

## **FINANCIAL MANAGEMENT OF PATIENTS INFECTED WITH SARS-CoV-2 VIRUS IN ROMANIA**

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**ABSTRACT.** In this article, we highlight comprehensive and up-to-date information on the analysis of the central public administration that addresses how the authorities, institutions and central public entities with responsibilities in preventing and combating the spread of the COVID-19 pandemic in Romania have used public funds allocated in this purpose.

Romania has accepted the decrease of budget revenues, through a series of fiscal measures and by diminishing the income-generating economic activities. The budgets of some main authorizing officers with special attributions during the state of emergency were supplemented, namely: the Ministry of Labor and Social Protection; Ministry of Health; Ministry of Public Finance; Ministry of Public Works, Development and Administration; Ministry of Interior; Ministry of Transport, Infrastructure and Communications; Ministry of Agriculture and Rural Development; Public ministry; National Sanitary Veterinary and Food Safety Authority; Special Telecommunications Service; Romanian Information Service; Ministry of Foreign Affairs; Romanian Academy. In order to implement measures to prevent and combat the pandemic, as well as to manage the state of emergency, a series of resources were mobilized, in addition to donations and sponsorships, received by public institutions from the central public administration during the state of emergency. At the same time, for the local government component, the data are structured in such a way as to reflect the tasks and tasks of local authorities in preventing and combating the pandemic, but also the findings on resource management used for this purpose, segmented into the following areas: medical assistance (medical equipment, medicines, sanitary materials, salary rights, etc.); expenses incurred in establishing the quarantine; disinfection costs imposed by measures to prevent and combat the epidemic; Other expenditure due to the need to take measures to prevent and combat the epidemic. The Government of Romania has adopted an emergency ordinance for the organization and conduct of public information campaigns in the context of the epidemiological situation caused by the spread of COVID-19, in order to raise awareness of the risks of disease and increase

voluntary compliance with health and social regulations imposed by competent authorities, in order to limit the spread of the virus after the end of the state of emergency. Audiovisual and printed materials that will be broadcast in public information campaigns, such as audio and video spots, online banners, print mock-ups, mock-ups for billboards, will be created and produced centrally by a creative structure in which specific professional associations can delegate members. from several volunteer and / or paid agencies.

**Keywords:** *COVID-19 pandemic; costs; Romania; measures; patient; financial analysis.*

## **INTRODUCTION**

The global pandemic caused by the new coronavirus has put society in a state of total uncertainty. The lack of control and verified response tools necessitated urgent action, often affected by improvisation. There was no state in the world that could be identified as the perfect model to follow in a similar situation. In an effort to build the mechanisms to respond to such a crisis, only specific examples from different countries, in different sectors, could provide concrete guidance. Romania was no exception in this global landscape, trying to manage this health crisis with its own resources and experience. Citizens of all states expected, more than ever, a coherent and robust response from public authorities, considered the central pillar in emergency management. In order to have a correct understanding of what has been achieved so far, it is necessary to consider the global context dominated by uncertainty, declined at the level of each state. An objective analysis of the way in which the crisis situation was managed in Romania cannot be made outside this agreement. Each individual was put in front of the stranger in the most acute form, being forced to work in a situation he had never experienced and before which he was not trained.

## **METHODS**

In this article, we highlight comprehensive and up-to-date information on the analysis of the central public administration that addresses how the authorities, institutions and central public entities with responsibilities in preventing and combating the spread of the COVID-19 pandemic in Romania have used public funds allocated for this purpose. Systematic searches were performed, the information found was collected by electronic search using keywords. No restrictions were placed on the language of publication.

## **RESULTS**

The issues found in the authorizing officers of the central administration, including the subordinate entities, are grouped in the following categories: health system; ensuring the support of the economy; work and social protection; general actions to limit and control the spread of the COVID-19 pandemic. A first measure adopted by the Government was the Budget Rectification for 2020, proposed by the draft Government Emergency Ordinance (GEO) no. 50/2020 by which the budgets of some main authorizing officers with special attributions during the state of emergency were supplemented, namely:

- **Ministry of Labor and Social Protection:** + 8,103.9 million lei, per balance, as follows: increase of transfers for balancing the state social insurance budget by 6,051.6 million lei, mainly due to the decrease of current revenues of the public pension system by 6,055.9 million lei through implementation the necessary social protection measures during the state of emergency; supplementing the funds intended for the payment of some rights of the nature of social benefits established as a result of the cessation, totally or partially, of the activity during the state of emergency, 2,052.3 million lei.
  
- **Ministry of Health (MoH):** +3,796.4 million lei, per balance, especially for supplementing transfers to balance the budget of the Single National Health Insurance Fund (2,791.4 million lei) and to support measures to combat the SARS-CoV-2 coronavirus pandemic (1,005 million lei, mainly for health programs, emergency procurement of medical equipment / materials, capital transfers, risk incentive for medical staff);
  
- **Ministry of Public Finance (MPF) – General Actions:** +3,215.0 million lei, of which: 3,000.0 million lei to the Budget Reserve Fund available to the Government, 200.0 million lei for the state aid scheme to support the activity of SMEs in the context of the economic crisis generated by SARS-CoV-2 coronavirus pandemic;
- **Ministry of Public Works, Development and Administration (MPWDA):** +1,000 million lei for the development of the National Local Development Program;
- **Ministry of Internal Affairs (MIA):** +586.2 million lei, per balance, of which: +200 million lei for financing the expenses for combating the spread of SARS-CoV-2 coronavirus infection, according to the provisions of GEO no. 1/1999 on the state of siege and the state of emergency; +480 million lei for emergency medical stocks, based on the provisions of GEO no. 11/2020; endowment of the structures of the Romanian Border Police, the Romanian Police, the Romanian Gendarmerie and the General Inspectorate for Emergency Situations (IGSU), which participate in actions to limit the spread of the SARS-COV-2 coronavirus infection.
- **Ministry of Transport, Infrastructure and Communications:** +135.0 million lei representing subsidies granted to economic operators under its coordination;
- **Ministry of Agriculture and Rural Development (MARD):** +100.0 million lei to ensure the necessary amounts for state guarantees for loans contracted by enterprises in the agricultural sector;
- **Public Ministry:** +20.0 million lei, for the payment of ex officio lawyers' fees and the purchase of goods, products and services to prevent the spread of highly contagious diseases;
- **National Sanitary Veterinary and Food Safety Authority (NSVFSA):** +34.7 million lei for the acquisition by the county veterinary sanitary directorates and for the food safety of protection equipment and disinfection materials necessary for the safe activity;
- **Special Telecommunications Service (STS):** +27.5 million lei for the purchase of equipment, including licenses and computer applications to increase the capacity of STS to provide requests for communications services and information technology received from state authorities and institutions involved in combating the pandemic coronavirus and the limitation

of its spread, as well as for the design by STS of the communication systems and applications required by the Ministry of Interior, the Ministry of Health and the local authorities, to communicate in real time and permanently with quarantined or isolated persons;

- **Romanian Information Service (SIR):** +13.2 million lei for supporting the activity of the public health sanitary units in its own network, sanitation of work spaces, provision of protection materials for the personnel carrying out their activity at airports and transport of classified correspondence;
- **Ministry of Foreign Affairs (MFA):** +6.5 million lei, mainly to cover the transportation costs in Romania of Romanian citizens in quarantine on the territory of other states;
- **Romanian Academy:** +5.6 million lei per balance, amount in which redistributions of credits were approved, allocating 20.9 million lei for measures intended to combat the pandemic by the Elias University Emergency Hospital and the Medical Center for Diagnostic Outpatient Treatment and Preventive Medicine. At the same time, from the Budget Reserve Fund at the disposal of the Government, the budgets of some main credit officers of the state budget were supplemented and funds of 15,638 thousand lei were allocated to the 42 counties to cover the expenses of public social services staff in preventive isolation. the workplace, as well as for the expenses determined by the modification of art.2 of government decision no. 201/2020 on establishing the expenditure for quarantine and taking measures in the field of health, as well as for allocating an amount from the Budget Reserve Fund to the Government, provided in the state budget for 2020, to supplement the budget of the MoH. The allocations from the Budget Reserve Fund available to the Government were directed in 97% in order to cover the expenses caused by the COVID-19 epidemic (97.25%), for: the establishment of emergency medical stocks, including thermal scanners; preparation of health units for the care of infected patients; purchases of medicines, medical devices and sanitary materials constituted as external humanitarian aid, free of charge, for the Republic of Moldova; providing the necessary protective masks for disadvantaged families and people; purchase of vehicles with specific equipment; public information campaigns; reimbursement of quarantine expenses and settlement of food allowance; purchase of electronic devices for organizing distance learning activities for students from disadvantaged backgrounds; implementation of communication solutions and information technology necessary to ensure the isolation of the activity of members of the Government and Parliament of Romania. A number of resources have been mobilized to implement measures to prevent and combat the pandemic, as well as to manage the state of emergency. The most important allocation was for the payment of the indemnity granted during the suspension of the individual employment contract at the initiative of the employer, 3,692,204 thousand lei (73.09%) followed by the indemnities granted to other categories of personnel whose activities were interrupted or carried out at a very low level, 662,824 thousand lei (13.12%). To these sources of financing the expenses destined to prevent and fight the pandemic are added the donations and sponsorships, in cash or in kind, received by the public institutions from the central public administration during the state of emergency, in total amount of 55,179 thousand lei, to which adds the amount of 159,570 thousand lei representing donations and sponsorships, in cash and in kind received at the level of the local public administration. These amounts increase budget revenues and expenditures, with entities being required to use the funds in accordance with the destinations set by the sender. According

to the law on public finances, the institutions that received and registered donations and sponsorships have the obligation to present, in the annex to the quarterly budget execution account, the situation regarding the amounts received and used in these conditions and which increased the revenue and expenditure budget. According to the data provided by the entities, the legal commitments during the state of emergency dedicated to public procurement amounted to 1,026,229 thousand lei. A number of resources have been mobilized to implement measures to prevent and combat the pandemic, as well as to manage the state of emergency. The most important allocation was for the payment of the indemnity granted during the suspension of the individual employment contract at the initiative of the employer, 3,692,204 thousand lei (73.09%) followed by the indemnities granted to other categories of personnel whose activities were interrupted or carried out at a very low level, 662,824 thousand lei (13.12%). To these sources of financing the expenses destined to prevent and fight the pandemic are added the donations and sponsorships, in cash or in kind, received by the public institutions from the central public administration during the state of emergency, in total amount of 55,179 thousand lei, to which adds the amount of 159,570 thousand lei representing donations and sponsorships, in cash and in kind received at the level of the local public administration. These amounts increase budget revenues and expenditures, with entities being required to use the funds in accordance with the destinations set by the sender. According to the law on public finances, the institutions that received and registered donations and sponsorships have the obligation to present, in the annex to the quarterly budget execution account, the situation regarding the amounts received and used in these conditions and which increased the revenue and expenditure budget. According to the data provided by the entities, the legal commitments during the state of emergency dedicated to public procurement amounted to 1,026,229 thousand lei. The Ministry of Health also financed the amounts representing the risk incentive, in the amount of 2,500 lei / person, granted to the medical staff who managed the COVID-19 pandemic, in units of the health system. For example, in May and April, payments were made to the units in the MoH network for a number of 13,863 beneficiaries. During the state of emergency, the salary income of the staff within the DSPs that benefited from the risk incentive, overtime and additional income according to Law no. 19/2020 regarding the granting of days off to parents for the supervision of children, in the situation of temporary closure of schools, increased considerably, reaching for example about 42 thousand lei / month gross for an employee.

**HEALTHCARE.** The Romanian health system has a large number of hospital beds, but providing a sufficient number of beds in intensive care units equipped with mechanical ventilators to cope with the growing demand during COVID-19 waves has proved to be a significant challenge. Of the approximately 4,000 intensive care beds available before the pandemic, only about half were equipped with mechanical ventilators, and only a certain number were allocated to COVID-19 patients, depending on the number of cases. The number of fans has been increased through international procurement, domestic production and reallocation from the military. Modular hospitals were built and five mobile intensive care units were purchased with the support of local authorities, non-governmental organizations and other donors. Approximately 44.5 million euro released by the government to manage the COVID-19 pandemic has been allocated to intensive care units. However, as of 1 November 2020, only

1,250 intensive care beds were available for patients with COVID-19. Capacity has been further expanded to 1,550 intensive care beds in 2021 to cover the ever-increasing need - double the national number at the start of the pandemic (740 beds in March 2020).

**VACCINATION CAMPAIGN.** The vaccination campaign against COVID-19 started relatively well in Romania. Priority was given to the health and social workforce before moving on to the highest risk population (the elderly, the chronically ill and the disabled) and, finally, to the general population. The vaccination campaign has been supported since December 2020 by a complex and coherent communication strategy implemented by the government. An official website provided information on vaccine safety and efficacy, side effects, myths and actual data. Responsibility for providing logistics, stocks, supplies and human resources for vaccination was shared between the Ministry of Health, the Ministry of National Defense and the Ministry of Interior. All materials needed for the administration of vaccines and first aid devices for the management of adverse effects were procured centrally through the National Central Procurement Office. Vaccination was funded and carried out exclusively in the public sector. Vaccination teams have been used to provide access to vaccines to key staff, reaching out to people in nursing homes, residential care facilities and private homes. Despite this rapid onset, the vaccination rate slowed until 20% of the population received two doses. Improving logistics to reach rural communities seems to be a key factor in strengthening the program, but a large part of the population is reluctant to get vaccinated and is reluctant to vaccinate, which needs to be overcome. To date, the EU Commission has negotiated advantageous agreements with vaccine manufacturers to ensure access to 2.3 billion doses. At this stage, the specific price per dose is subject to confidentiality obligations. However, a significant part of the total costs are borne by a contribution from the EU's general vaccine funds.

**VACCINATION LOTTERY.** The regulation for the organization of the Vaccination Lottery, approved by the Joint Order of the Minister of Health and the Minister of Economy, Entrepreneurship and Tourism no. 1900/1523/2021. The Vaccination Lottery awards a total of 1,139 prizes, totaling 15,000,000 lei, as follows: 81 weekly prizes (80 weekly prizes worth 10,000 lei + 1 grand prize per week worth 100,000 lei); 3 monthly prizes (1 prize in the last week of each month worth 300,000 lei); 2 prizes at the end of the Lottery of the National Vaccination Program, worth 500,000 lei, respectively 1,000,000 lei. Each participant in the Vaccination Lottery will have 4 chances to win, respectively the possibility to win 4 prizes: 1 prize worth 10,000 lei or 100,000 lei, 1 prize 300,000 lei, 1 prize 500,000 lei and the biggest prize worth of 1,000,000 lei, ie prizes with a maximum cumulative value of 1,910,000 lei. The amounts transferred to the National Company «Romanian Lottery» - S.A., necessary to ensure the prize fund for the vaccination Lottery provided by the Ministry of Economy, Entrepreneurship and Tourism.

**INFORMATION RESOURCES DURING THE COVID-19 PANDEMIC PERIOD.** The lack of official information campaigns would have generated particularly negative social and economic effects, such as a decrease in voluntary compliance with health measures imposed by the competent authorities, an increase in the number of people affected by SARS-CoV-2 infection, an increase in long-term health expenditure. short and medium term, the prolongation

of the health crisis and, implicitly, the prolongation of the negative effects felt by the population, the accelerated increase of unemployment, the deepening of macroeconomic imbalances, the delay of economic recovery, with a series of particularly serious consequences on the private economic environment from the economy. Article 1 of the Ordinance stipulates that the Government shall broadcast for a fee, through television and broadcasting program services, print newspapers, magazines, periodicals, online media service providers and advertising providers through local media, registered in Romania, public information campaigns on measures to prevent and limit the spread of SARS-CoV-2 coronavirus, as well as public information campaigns on how to resume economic and social activities and to promote Romanian products and services, in accordance with this emergency ordinance, for a period of 180 days from the date of concluding in this sense the service contracts, but not later than December 31, 2020. The total budget allocated to the public information campaigns provided in par. (1) is of maximum 200,000 thousand lei, without VAT, for their entire duration. The sums shall be provided by the budget of the General Secretariat of the Government. Participation in information campaigns is conditional, and television and radio broadcasting services, print newspapers, magazines, periodicals, online media service providers, and local advertising providers must meet certain conditions.

Media providers owned and financed by Romanian or foreign public authorities or religious institutions are excluded from the payment of messages broadcast during the campaign. The budget for the information campaigns is distributed as follows:

- a) 53% for television program services, which are distributed as follows: 8% for television program services with local and regional audiovisual licenses and 45% for nationally licensed services.
- b) 23% for online media providers, which are distributed as follows: at least 5% for online media providers with local content and 18% for online media providers with national content;
- c) 12% for broadcasting program services, which are distributed as follows: 8% for nationally measured radio broadcasters, according to the Radio Audience Survey (RAS) provided by the Radio Audience Association (RAA) and 4% for broadcasters local or regional radio stations not included in the above-mentioned national audience survey. Local or regional broadcasters are considered to be those radios that are not identifiable by name as belonging to a program service with a measured audience and reported through the aforementioned study;
- d) 5% for printed newspapers, magazines and periodicals, with weekly, bi-monthly or monthly publication, with up to 8 publications per year;
- e) 4% for advertising through the placement of advertising media in localities, carried out under the conditions of Law no. 185/2013 on the location and authorization of advertising media, republished;
- f) 3% for the creation and production of materials to be disseminated in public information campaigns and for their translation and adaptation into the languages of national minorities for the materials to be disseminated in national campaigns.

## **DISCUSSIONS**

The COVID-19 pandemic has major consequences on public finances in Romania, as public funds play the role of the main supporter of actions aimed at combating the spread of the virus and the economy, severely affected during this period. In addition to the national effort, there

is the effort of the European institutions, which have provided temporary flexibility to fight the pandemic and support the national economy by providing the Member State with budgetary instruments to complement the national effort. In order to mitigate the shock caused by the evolution of the pandemic, Romania has accepted the decrease of the budget revenues, through a series of fiscal measures and by the diminution of the income-generating economic activities. It has also mobilized public resources to intervene in the economy in order to continue productive activity, committing exceptional expenditures to combat the pandemic and cushion the economic shock.

## **CONCLUSIONS**

Public institutions have their own operating systems, they have feedback mechanisms, some faster and more efficient than others, but we cannot talk about a perfect mechanism. In order to be better prepared for the future, we must also seize an opportunity from this period: the development of effective methods of crisis response. In order to prevent the spread of the virus and to limit its negative effects, a series of measures have been taken targeting the public health sector, social protection, as well as measures to limit the negative effects caused by the limitation or interruption of socio-economic activities.

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