actual
Labour expenses	9 563	9 476	101%	8 381
Management expenses	2 405	2 500	96%	2 030
Information technology expenses	2 997	3 810	79%	2 249
Development expenses	324	790	41%	254
Other operating expenses	1 264	1 341	94%	965
Total	16 553	17 917	92%	13 879

Labour expenses

As at 31 December 2022, the Health Insurance Fund has a total of 200 positions, of which 196 were filled (the average number of employees reduced to full-time equivalent was 183) as at 31 December.

The 2022 budget for labour expenses has been exceeded by 1%. The latter was due to the fact that in 2022 we transferred the organisation to service-based management. In connection with the changes, we changed the structure and positions and incurred additional costs related to the departure of employees.

Management expenses

Management expenses include daily operating expenses, training expenses of the staff of the Health Insurance Fund, consultation (incl. auditing) expenses, research expenses, and internal communication expenses. In 2022, management expenses remained under-executed to the extent of 95 thousand euros.

In 2022, the execution of the budget for management expenses was mainly affected by the lower use of consultation and research expenses in the amount of 116 thousand euros. The main reason for this was the organisation's lower-than-planned need for consulting and auditing services.

The 2022 budget for management expenses also included the price increase related to energy costs – the execution of the budget for management expenses of premises was 96%.

Information technology expenses

Information technology (IT) expenses include the purchase of information technology equipment and software for the Health Insurance Fund and the expenses related to the development and maintenance of IT systems. Information technology expenses in 2022 were nearly 3 million euros (execution of the budget 79%).

The transformation of information technology services and products into service-based ones and projects to remove obsolete hardware continued in the Health Insurance Fund. We implement state-of-the-art information technology services to function more effectively and support the organisation's transition to service-based management.

Development expenses

Development expenses include the cost of auditing and consultations on health insurance benefits and cost associated with informing the public (including the development of the Health Insurance Fund's website). In 2022, total development expenses were executed by 41%.

Among development expenses of 2022, the costs of developing and auditing health services account for nearly 243 thousand euros and the costs of external communication 81 thousand euros.

Other operating expenses

The execution of the budget for other operating expenses includes, in addition to the value added tax calculated on operating expenses, losses resulting from changes in the exchange rate related to operating expenses and health insurance costs. Other operating expenses were executed by 94% in 2022.

The largest proportion of other operating expenses is made up of value added tax cost totalling nearly 897 thousand euros. The under-execution of the budget for other operating expenses is due to the under-execution of the budget for value added tax costs, which is mainly related to the under-execution of the budget for development expenses and information technology expenses.

Legal reserve

The formation of the legal reserve is governed by section 38 of the Estonian Health Insurance Fund Act as follows.

- The legal reserve of the health insurance fund means the reserve formed of the budget funds of the health insurance fund for the reduction of the risk which macro-economic changes may cause to the health insurance system.
- The legal reserve shall amount to 5.4% of the budget.
- The legal reserve may only be used as an exception by an order of the Government of the Republic on the proposal of the Minister of Social Affairs. Prior to submitting a proposal to the Government of the Republic, the Minister of Social Affairs shall hear the opinion of the supervisory board of the Health Insurance Fund.

By the end of 2021, the legal reserve of the Health Insurance Fund was 93.2 million euros. According to section 38 of the Estonian Health Insurance Fund Act, the legal reserve shall amount to 100.4 million euros in 2022. In order to meet the legally required level, we increased the legal reserve by 7.2 million euros in 2022.

In 2023, the legal reserve shall amount to 116.3 million euros. In order to meet the legally required level, we will have to increase the legal reserve by 15.9 million euros in 2023.

Risk reserve

The formation of the risk reserve is governed by section 391 of the Estonian Health Insurance Fund Act as follows.

- The risk reserve of the Health Insurance Fund is the reserve formed from the budgetary funds of the Health Insurance Fund in order to minimise the risks arising for the health insurance system from the obligations assumed.
- The size of the risk reserve shall be 2% of the health insurance budget of the Health Insurance Fund.
- The funds of the risk reserve may be used upon a decision of the supervisory board of the Health Insurance Fund.

At the end of 2021, the size of the risk reserve of the Health Insurance Fund was 34.2 million euros. According to section 391 of the Estonian Health Insurance Fund Act, the risk reserve shall amount to 36.8 million euros in 2022. In order to meet the legally required level in 2022, we increased the risk reserve by 2.6 million euros.

In 2023, the legally required risk reserve is 42.7 million euros. In order to meet the legally required level, we have to increase the risk reserve by 5.9 million euros in 2023.

Retained earnings

Section 361 of the Health Insurance Fund Act governs the use of retained earnings of the Health Insurance Fund as follows.

- The profits of the Health Insurance Fund brought forward may be used in the amount of up to 30% in one financial year, but not more than in the amount of 7% of the costs of health services prescribed in the budget of the Health Insurance Fund in the previous calendar year.
- The supervisory board shall decide, on the proposal of the management board, the use of the profits of the Health Insurance Fund brought forward.

At the beginning of 2022, the Health Insurance Fund had retained earnings amounting to 264.5 million euros.

In 2022, 7.2 million euros was allocated to the legal reserve from the retained earnings and 2.6 million euros into the risk reserve to bring the reserves to the legally required level.

In connection with the transfer of the pharmaceuticals warehouse from the Health Board to the Health Insurance Fund, stockpiles of vaccines and hospital pharmaceuticals in the amount of 27.9 million euros were recognised under retained earnings.

We ended the accounting period of the Health Insurance Fund with a positive result of 159.9 million euros, which is 98.4 million euros more than the 61.5 million euros planned in the budget. 85 million euros of this comes from higher revenue receipts, and at the same time, the Health Insurance Fund has been managed according to the budget, that is we have spent 14 million euros less (1% of the total budget for the accounting year).

As at 31 December 2022, the total retained earnings were 442.5 million euros.

The management board of the Health Insurance Fund proposes to the supervisory board to transfer 15.9 million euros of the retained earnings of previous periods to the legal reserve and 5.9 million euros to the risk reserve in order to bring the reserves to the legally required level of 2023, which will result in the retained earnings of 420.7 million euros.

Annual accounts

Balance sheet

Assets			
In thousands of euros	31.12.2022	31.12.2021	Note
Current assets			
Cash	508 328	355 913	2
Receivables and prepayments	181 773	181 359	3, 14
Inventories	37 720	6 942	4
Total current assets	727 821	544 214	
Fixed assets			
Tangible assets	119	19	5
Total fixed assets	119	19	
Total assets	727 940	544 233	

Liabilities			
In thousands of euros	31.12.2022	31.12.2021	Note
Liabilities			
Payables and prepayments	148 216	152 345	7, 14
Total current liabilities	148 216	152 345	
Total liabilities	148 216	152 345	
Net assets			
Reserves	137 208	127 380	8
Earnings brought forward	282 630	128 580	
Earnings of the accounting year	159 886	135 928	
Total net assets	579 724	391 888	
Total liabilities	727 940	544 233	

Profit and loss statement

In thousands of euros	2022	2021	Note
Health insurance component of social tax, operating support, and recoveries from other persons	1 998 118	1 832 673	9, 14
Expenses related to health insurance	-1 874 944	-1 781 388	11
Targeted financing revenue	44 637	67 081	15
Targeted financing expenses	-284	0	15
Gross result	167 527	118 366	
General administrative expenses	-15 289	-12 914	6, 12
Other operating revenue	7 113	31 441	10
Other operating expenses	-980	-965	13
Operating profit	158 371	135 928	
Interest and other financial income	1 515	0	2
Earnings of the accounting year	159 886	135 928	

Cash flows

In thousands of euros	2022	2021	Note
Cash flows from principal activity			
Social tax proceeds	1 623 472	1 481 304	9
Operational support received	408 003	439 197	9
Invoices and benefits for incapacity for work paid	-1 898 181	-1 777 544	
Fees paid to employees	-5 412	-5 039	12
Taxes paid on labor expenses	-3 831	-3 587	12
Other revenue received	28 364	19 333	10
Total cash flows from principal activity	152 415	153 664	
Net change in cash and bank accounts	152 415	153 664	
Bank accounts and cash equivalents at the start of the period	355 913	202 249	2
Change in cash	152 415	153 664	
Bank accounts and cash equivalents at the end of the period	508 328	355 913	2

Statement of changes in net assets

In thousands of euros	2022	2021	Note
Reserves			
Reserves at the beginning of the year	127 380	117 831	
Allocation to reserves	9 828	9 549	
Reserves at the end of the year	137 208	127 380	8
Earnings brought forward			
At the beginning of the year	264 508	138 129	
Allocation to reserves	-9 828	-9 549	
Pharmaceuticals and vaccines given	27 950	0	
Earnings of the accounting year	159 886	135 928	
At the end of the year	442 516	264 508	
Net assets at the beginning of the year	391 888	255 960	
Net assets at the end of the year	579 724	391 888	

Notes to annual accounts

Note 1. Accounting policies used for preparing the annual report

The annual accounts 2022 of the Health Insurance Fund have been prepared in accordance with the Estonian financial reporting standard. Estonian financial reporting standard is a body of financial reporting requirements based on the internationally accepted accounting and reporting principles, which principal requirements are established by the Accounting Act of the Republic of Estonia and which is specified by the guidelines of the Estonian Accounting Standards Board. These annual accounts are also prepared on the basis of the public sector financial accounting and reporting guidelines.

The financial year began on 1 January 2022 and ended on 31 December 2022. The numeric data in the annual accounts are presented in thousands of euros.

Report formats

The income statement format 2 established with the Accounting Act, the structure of the entries of which has been adjusted to the nature of the activities of the Health Insurance Fund, is used as an economic outturn account.

Financial assets and liabilities

Financial assets are deemed to be cash, trade receivables, and other current and long-term receivables. Financial liabilities are deemed to be outstanding trade payables, accruals, and other short-term and long-term borrowings.

Financial assets and liabilities are initially registered at their acquisition cost, which is equal to the fair value of the consideration given or received for the respective financial asset or liability. The initial acquisition cost comprises all expenses directly attributable to the financial asset or liability.

In the balance sheet, financial liabilities are recognised at adjusted acquisition cost.

A financial asset is removed from the balance sheet when the Health Insurance Fund's right to the cash flows from the financial asset expires or it transfers the cash flows from the financial asset and most of the risks and rewards associated with the ownership of the financial asset to a third party. A financial liability is removed from the balance sheet when it is satisfied, cancelled or expires.

Cash

The funds of the Health Insurance Fund are kept in current accounts that are part of the group account of the State Treasury of the Ministry of Finance. According to the deposit agreement between the Health Insurance Fund and the Republic of Estonia, the Health Insurance Fund has unlimited access to the money on the group account at one week's notice. The Republic of Estonia can apply a usage limit on the deposited amount, but has not done so as at 31 December 2022.

The statement of cash flows has been prepared using the direct method.

Recognising foreign currency transactions

Transactions denominated in foreign currencies are recognised by applying the European Central Bank exchange rates quoted at the date of transaction. Monetary financial assets and liabilities denominated in foreign currencies are translated into euros as at the reporting date on the basis of the European Central Bank exchange rates quoted at the reporting date. Exchange gains and losses are recognised in the income statement as the revenue and expenditure of the period.

Receivables

Trade receivables comprise receivables for goods sold, services provided, and recoveries of health insurance benefits that fall due in the following financial year. Receivables falling due within more than a year are recognised as long-term receivables.

Receivables for goods sold and services provided comprise receivables from the Ministry of Social Affairs for the service of processing treatment invoices and receivables for health services provided in Estonia to patients from other EU Member States from the competent institution of such persons' country of coverage. Also requirements for pharmaceutical sellers arising from price agreements on pharmaceuticals.

The recoverability of receivables is assessed at least once a year as at the accounting date. Receivables are assessed on an individual basis, and only recoverable amounts are recognised in the balance sheet based on the principle of conservatism. Doubtful receivables are recognised as an expense in the period in which they arise. Recovery of previously expensed doubtful receivables is recognised as a reduction of expenses from doubtful receivables.

Receivables whose collection is impossible or economically impractical are considered irrecoverable and written off the balance sheet.

Inventories

Prescription forms and medicines purchased uniformly for health care service providers are treated as inventories. Inventories are measured in the balance sheet at acquisition cost or net realisable value, depending on which is lower. Inventories are registered at acquisition cost on the basis of a purchase invoice and expensed according to the payments made to health care providers using the individual cost method.

Tangible assets

Assets are classified as tangible fixed assets when their estimated useful life extends beyond one year and acquisition cost exceeds 5,000 euros. Assets with a shorter estimated useful life or lower acquisition cost are expensed at acquisition.

Tangible assets are initially registered at acquisition cost and depreciated under the linear method according to their expected useful lives. The cost of land and works of art are not depreciated.

The following depreciation periods (in years) are applied:

- buildings and construction works 10–20
- fixtures and fittings 2–4

Expenditure on items of property, plant and equipment incurred after acquisition is generally expensed during the period. Subsequent expenditure is added to the cost of a tangible fixed assets when it is probable that future economic benefits generated by the expenditure will exceed the originally assessed benefits and the expense can be measured reliably and attributed to the asset.

Targeted financing

Benefits given and received under certain conditions for a designated purpose where the provider of the targeted financing checks whether or not the benefit is used as designated is recognised as targeted financing. Targeted financing is not recognised as revenue and expenses until the conditions associated with them have been met. Benefits given and received, which are given to the recipient based on their tasks arising from the articles of association and the objective specified in development documents, are recognised as operating support.

Revenue and expenses

Revenue and expenses are recognised on an accrual basis. Interest income is recognised as it accrues.

The Health Insurance Fund's revenue comprises mostly the health insurance component of social tax, operating support and recoveries from other persons. The health insurance component of social tax is received from the Estonian Tax and Customs Board through weekly transfers. Once a month, the Estonian Tax and Customs Board sends to the Health Insurance Fund a statement of transfer of tax balances which serves as a basis for recording as revenue in the accounts. The operating support is a provision from the state budget, which is calculated based on the old-age pensions of non-working old-age pensioners. Recoveries from other persons are recognised when a claim is submitted against a legal entity based on the law or a contract for compensation of damage caused to the Health Insurance Fund. Claims (receivables) against natural persons are recorded upon receipt of payment.

Operating and financial leases

A lease that transfers all substantial risks and rewards incidental to the ownership of an asset to the lessee is recognised as a financial lease. Other leases are classified as operating leases. The Health Insurance Fund considers lease contracts as operating lease, and financial expenses are recognised as linear costs over the lease per.

Related parties

Related parties are considered to be members of the management board and supervisory board of the Health Insurance Board, their close family members and companies related to thereof. A person is related to a company if

- they are a member of the management of the reporting company or its parent company (incl. person who has the authorisation to directly or indirectly plan, manage and control the company's activities and who is liable for thereof); or
- they have a dominant or significant influence over the reporting company (e.g. through shareholding).

See Note 14.

Provisions and contingent liabilities

The Health Insurance Fund allocates provisions for liabilities of uncertain timing or amount. The amount and timing of provisions is determined on the basis of estimates made by the management or relevant experts.

A provision is recognised when the Health Insurance Fund has incurred a legal obligation or an obligation arising from its operations prior to the balance sheet date, the probability of the provision upon the outflow of resources exceeds 50%, and the amount of provision can be reliably measured.

Reserves

The reserves of the Health Insurance Fund consist of legal reserve and risk reserve. The formation and utilisation of reserves is governed by the Estonian Health Insurance Fund Act. See also Note 8.

Events after the reporting date

The annual accounts reflect all the significant events affecting the valuation of assets and liabilities that became evident between the reporting date of 31 December 2022 and the date on which the financial accounts were authorised for issue but are related to transactions carried out during the reporting period or earlier periods.

Events following the reporting date which have a significant effect on the result of the next financial year but which have not been taken into consideration upon assessing the assets and liabilities are disclosed in the notes to the annual accounts.

Note 2. Cash

In thousands of euros	31.12.2022	31.12.2021
Cash on bank accounts	508 328	355 913

The Ministry of Finance calculates for the Health Insurance Fund an interest on the balance of the funds held on the accounts of the group account at the rate which equals the profitability of the state cash reserve. In 2022, interest rates on the balance were between 0.51% and 1.45%, and interest income in 2022 amounted to 1,515 thousand euros (none in 2021).

Note 3. Receivables and prepayments

In thousands of euros	31.12.2022	31.12.2021
Social tax receivable	162 922	152 848
Trade receivables	15 187	23 623
Doubtful receivables	-67	-90
Prepaid expenses of future periods	3 197	4 936
Interest receivables	486	0
Receivables from policyholders pursuant to a contract	48	42
Total	181 773	181 359

Social tax receivable is a short-term receivable for the health insurance component of social tax calculated for the Tax and Customs Board.

As at 31 December 2022, outstanding receivables from related parties amounted to 1 thousand euros, see Note 14.

Among other things, the balance of the support transferred to the Health and Welfare Information Systems Centre in the amount of 2,215 thousand euros is recognised under prepaid expenses of future periods.

Note 4. Inventories

In thousands of euros	31.12.2022	31.12.2021
Pharmaceuticals	37 715	6 939
Prescription forms	5	3
Total	37 720	6 942

In 2022, the Health Services Organisation Act was amended, which transferred the organisation of the storage and logistics service of publicly procured pharmaceuticals from the Health Board to the Health Insurance Fund. As a result, the Health Board transferred vaccines in the amount of 27,531 thousand euros to the Health Insurance Fund.

Note 5. Tangible assets

In thousands of euros	Land	Construction works	Other fixtures and fittings	Total tangible assets
Acquisition cost				
31.12.2021	1	451	1 528	1 980
Acquired	0	0	119	119
Written off	0	0	158	158
31.12.2022	1	451	1 489	1 941

Accumulated depreciation				
31.12.2021	0	451	1 510	1 961
Calculated depreciation	0	0	19	19
Written off	0	0	158	158
31.12.2022	0	451	1 371	1 822
Carrying amount				
31.12.2021	1	0	18	19
31.12.2022	1	0	118	119

Note 6. Lease

Operating lease

Accountable as the lessee

The economic outturn account of 2022 recognises operating lease payments totalling 625 thousand euros (590 thousand euros in 2021), incl. 2 thousand euros for leasing means of transport and 588 thousand euros for premises pursuant to lease agreements.

There are no contingent liabilities arising from lease payments. The term for advance notice for terminating lease contracts for premises after the agreed lease period is 6–12 months.

Operating lease expenses are covered in Note 12.

Note 7. Payables and prepayments

In thousands of euros	31.12.2022	31.12.2021
Trade payables	126 802	126 658
Payables to medical institutions for services	90 479	85 833
Payables to pharmacies for pharmaceuticals distributed at a discount	14 377	12 539
Payables for health insurance benefits to other suppliers	21 544	27 885
Other trade payables	402	401
Tax payables	4 436	4 691
Personal income tax	3 604	4 145
Social tax	706	508
Unemployment insurance premium	23	18
Contribution to mandatory funded pension	9	7
In thousands of euros	31.12.2022	31.12.2021
Income tax on fringe benefits	10	7
Value added tax	84	6
Other payables	16 978	20 996
Payables to contractors	1 506	1 009
Other payables	392	358
Prepayments received	15 080	19 629
Total	148 216	152 345

Trade payables include related party transactions in the amount of 24,092 thousand euros (1,101 thousand euros as at 31 December 2021), see Note 14.

Personal income tax liability includes personal income tax in the amount of 3,491 thousand euros (4,050 thousand euros as at 31 December 2021) withheld from benefits for incapacity for work paid by to persons insured by the Health Insurance Fund. Social tax liability includes social tax in the amount of 496 thousand euros (333 thousand euros as at 31 December 2021) accrued on outstanding pay.

The tax authority has the right to check the tax records of the Health Insurance Fund within up to five years from the deadline for submission of the tax declaration and to determine the additional amount of tax, interest and fines upon detection of any errors. In 2021 and 2022, no controls were carried out by the tax authority. According to the management of the Health Insurance Fund, there are no circumstances that could lead the tax authority to impose a significant additional tax on the Health Insurance Fund.

Note 8. Reserves

In thousands of euros	Legal reserve	Risk reserve	Total
Balance at the start of the period on 1 January 2022	93 172	34 208	127 380
Formation of the reserve in 2022	7 213	2 615	9 828
The amount of the reserve required by law and the size of the reserve as at 31 December 2022	100 385	36 823	137 208

According to the Estonian Health Insurance Fund Act, the legal reserve shall amount to 5.4 per cent of the budget. Every year, at least 1/50 of the total budget of the Health Insurance Fund is transferred to the legal reserve until the amount of the legal reserve provided for by law is achieved.

The size of the risk reserve shall be 2 per cent of the health insurance budget of the health insurance fund.

The legal reserve is restored in the part of 2022 at the expense of retained earnings of the Health Insurance Fund. The decision on this is made together with the approval of the annual report in April 2023. In 2022, the Health Insurance Fund could not use additional funds allocated by the state to restore the legal reserve; in 2021, due to the Covid crisis, these funds were allocated from the state budget.

Note 9. Health insurance component of social tax and recoveries from other persons

In thousands of euros	2022	2021
Health insurance component of social tax	1 633 546	1 490 379
Operating support	363 291	340 634
Recoveries from other persons	1 281	1 660
Total	1 998 118	1 832 673

According to subsection 51 (3) of the Health Services Organisation Act, operating support includes the state budget allocation on the basis of the amount of the pension of non-working pensioners in 2022 in the amount of 220,460 thousand euros (190,884 thousand euros in 2021) and nearly 142,700 thousand euros of support to cover health care costs (143,400 thousand euros in 2021).

Recoveries from other persons include related party transactions in the amount of 39 euros (2 thousand euros in 2021), see Note 14.

Note 10. Other operating revenue

In thousands of euros	2022	2021
To restore the legal reserve	0	26 500
Services provided to the citizens of the European Union	4 983	3 249
Voluntary insurance contracts	1 478	1 221
Insurance contracts with other countries	338	411
Other	314	60
Total other operating revenue	7 113	31 441

In order to cover the services arising from the spread of the virus causing COVID-19 paid through the Estonian Health Insurance Fund, a support was transferred to the Estonian Health Insurance Fund to restore the legal reserve pursuant to the Supplementary Budget Act 2021. The legal reserve was restored in the amount of 10,395, the rest was used to cover COVID-19 expenses.

Note 11. Expenses related to health insurance

In thousands of euros	2022	2021
Health service benefits	1 420 685	1 322 685
Specialised medical care	972 952	903 051
Family medical care	207 184	189 805
Dental care	72 122	61 978
Emergency medical care	70 753	67 097
Nursing care	65 653	52 246
Disease prevention	19 264	16 488
Personal protective equipment	810	22 757
Emergency treatment of uninsured persons	11 947	9 263
Costs of benefits for temporary incapacity for work	207 131	222 933
Expenses related to benefits for pharmaceuticals	186 028	183 043
Other expenses of health insurance benefits	49 857	42 491
Benefits for medical devices	15 872	12 728
Health service benefits arising from international agreements	9 543	10 573
Miscellaneous health insurance expenditure	24 442	19 190
Other financial benefits	8 824	7 994
Health promotion expenses	2 419	2 242
Total health insurance expenses	1 874 944	1 781 388

COVID-19 expenses are included in the respective health care costs in the amount of 40,651 thousand euros.

Health insurance expenditure includes transactions with related parties in the amount of 321,951 thousand euros (17,511 thousand euros in 2021), see Note 14.

Note 12. General administrative expenses

In thousands of euros	2022	2021
Personnel and management expenses	9 563	8 381
Wages and salaries	7 052	6 183
incl. remuneration of members of the management board	494	446
Social tax	2 456	2 150
Unemployment insurance	55	48
Information technology expenses	2 997	2 249
Management expenses	2 405	2 030
incl. operating lease payments*	625	590
Development expenses	324	254
Total general administrative expenses	15 289	12 914

* see Note 6

Average number of employees of the Health Insurance Fund reduced to full-time equivalent as at the reporting date	2022	2021
Members of the management or controlling body of a legal person	4	4
Persons employed pursuant to an employment contract	183	180
Total	187	184

Management costs do not include transactions with related parties, see Note 14.

Upon expiry of the term of their contracts of service, members of the management board are entitled to benefits equal to their three months' remuneration. In 2022, remuneration for members of the supervisory board is 203 euros (207 euros in 2021).

Note 13. Other operating expenses

In thousands of euros	2022	2021
Value added tax on operating expenses	896	858
Receivables expensed	59	68
Other	25	39
Total other operating expenses	980	965

Note 14. Transactions with related parties

Related parties of the Estonian Health Insurance Fund include members of the supervisory board and members of the management board who have been employed during the current accounting year, close family members of the member of the supervisory or management board, and legal persons over whom the specified natural persons have significant control or influence (for example, they are members of the supervisory or management board of such a legal person or hold at least 10% of the share capital of such a legal person).

Health services are purchased from related parties under the same conditions as from other providers.

Transactions with related parties

In thousands of euros	2022	2021	Note
Purchase of services	321 951	17 511	11, 12
Receivables submitted	39	2	9
Liability on 31 December	24 092	1 101	7
Receivable on 31 December	1	0	3

No write-downs of receivables from related parties were made in 2021 or 2022. Medical services purchased from other health service providers where the party related to the Health Insurance Fund is a member of a management body are mostly recognised as the purchase of services.

For the remuneration of members of the management board, see Note 12.

Note 15. Targeted financing

Targeted financing revenue:

In thousands of euros	2022	2021
Additional funds for COVID-19 from the state budget	42 729	67 072
Health portal	305	0
Other	1 603	3 402
Total	44 637	67 081

42,729 thousand euros were allocated from the state budget to cover COVID-19 expenses, including for improving availability, for COVID-19 medications, for COVID-19 vaccination and to compensate for the costs of an additional three days of benefit for incapacity for work.

The health portal is a further development of digilugu.ee, where the existing Patient Portal services have been transferred to the new platform. The development is based on the needs of the users, the simplest possible navigation is ensured, and all users are provided with understandable explanations for the services.

Targeted financing expenses:

In thousands of euros	2022	2021
Health portal	284	0
Total	284	0

Note 16. Events after the balance sheet date

The year 2022 started with a still high coronavirus disease burden and it was still a very difficult time for the health sector. We were, however, able to force the virus outbreak to recede in the second half of the year with the help of vaccination, but the coronavirus will continue to be under continuous monitoring in 2023.

We have taken into account that the scheme for compensating sick leave days will continue until 30 June 2023 (according to the amendment to the law passed by the Riigikogu in November 2022) and vaccination must be continued. The forecast of additional costs is based on the experience of 2022. When drawing up the budget for 2023, we have also assumed that despite the continued impact of the COVID-19 on the health care system, the financing of planned treatment and availability of health services is ensured at the same time.

In January 2023, the Health Board further transferred to the Health Insurance Fund the stockpile of COVID-19 vaccines in the amount of 4,406 thousand euros. While initially these vaccines were to be destroyed due to the expiration of the best before date, these vaccines are suitable for use until the end of April 2023 based on the best before date extended by the manufacturer. From the beginning of 2023, the Health Insurance Fund is responsible for the procurement and storage of COVID-19 vaccines, therefore the Health Board also transferred these vaccines to the Health Insurance Fund. In March 2023, two batches of COVID-19 vaccines will reach their best before date. If the manufacturers of the vaccines do not extend the best before dates, the Health Insurance Fund intends to write off and destroy these vaccines. The cost of the stock of these batches is 785 thousand euros.

In March, at the initiative of the Ministry of Social Affairs, 118 thousand doses of Comirnaty vaccine were donated to Brazil through the COVAX system. These vaccines were located in a temporary warehouse in Germany and did not reach Estonia.

The Estonian name for the Estonian Health Insurance Fund, Eesti Haigekassa, has become Tervisekassa. In March 2023, the Riigikogu approved an amendment to the Estonian Health Insurance Fund Act, changing the Estonian name of the Estonian Health Insurance Fund, Eesti Haigekassa, to Tervisekassa from 1 April 2023. The name change has been a fundamental and necessary change, which is related to the goal of emphasising the end result of our activities – maintaining and restoring health. The Health Insurance Fund is not a passive payer of treatment invoices, but we are increasingly engaged in disease prevention and health promotion to improve the health outcome.

Signatures to the annual report

The management board of the Estonian Health Insurance Fund has prepared the 2022 annual report.

The annual report comprises the management report and the annual accounts, to which the independent auditor's report has been appended.

Management board

3 April 2023



Rain Laane

Chairman of the Management Board



Pille Banhard

Member of the Management Board



Maivi Parv

Member of the Management Board



Karl-Henrik Peterson

Member of the Management Board



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INDEPENDENT SWORN AUDITOR'S REPORT

To the supervisory board of the Health Insurance Fund

Opinion

We have audited the annual accounts of the Health Insurance Fund, which include the balance sheet as at 31 December 2022, the profit and loss statement, cash flows and the statement of changes in net assets for the year that ended at the respective date as well as notes to the annual accounts, including a summary of notable accounting policies.

In our opinion, the aforementioned annual accounts accurately recognise the financial position of the company as at 31 December 2022 and the financial result and cash flows of the financial year that ended on that date in all material respects in accordance with the Estonian financial reporting standard.

Basis of opinion

We conducted the audit in accordance with the International Standards on Auditing (Estonia). Our responsibilities in accordance with these standards are further described in the section "Obligations of the sworn auditor in connection with the audit of the annual accounts" provided in our report. We are independent of the company in accordance with the Code of Ethics for Professional Accountants (Estonia) (incl. standards of independence), and we have performed our other ethical obligations pursuant to these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Liability for other information lies with the management. Other information includes the address of the management board of the Health Insurance Fund, the management report, report on the execution of the budget, but does not include the annual accounts or our relevant sworn auditor's report.

Our opinion on the annual accounts does not cover any other information or provide any assuring conclusion with regard to thereof in any format.

In connection with our audit of the annual accounts, we are obligated to read other information and consider whether other information significantly differs from the annual accounts or the information we have obtained in the course of the audit or otherwise appears to be materially misstated.

If we conclude based on our work that other information is significantly misstated, we are obligated to report the fact. We have nothing to report in respect of this.

Obligations of the management and persons in charge of governance in connection with the annual accounts

The management is responsible for the preparation and fair presentation of the annual accounts in accordance with the Estonian financial reporting standard and for internal control that the management deems necessary for preparing annual accounts free from material misstatements, whether due to fraud or error.

Upon preparing the annual accounts, the management is obligated to assess the ability of the company to carry on its activities as a going concern, to present information, where applicable, about circumstances associated with the continuation of operations, and to apply the basic principle of going concern, unless the management plans to either liquidate the company or terminate its activities or there is no realistic alternative to it.

The persons in charge of governance are liable for the supervision over the company's financial reporting process.

Obligations of the sworn auditor in connection with the audit of the annual accounts

Our objective is to obtain reasonable assurance as to whether the annual accounts as a whole are free of material misstatements arising either from fraud or an error and to issue a sworn auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but it does not guarantee that a material misstatement, if present, is always discovered in the course of an audit conducted in accordance with the International Standards on Auditing (Estonia). Misstatements may result from fraud or an error and are considered material if it can be reasonably presumed that they could individually or collectively affect economic decisions that the users are making on the basis of the annual accounts.

We use professional judgment in our audits in accordance with the International Standards on Auditing (Estonia) and maintain professional scepticism throughout the audit. We also do the following:

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- We ascertain and evaluate the risks of material misstatement arising either from fraud or error in the annual accounts, plan and conduct audit procedures in response to these risks, and obtain adequate and relevant audit evidence that serves as a basis for our opinion. The risk of not discovering a material misstatement arising from fraud is higher than that of a misstatement arising from error because fraud may mean collusion, falsification, intentional omission, misrepresentations, or ignoring internal control.
- We gain an understanding of internal control relevant to the audit in order to plan audit procedures appropriate for these circumstances but not to express an opinion on the effectiveness of the company's internal control.
- We evaluate the appropriateness of accounting policies used as well as the reasonableness of accounting estimates made by the management and information disclosed in connection with thereof.
- We draw a conclusion on the appropriateness of the use of the basic principle of going concern by the management and, based on the audit evidence obtained, on whether there is considerable uncertainty regarding events or conditions that may cause significant doubt with regard to the company's ability to carry on its activities as a going concern. If we conclude that there is considerable uncertainty, we are obligated to call attention to the information disclosed with regard to thereof in the annual accounts in the sworn auditor's report or modify our opinion if the information disclosed is inadequate. Our conclusions are based on the audit evidence obtained up to the date of the sworn auditor's report. However, future events or conditions could adversely affect the company's ability to carry on its activities as a going concern.
- We evaluate the overall presentation, structure and content of the annual accounts, including information disclosed and whether the annual accounts present the underlying transactions and events in a manner that ensures fair presentation.

We exchange information with those in charge of governance about, among other things, the planned scope and time of the audit and significant audit findings, including any significant deficiencies in the internal control that we have discovered in the course of the audit.

KPMG Baltics OÜ

Auditing firm's activity license number 17

/signed digitally/

Andris Jegers

Sworn auditor's number 171

Tallinn, 3 April 2023

