THE 20TH EDITION OF THE INTERNATIONAL CONFERENCE
EUROPEAN INTEGRATION
REALITIES AND PERSPECTIVES

Understanding Risks and Bypassing Impediments Concerning Health Care in Albania

Nora Refatllari[1]

Abstract: According to the Constitution of the Republic of Albania, health care is sanctioned as an equal right for all of its citizens, and it should encompass universal coverage. During the last years, especially during and after the COVID-19 shockwave, the policies of the Albanian government have been directed towards improving the situation in the healthcare system, however, there is still more to be done. Healthcare continues to be a pressing issue, especially with the changing demographic structure of the Albanian population and the emigration of qualified healthcare personnel. Understanding risks and adopting strategies and policies to bypass them is essential to guarantee high-quality service in a timely manner for patients in all three tiers of the healthcare system in Albania. With the emerging competition from private healthcare organizations, it is imperative to identify the risks and provide measures to bypass or minimize them, especially in the light of policies regarding hospital autonomy. Through extensive secondary literature review and data from national and international organizations, this research paper aims to investigate and examine some of the main risks related to Albanian healthcare organizations. The sustainable development of a country cannot be achieved without good health and well-being for all its citizens.

Keywords: health care; hospital; social marketing; service quality

JEL Classification: M31; M38; I11

1. Introduction

The Albanian healthcare system is mainly public and is organized into a three-tier system: primary, secondary, and tertiary services. The state provides the biggest share of healthcare services offered to the population in the fields of promotion, prevention, diagnosis, and treatment. The Ministry of Health and Social Protection is responsible for the development and implementation of policies and strategies for the public healthcare system, its regulation, and the coordination of all actors within and outside the system. The main provider of the healthcare service for the patient is the family doctor (primary health care), who, when necessary, directs the patient to specialized secondary care (specialty clinics or polyclinics or city/regional hospitals). For complicated cases where further medical examination or treatment is needed, the patient is referred to the specialized hospital care service (tertiary service). This, known as the Referral System, is the means by which healthcare services are provided and controlled by the public healthcare providers. The same level of service can be offered even by non-public

[1] PhD Student, Faculty of Economy, University of Tirana, Albania, Budgeting Officer, General Directorate of Industrial Property, Tirana, Albania, Corresponding author: norarefatllari@gmail.com.

Copyright: © 2025 by the authors.
Open access publication under the terms and conditions of the
Creative Commons Attribution-NonCommercial (CC BY NC) license
(https://creativecommons.org/licenses/by-nc/4.0/)

healthcare providers, but without much bureaucracy and in a shorter timeframe, but with a higher payment for this type of service. As for the public health service, which operates according to the Reference System and determines that the patient must first go through the family doctor, who, if necessary, directs the patient to the specialist in the relevant field according to the type of disease. While the non-public health service can be offered to anyone who presents himself on the hospital premises to receive service. The main difference between public and non-public services has to do with the quality of the service (its provision in a short time and without much bureaucracy), but on the other hand, the payment or price paid in non-public hospitals for the service received is higher compared to public ones.

2. Literature Review

According to the National Health Strategy 2021-2030 (Albanian Council of Ministers' Act No 210/2022), the goal is to achieve a stronger and more accessible healthcare by (I) improving the quality of healthcare for all citizens, (II) increasing the number of healthy life years for the Albanian population, (III) modernizing infrastructure and increasing quality and safety of the hospital care, (IV) increasing the quality and safety of medication in alignment with European standards, (V) developing a better integrated and coordinated approach to health care and (VI) increasing transparency, accountability and restoring public trust in the health care system. The World Health Organization (WHO) recommends reorientating the health system towards primary health care as a means of achieving Universal Health Care. Primary healthcare establishes the backbone by providing a framework for an effective universal healthcare system and helps in improving health, reducing costs as well as lowering inequality (Stigler et al., 2016). In Albania, access to primary healthcare is difficult in rural and remote areas with mountainous terrain and where transport means are severely limited. However, efforts to improve geographical access to primary healthcare in peri urban areas might lead to higher utilization rates of facilities in these areas (Gabrani et al., 2020). According to the Albanian Supreme Audit (2024a), policies regarding equipment (which are also the most expensive) in hospital services lack clarity, inclusion in strategic objectives and there are shortcomings in legislation regarding the use of technology for medical diagnostics and treatment of patients. This has created space for duplication of competencies and irregularities in the management and administration of medical equipment at the national level. Hospitals don't have policies established regarding how the evaluation of investments is done, they don't use cost-benefit analysis, they don't evaluate maintenance costs of medical equipment and the commissioning of existing medical equipment, which in turn cannot guarantee their proper functioning throughout their normal life cycle. A report from the National Democratic Institute and Organization Together for Life (2024) highlights the urgency of an analysis of the effectiveness of the use of public funds in healthcare. During the last decade, 60% of the allocated funds have gone to construction or reconstruction, while only 13% of them have been used for purchasing medical equipment, which clearly impacts the quality of healthcare service offered to patients. This, in return, forces citizens to turn to private hospital services, thus increasing their out-of-pocket expenses for their health. Another main problem remains the fast growth of the emigration of medical personnel, especially in the last decade in Germany after the passing of Germany's Employment Regulation for the Western Balkans at the end of 2015. This "WB Regulation" was intended to attract medical professionals from the six Western Balkans countries by officially recognizing their diplomas and offering fast employment and residence permits (Mara, 2023). Infrastructure investments, economic incentives, lifelong learning, and psychological support are some of the key strategies to promote equity in the Albanian Healthcare system. These interventions can help patients receive quality healthcare regardless of their socio-economic status and

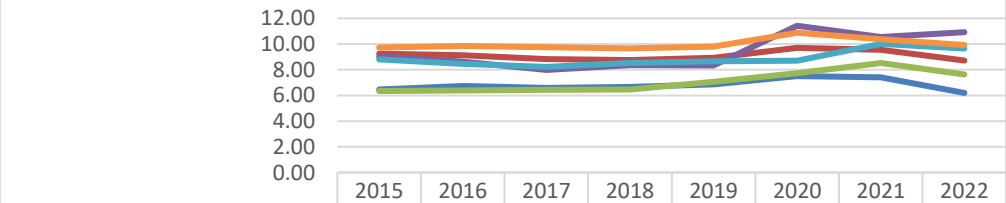
geographical location, while also providing a positive impact on the working conditions of healthcare professionals (World Health Organization, 2021; Duka et al., 2025).

3. Methodology

Electronic databases have been used to conduct online literature research in English and Albanian languages. The author conducted secondary research by using relevant keywords. Titles of academic articles that matched the focus of this academic paper were downloaded at first, then reviewed by reading the abstract and conclusion. The papers deemed fit for this research article were then read in-depth. Qualitative and quantitative data were collected from official websites of relevant national Albanian institutions such as Official Journal of Albanian Acts (QBZ), Ministry of Health and Social Protection (MShMS), Albanian Institute of Statistics (INSTAT), Mandatory Health Care Insurance Fund (FSDKSH), Albanian Competition Authority (ACA), Albanian Supreme Audit Institution (KLSH) and international organizations such as World Health Organization (WHO) and World Bank Open Data. Limitations to this study are missing data and yearly reports from the Ministry of Health and Social Protections as well as the dependent institutions that are affiliated with or overseen by this ministry. In some cases, the links on the websites exist, but when clicked, they either show an empty page, an error page or that the content has been removed. The only website that showed detailed data was the yearly report of the Mandatory Health Insurance fund (FSDKSH) for the year 2023.

4. Results and Discussion

During the COVID-19 pandemic, most countries allocated additional government budget resources to combat it, thus highlighting the importance of investing in emergency preparedness and demonstrating that prevention is just as valuable as response. Therefore, it is essential to prioritize system-wide preparedness to address future health shocks. However, the World Health Organization stresses that the importance of sustained health spending is critical (World Health Organization, 2024). As we can see from the table below, the health expenditures as a percentage of the Gross Domestic Product peaked during the COVID-19 pandemic. However, Albania in the year 2022 shows a decline and has the lowest percentage of health expenditure (% of GDP) compared to Bosnia and Herzegovina, North Macedonia, Montenegro, Serbia, and the World Indicator.



	2015	2016	2017	2018	2019	2020	2021	2022
Albania	6.46	6.73	6.58	6.67	6.86	7.50	7.40	6.19
Bosnia and Herzegovina	9.24	9.14	8.82	8.76	8.93	9.70	9.56	8.72
North Macedonia	6.34	6.38	6.44	6.46	7.07	7.73	8.52	7.62
Montenegro	9.02	8.63	7.98	8.34	8.33	11.42	10.55	10.92
Serbia	8.81	8.46	8.22	8.53	8.67	8.70	10.01	9.66
World	9.73	9.86	9.74	9.66	9.80	10.88	10.36	9.91

Figure 1. Current health expenditure (% of GDP)

Source: World Bank Open Data, 2025, author's own graph.

Some of the risks associated with Albanian health care are listed as below:

4.1. Aging of the Population

The shift to demographic change in the population is similar to the trends in other developed countries, where we can see a change in age and gender composition. The graph visibly shows an increase for ages over 65 years, while ages under 65 show a decline in the number for both genders. Also, the comparison between these pyramids shows the aging of the population and the increase in life expectancy. According to INSTAT (2019), the gender ratio in the population of January 1, 2019, is 99.8 men for every 100 women and, according to the medium growth scenario, is expected to reach 89.1 men for every 100 women in 2031. The change in gender composition highlights the importance of focusing on strategies and policies that promote gender equity in health.

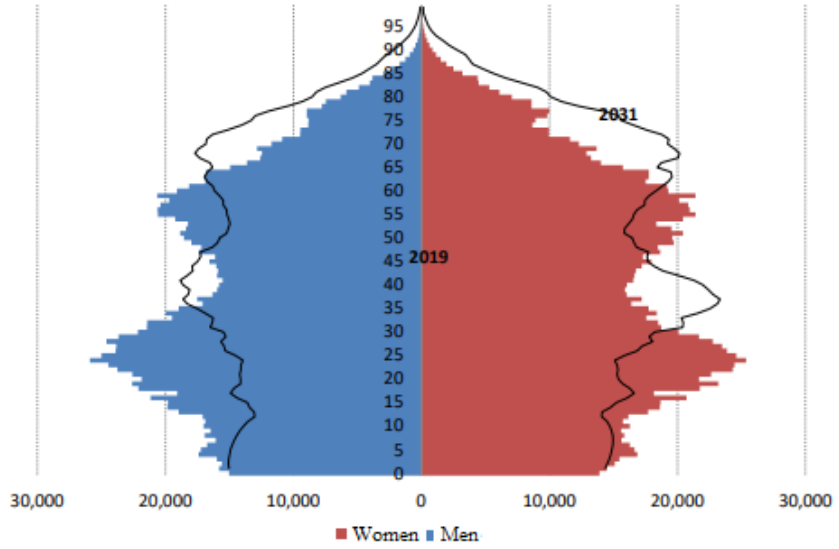


Figure 2. Population pyramids according to updated population projections, 2019-2031

Source: INSTAT, 2019

4.2. Health Care Market

According to the Albanian Competition Authority (2024), the legal framework regarding the market in which hospitals operate, the legal and sub-legal structures do not impose impediments regarding licensing or expansion, nor do they introduce quantitative restrictions on market entry. On the other hand, the economic barriers to entry or expansion are very high due to the costs related to the provision of facilities and investments in medical and electromedical equipment. High economic barriers to entry also create barriers to exit from the market (bankruptcy) because the costs of failure are very high. The Mandatory Health Insurance Fund (FSDKSH) is the only legal, public entity that provides and administers compulsory health insurance in the Republic of Albania. It also manages the scheme in accordance with the national healthcare policies established by the Ministry of Health. The Fund's budget is approved as an integral part of the annual State Budget. FSDKSH is responsible for paying for healthcare services to increase access, prevention, and improvement of health indicators of the population. The mechanism of implementation of the social insurance scheme is annual contracts with public and private health service providers for the provision of health service packages. Some financial evidence from FSDKSH is as below:

Table 1. Actual budget of the Mandatory Health Insurance Fund (FSDKSH), from 2017-2022

Budget structure (in millions ALL)	*2017*	2018	2019	2020	2021	2022
	Actual	Actual	Actual	Actual	Actual	Actual
Revenue	**38,228**	**40,106**	**40,933**	**43,859**	**49,616**	**52,456**
of which:						
the state budget	25,869	27,796	28,524	30,127	34,913	36,638
health insurance contributions	12,268	12,250	12,284	13,665	14,616	15,692
other revenue	92	60	125	68	87	126
Expenses	**39,090**	**40,163**	**42,118**	**43,277**	**49,130**	**52,244**
of which:						
reimbursement of medicines and equipment	10,088	10,427	11,007	11,085	10,624	11,808
financing of primary health care services	8,021	7,846	7,761	7,419	9,750	10,398
administrative expenses	866	758	684	804	859	882
investments	1	84	308	115	27	4
financing of hospital services	20,114	21,047	22,358	23,855	27,871	29,152

Table 2. Percentage of financing of expenses of Mandatory Health Insurance Fund (FSDKSH), 2017-2022

Expenses	***2017***	**2018**	**2019**	**2020**	**2021**	**2022**
reimbursement of medicines and equipment	25.81%	25.96%	26.13%	25.61%	21.62%	22.60%
financing of primary health care services	20.52%	19.54%	18.43%	17.14%	19.85%	19.90%
administrative expenses	2.21%	1.89%	1.62%	1.86%	1.75%	1.69%
investments	0.003%	0.21%	0.73%	0.26%	0.05%	0.01%
financing of hospital services	51.45%	52.40%	53.08%	55.12%	56.73%	55.80%
TOTAL	100%	100%	100%	100%	100%	100%

Source: FSDKSH, 2023; Table 2 Author's own calculations

As seen from the tables above, the main source of expenses in 2022 is the financing of hospital services, which attributes more than half of expenses 55.80%, followed by reimbursement and equipment 22.60%, financing of primary healthcare services 19.90% administrative expenses 1.69% and investments, which compared to the other budget categories are a negligible 0.01%. In the year 2022, related to the revenues, health contributions make up almost 30% of the revenues of FSDKSH. These contributions are collected from the active workforce as a percentage (3.4%) on the gross salary collected by the General Directorate of Taxation, compulsory health insurance for self-employed people in agriculture (farmers) collected by the Social Insurance Institute and then disbursed to FSDKSH. It is important to highlight that with the aging of the population, the burden of financing expenses will shift even more to the state budget and other revenue, unless strategies and policies will be used to balance or increase the active workforce.

4.3. Brain Drain of Medical Professionals

Gëdeshi et al., 2024, through a mixed-methods approach combining an online survey with qualitative interviews directed at doctors, identified the main reasons for their emigration, which are: economic factors 50.7%, educational factors 26.7%, other factors (mainly concerning the future of their country)

14%, family reasons 6.6% and to access necessary medical treatment 2%. The main reasons included in the economic factors were improving living standards and inadequate working conditions in Albania. The main countries where medical doctors decide to emigrate are Germany 35.3%, Italy 23.7%, USA 14.3%, UK 9.0%, and other countries 10%. Although only a small percentage of the doctors interviewed would consider returning to their home country, more than 60% of them would be inclined to collaborate and offer their expertise without resettling in Albania.

4.4. Burden in the Health Care System

4.4.1. Primary Health Care

The number of visits in the Primary Healthcare System shows an increase of 221,256 visits from the year 2022 to 2023 or a 3.01% increase. Of these visits, 32% took place in the rural areas, 56% in urban areas and 12% in specialty clinics in Tirana. From the graphs below, we can estimate that 68% of the visits took place in urban areas, highlighting the fact that the burden of patient visits is placed in urban areas. Citizens that seek healthcare are oriented to these areas to receive better treatment; better conditions related to infrastructure as well as better trained medical professionals. Policies and initiatives from the Albanian Government and Ministry of Health and Social Protection should be focused on alleviating the burden of patient visits from urban to rural areas by incentivizing medical professionals to work in these regions to guarantee access to medical services and health equity for all citizens.

2022 and 2023 in Primary Health Care

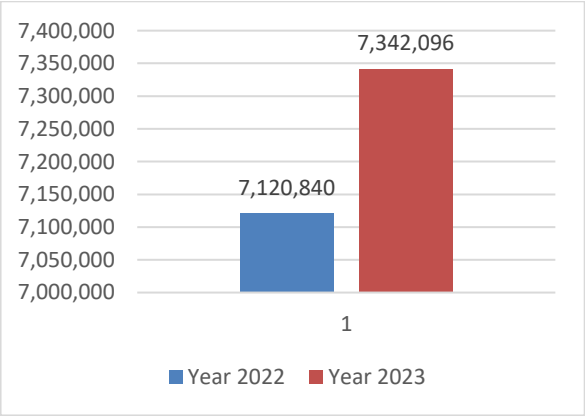


Figure 3. Number of visits for the years

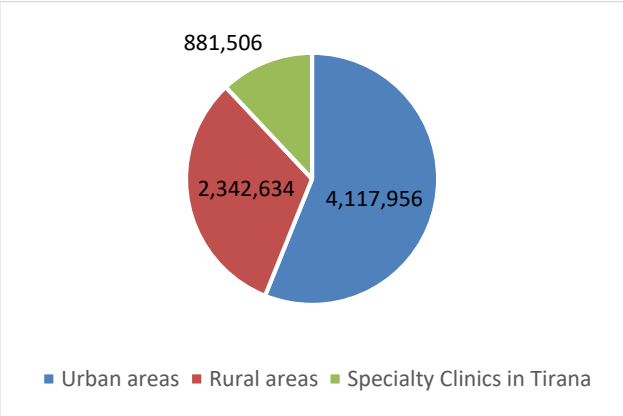
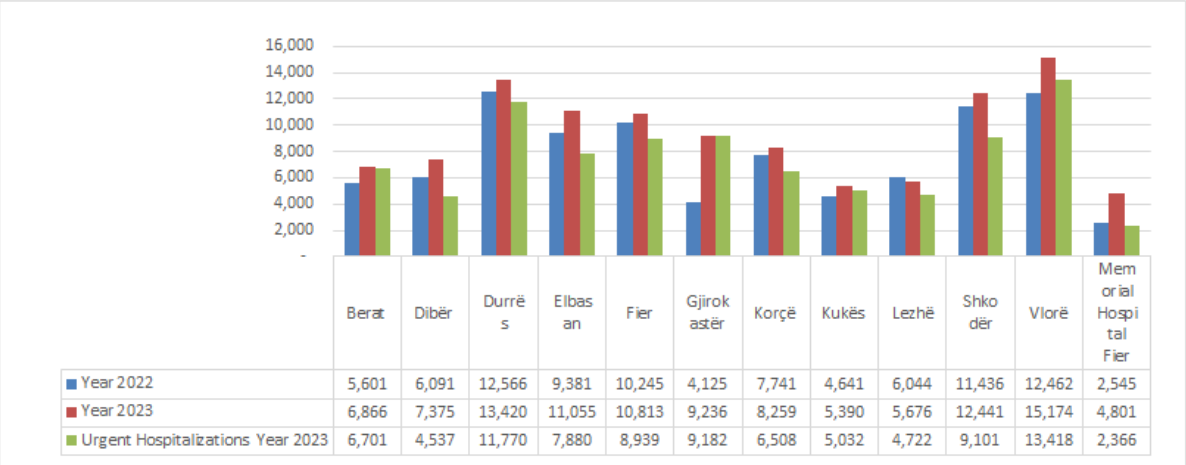


Figure 4. Number of visits by area for year 2023

Source: FSDKSH, 2023

4.4.2. Secondary Health Care

The number of visits from year 2022 to year 2023 shows an increase of 17,628 hospitalization or an increase of 19%. Regarding the ratio of urgent hospitalizations/overall hospitalizations for 2023, the Regional Hospital of Gjirokastër shows a ratio of 99%, followed by Berat 98%, Kukësi 93%, Durrës and Vlorë 88% each, Fier 83%, Korçë 79%, Shkodër 73%, Elbasan 71%, Dibër 62% and Memorial Hospital Fier 49%. The overall ratio of urgent hospitalizations/overall hospitalizations for all regional hospitals is 82%, which is considered high. Problems related to a high number of urgent hospitalizations include higher readmission rates, challenges in discharge planning, increased costs, strain on resources, increased risk of errors and increased stress on personnel. A thorough analysis of the causes of the high numbers of urgent hospitalizations from competent institutions would help to understand and take correct actions to improve the current situation.



	Berat	Dibër	Durrës	Elbasan	Fier	Gjirokastër	Korçë	Kukës	Lezhë	Shkodër	Vlorë	Memorial Hospital Fier
Year 2022	5,601	6,091	12,566	9,381	10,245	4,125	7,741	4,641	6,044	11,436	12,462	2,545
Year 2023	6,866	7,375	13,420	11,055	10,813	9,236	8,259	5,390	5,676	12,441	15,174	4,801
Urgent Hospitalizations Year 2023	6,701	4,537	11,770	7,880	8,939	9,182	6,508	5,032	4,722	9,101	13,418	2,366

Figure 5. Hospitalizations in Regional Hospitals 2022 vs. 2023 and Urgent Hospitalizations in 2023

Source: FSDKSH, 2023

4.4.3. Tertiary Health Care

The Albanian tertiary healthcare consists of five hospitals located in Tirana: Obstetrics and Gynecology University Hospital "Queen Geraldine", Obstetrics and Gynecology University Hospital "Koço Gliozheni", University Hospital Center "Mother Teresa", University Hospital "Shefqet Ndroqi" and University Trauma Hospital. According to the FSDKSH for the year 2023, the ratio of urgent hospitalizations/overall hospitalizations is 32.7% for all hospitals. The busiest tertiary hospital is the University Hospital Center "Mother Theresa".

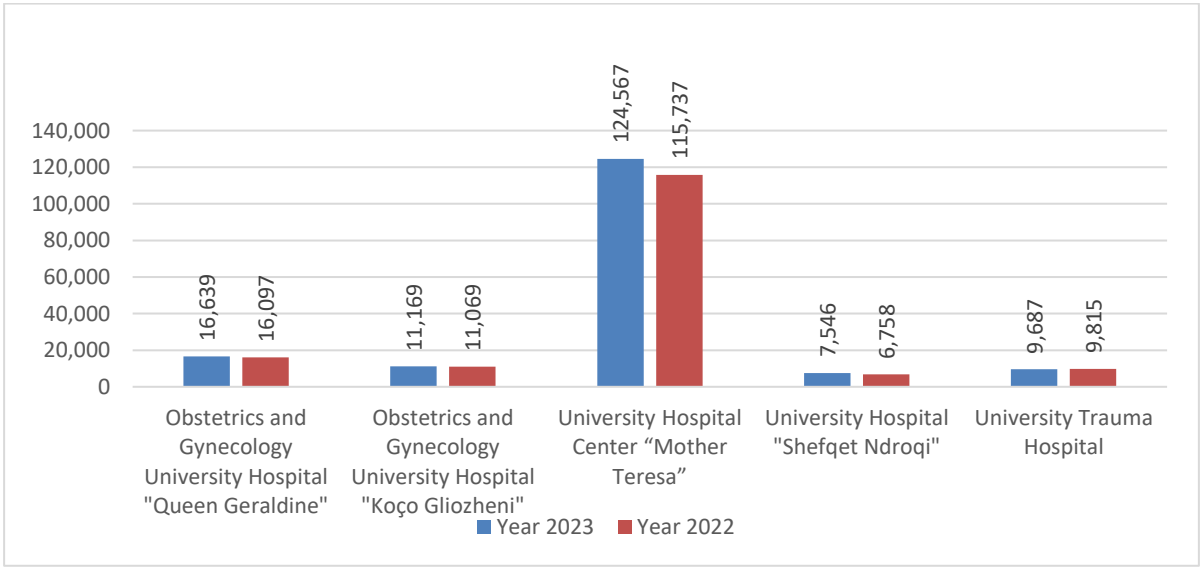


Figure 6. Hospitalizations in University (Tertiary) Hospitals 2022 vs. 2023

Source: FSDKSH, 2023

4.5. Management of Health Care Institutions

Over the years, several audit reports of the Albanian Supreme Audit (KLSH) (2023a, 2023b, 2023c, 2024a, 2024b) have highlighted the need for improvement in the management of public health institutions based on problems found during audit missions as follows:

- better planning on resources;
- inefficiency with public procurement procedures;
- lack of training for non-medical personnel involved with public procurement (Procurement Unit, Bid Evaluation Committee);
- lack of training of the medical personnel involved with public procurement (drafting terms of reference for medical equipment and/or supplies, Procurement Unit, Bid Evaluation Committee);
- poor inspection of goods/services received based on the awarded contract;
- inefficiency with public procurement;
- need to improve inventory and bookkeeping practices;
- delays in the process of public procurement (with repercussions on patient health);
- lack of trained personnel for the maintenance of medical goods (ex. biomedical engineer is not offered as a field of study in Higher Education Institutions in Albania).

4.6. Feedback from Patient and Open Science Movement

Although maximization of satisfaction for the general population regarding healthcare services offered by available resources has been mentioned in the National Health Strategy 2021-2030 (Albanian Council of Ministers' Act No 210/2022), no formal methodology has been established or suggested for implementation. Even in the national hospital plan 2023-2030 (Albanian Council of Ministers' Act No 118/2023), satisfaction of beneficiaries of healthcare services has been mentioned, but no methodology has been established. Patient satisfaction questionnaires or methodologies should be used to assess the problematic aspects of the healthcare system. Many well-developed countries have adopted national, standardized surveys or short questionnaires to evaluate hospital experience, inpatient hospital stay and overall satisfaction. It is important to assess both staff and patient satisfaction to continuously improve hospital processes by analyzing collected data. Anonymized data, statistics and yearly reports that comply with Law no. 9887/2008, "For the protection of personal data", modified and Law no. 119/2014 "For the right to information", modified, should be made available to the public to incentive open-science movement (Refatllari et al., 2024).

5. Conclusions

Health inequity in rural versus urban areas should be addressed to give citizens equal access regardless of their socio-economic status, geographical location, or demographic factors. Improving primary health care will help alleviate the burden in regional hospitals by better distributing the influx of patients. Reducing the number of urgent hospitalizations in regional hospitals by assessing the causes behind them, to reduce strain on resources, medical personnel and to better improve hospital processes. Considering that hospitals are the main beneficiaries of the Mandatory Health Insurance Fund, an emphasis should be put on planning, administering, and controlling financial performance, given the fact that hospitals have an impact on the citizen's quality of life. With the aging of the Albanian population, the government should focus on finding sustainable ways to fund health care, given the fact

that the burden of financial expenses will shift more towards the state budget. Data about healthcare institutions should be made public to drive quality improvement, accountability and facilitate research.

6. Further Directions of Research

An area for future research regarding risks and impediments concerning healthcare in Albania could be an in-depth analysis of how these factors impact the financial and social performance of these organizations. Research targeting healthcare professionals regarding their motivation factors in their job setting could help them understand their perception of current management and practices in the institutions they work for. Also, another intriguing study could be directed towards different methodologies used to assess perceived patient satisfaction in healthcare institutions.

References

Albanian Competition Authority (ACA) (2024). *Report of the general investigation in the Hospital service*. Retrieved from https://caa.gov.al/wp-content/uploads/2024/07/Raporti-ne-sherbimin-spitalor-1.pdf.

Albanian Council of Ministers. (2022). *Decision No. 210, dated 6.4.2022, for the approval of the National Health Strategy 2021-2030.*

Albanian Council of Ministers. (2023). *Decision No. 118, dated 1.3.2023, for the approval of the national hospital plan 2023-2030.*

Albanian State Audit (KLSH) (2023a). *Final report on the audit conducted at the Ministry of Health and Social Protection*. Retrieved from https://www.klsh.org.al/raport-perfundimtar-auditimi-ne-ministrine-e-shendetesise-dhe-mbrojtjes-sociale/.

Albanian State Audit (KLSH) (2023b). *Final report on the audit conducted at the University Trauma Hospital*. Retrieved from https://www.klsh.org.al/raporti-perfundimtar-per-auditimin-e-ushtruar-ne-spitalin-universitar-te-traumes-tirane/.

Albanian State Audit (KLSH) (2023c). *Final report on the audit conducted at the University Hospital Center "Mother Theresa"*. Retrieved from https://www.klsh.org.al/raport-perfundimtar-auditimi-i-ushtruar-ne-qendren-spitalore-universitare-nene-tereza-tirane/.

Albanian State Audit (KLSH) (2024a). *Performance Audit Report "Effectiveness of medical equipment in the public hospital system."* Retrieved from https://www.klsh.org.al/raport-perfundimtar-auditimi-efektiviteti-i-pajisjeve-mjekesore-ne-sistemin-spitalor-publik/.

Albanian State Audit (KLSH) (2024b). *Final report on the audit conducted at the General Directorate of the Mandatory Health Insurance Fund and the Directorate of the University Hospital Service*. Retrieved from https://www.klsh.org.al/wp-content/uploads/2025/02/Raport-perfundimtar-auditimi-i-ushtruar-ne-Drejtorine-e-Pergjithshme-te-Fondit-te-Sigurimit-te-Detyrueshem-te-Kujdesit-Shendetesor-dhe-Drejtorine-e-Sherbimit-Spitalor-Universitar.pdf.

Duka, B., Dervishi, A., Grosha, E., Ivziku, D., Rocco, G., Stievano, A., & Notarnicola, I. (2025). Inequalities in the Distribution of the Nursing Workforce in Albania: A Regional Analysis Using the Gini Coefficient. *Nursing Reports*, 15(2), 30.

Gabrani, J., Schindler, C., & Wyss, K. (2020). Factors associated with the utilisation of primary care services: a cross-sectional study in public and private facilities in Albania. *BMJ Open*, 10(12).

Gëdeshi, I., King, R., & Ceka, A. (2024). The Emigration of Medical Doctors from Albania: Brain Drain vs Return and Cooperation. *Central and Eastern European Migration Review*, 13(2), 5-25.

INSTAT (2019). *Population projections*. Retrieved from https://www.instat.gov.al/media/5222/njoftim-per-media-projeksionet-e-popullsise-2019-2031.pdf.

Mandatory Health Care Insurance Fund (FSDKSH). (2023). *Annual Report*. Retrieved from https://fsdksh.gov.al/wpcontent/uploads/2024/05/Raport-vjetor-Fondi-per-vitin-2023-Miratuar-ne-KA.pdf.

Mara, I. (2023). Health Professionals Wanted: The Case of Health Professionals from Western Balkan Countries to Europe. *Central and Eastern European Migration Review*, 12(2).

National Democratic Institute (NDI) and Together for Life Organization. (2024). *Report on public investment in health 2014-2024*. Retrieved from https://www.togetherforlife.org.al/wp-content/uploads/2023/07/Raport-mbi-investimet-publike-ne-shendetesi-2014-2024.pdf.

Refatllari, N., Mersini, M., & Qefalia, A. (2024). Intersections between patient satisfaction, service quality and digitalization in Albanian tertiary healthcare institutions. *The Conference Proceedings of the International Conference on Economy, Business, Innovation and Technology (ICEBIT 2024): Transforming Economy and Business through Innovation and Digital Solutions*.

Stigler, F. L., Macinko, J., Pettigrew, L. M., Kumar, R., & van Weel, C. (2016). No universal health coverage without primary health care. *The Lancet*, 387(10030), 1811.

World Bank Group. (2025). *Current health expenditure (% of GDP)*. Retrieved from https://data.worldbank.org/indicator/SH.XPD.CHEX.GD.ZS.

World Health Organization (2021). *WHO Guideline on Health Workforce Development, Attraction, Recruitment and Retention in Rural and Remote Areas*. Retrieved from https://www.who.int/publications/i/item/9789240024229.

World Health Organization. (2024). Global spending on health: emerging from the pandemic. Retrieved from https://iris.who.int/handle/10665/379750.