



**The Global Economic Crisis
and HIV Prevention and Treatment Programmes:
Vulnerabilities and Impact**

Executive Summary

ROMANIA

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Romania, once the fastest growing economy in the European Union, is now facing record negative growth. In the first quarter of 2009 the economy shrank by 7.6%, continuing its deterioration in the second quarter when it reached -8.8%. Even at its height, the Romanian economy had major problems. The country closed 2008 with a public deficit of over 4.6 % of its GDP and a commercial deficit of over 12% of its GDP. At the beginning of 2009 the value of the national currency against the Euro dropped by 20%, compared to mid-2008.

Following its election in November 2008, the new government negotiated a major stabilization package. The package, finalized in March 2009 and worth up to €20 billion, is backed by the IMF, the World Bank and the European Union. In exchange, Romania committed to reducing public spending by at least 20%. In the short term, the stabilization package calmed the currency market and the financial system. The reform measures involved severe cuts in public jobs and spending and resume of the investments are lagging behind. The coalition government has proposed a reform package, but so far difficult measures were postponed and the social peace with the unions is threatened.

Within this context, all social and health programmes are experiencing financial difficulties. The major health treatment programmes are funded by the National Health Insurance House, and include programmes for cancer, diabetes, cardiovascular illnesses, tuberculosis and HIV/AIDS. Since the National Health Insurance House is dependent on contributions made by employers and employees and the economic crisis has affected businesses and jobs, this has been immediately reflected in the revenues available for health insurance. At the political level, the government has committed itself to maintaining universal free coverage for patients under national health programmes. But it has to cope with the dramatic reduction—over 25% according to some estimation—in revenues from health insurance.

A programme providing universal access to HIV/AIDS treatment and care was introduced in Romania in 2001. The programme is considered a model in the region and is based on the political commitment and partnership between public authorities, pharmaceutical companies, patients and UNAIDS. The number of patients on state-of-the-art antiretroviral treatment increased from 3500 in 2001 to almost 8000 at the end of 2008. This was made possible due to increased budget allocations and partnerships with drug companies, which are providing significant price reductions and donations.

The treatment programme worked well until the beginning of 2008. The first problems occurred before the economic crisis, in early 2008, when the former Minister of Health decided to decentralize ARV procurement to the district level (there are 42 districts in Romania). His decision was despite the strong opposition of experts, patient associations and UN organizations. Until 2008 ARVs were procured through centralized means, allowing for better control of prices and distribution, as well as better patient monitoring. The decentralization of procurement led to a 20% increase in treatment programme costs in 2008, compared with 2007, and even in 2008 had already led to distribution problems. When the economic crisis struck in early 2009, UNAIDS facilitated a meeting of all the partners involved with the newly established government to decide on measures to avoid a

major crisis with the treatment programme. The Ministry of Health decided that the HIV/AIDS treatment programme would remain a priority and that it would resume centralized procurement as a means to reduce costs. Unfortunately, the severity of the economic downturn was higher than anyone expected and revenues of the National Health Insurance House could no longer cover the projected costs of programmes.

In June and July the situation had become critical for people living with HIV receiving treatment in certain areas. In at least five district hospitals and one major hospital for infectious diseases in Bucharest, patients were informed that the hospitals could not provide treatment on a continuous basis.

Several newspapers and NGO communications are sounding the alarm that hundreds of patients no longer have regular access to ARVs. The Coalition of Patients with Chronic Diseases, which includes the Federation of Organizations of People Living with HIV, has requested that the Romanian President be involved in solving this crisis. The situation of restricted treatment access is not specific to HIV/AIDS—it also applies to patients with other chronic diseases (particularly cancer, diabetes and haemophilia). The situation for these patients has been worsening.

In response to ART shortages in some districts, the Ministry of Health took emergency measures to redistribute available funding to those districts suffering shortages. Official reports claimed that existing funding would cover this need only until the end of the year. Until that time it is expected that a national budget revision will supplement funding. Districts with insufficient funding are sending patients to districts where drugs are available and the main treatment unit in the capital is prepared to supply drugs to redistributed patients.

Pharmaceutical companies are contributing by donating stock. The national centralized procurement process has started for 2010 onwards. Contracts are expected to be signed by the end of 2009 and to be valid until 2012. Once these contracts are implemented supply problems will be solved. Unfortunately, the centralized procurement procedures were delayed and problems occurred because of the financial crisis.

A preliminary analysis found that the main reasons for the current situation are: (1) the economic recession and (2) poor planning and disinvestment in the drug procurement process. The system of decentralization, where each hospital procures their own ARVs using funds advanced by the Ministry of Health, seems to play a role in this. Several hospitals did not have enough money allocated and did not have a well developed tender process, which led to shortages of ARVs.

In terms of prevention, the supply of condoms has also suffered, as all the government bidding has been frozen until a new order is to be placed. Data recently collected from the main Opioid Substitution Treatment service providers for January to June 2009 show that there seem to have been some treatment interruptions, but no decrease in the number of patients receiving methadone or buprenorphine, because these programmes are partially supported by international aid. However, the Ministry of Health was supposed to take over the responsibility of these programmes in 2009, as the main donors (Global Fund, UNODC and other agencies) close programmes and/or withdraw from the country. In addition, the

National Anti-drug Agency (ANA), which covers half of OST patients, was restructured in 2009. OST should have been taken over by the Ministry of Health, although it has no funds for it.

Government actions planned or taken:

- Budget revision;
- Centralized procurement of ARVs;
- Optimizing costs of treatment and care.

Recommendations:

- Continue to monitor the treatment situation;
- Include the OST treatment programme in the regular treatment programmes covered by health insurance;
- Resume national procurement for condoms, HIV tests and other essential prevention programme elements.