

**PUBLIC HEALTHCARE  
SPENDS MORE  
BUT PROVIDES LESS**

**RESEARCH**  
on corruption risks in healthcare  
public procurement  
in the period 2015-2024

## Public healthcare spends more but provides less

Research on corruption risks in healthcare public procurement in the period 2015-2024

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во периодот од 2015 до 2024 година)

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## RESEARCH

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in the period  
2015-2024

Skopje, November 2025

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## 1. KEY FINDINGS

- In the last 10 years, public procurement costs in the healthcare sector have increased by two and half times, from 126<sup>1</sup> million EUR in 2015 to more than 315<sup>2</sup> million EUR in 2024. This growth takes place at times when the citizens express continuous dissatisfaction with quality and availability of healthcare services. Evident discrepancy between public spending and quality and quantity of services further enhances the impression that public procurements do not reflect the actual needs and interests of the citizens, and instigate additional distrust and suspicions about corruption.
- Inflation in the period 2021-2024 affected the price of equipment, services and construction works. Effects thereof on the price of medicines, however, were only limited, on the account of the fact that prices are set in advance by competent institutions. Having in mind that 89% of healthcare public procurement contracts concern procurement of medicines, medical supplies and other goods, it could be concluded that the inflation had a limited effect on their significant growth.
- The highest increase under public procurement was noted with the clinics and hospitals. In the case of these institutions, the value of public procurement has tripled in the last 10 years. However, instead of more services and better care, the citizens are faced with a different reality – the value of tenders is on the rise, but operation of hospitals and clinics is in decline. In the period 2015-2024, the number of medical consultations performed by all 55 clinics and hospitals was decreased by 14%, while the decrease in the number of inpatient days accounted for 24%. This gap gives rise to serious suspicions that public procurements are used as means to withdraw budget funds, instead of being an instrument to promote healthcare.
- Increased public procurement costs cannot be justified with specialist consultations. The last three years have seen an evident decline of specialist consultations by around 700,000, i.e. 19%. In the field of gynaecology and obstetrics, as well as in the field of transfusion medicine, the decline in the number of performed healthcare services exceeds 60%.
- Given that the National System of Material and Financial Management at Public Healthcare Institutions is still not established, although mandated by law since 2015, major discrepancies between the value of tenders and the services provided refer to high risk of abuses and malpractices, i.e. the risk of medicines and reagents not being used for patients at public healthcare institutions.
- As many as 78% of public procurement contracts were awarded by public healthcare institutions in Skopje. Such concentration of public procurement in the capital is partially justified by the size of said institutions, but at the same time imposes the need for additional analyses on justifiability, as well as the need of enhanced supervision over the biggest spenders, in order to combat corruption and abuse of public funds.

1 The value is corrected to reflect multiannual public procurements.

2 The value is corrected to reflect multiannual public procurements.

- Significant growth under the value of healthcare public procurement is accompanied by progressively lower number of tender participants. Almost half of the cumulative value of all contracts is awarded under tender procedures that were presented with only one bid. On annual level, these contracts account for 150 million EUR. Absence of competition has the potential to concentrate wealth and influence with a small group of dominant players and leads to higher prices, lower quality of healthcare services for the patents and reduced variety of medicines.
- Tender procedures for procurement of laboratory reagents and tests, to great extent, are implemented as mere formality knowing that they are organized for pre-defined apparatus, meaning that the tender winner is known in advance, i.e. before the procurement procedure is initiated. Laboratory apparatus are previously obtained as donations, loaned for use or bought from companies that sell the corresponding reagents. On annual level, the value of public procurement for reagents and tests reaches up to 29 million EUR and has increased by 81% in the analysed period.
- Valued up to 39 million EUR, biannual tenders for procurement of insulin, glucagon, insulin needles and blood sugar test stripes, insulin pumps and glucose monitoring sensors are organized under procedures marked by lack of competition and are followed by signing of annex contracts. In the 10-year period analysed, the number of patients receiving insulin therapy has increased by 21%, but the value of corresponding public procurement contracts was increased by 77%. Year after year, the programs for provision of insulin are becoming shorter, while program implementation reports are not published regularly and lack public account for money spent.
- In financial terms, tenders for immunization of the population are becoming bigger, but public procurements organized in some years are marked by weaknesses, ranging from flawed procurement planning to failure to timely award the contracts.
- In the last decade, the costs for rare disease medicines have increased from 90 million MKD to 1 billion MKD (i.e., from 1.5 million EUR to 9 million EUR). Such great increase of costs takes places at times when the State Audit Office had noted that the Ministry of Health does not dispose with comprehensive data whether the therapy in question actually improves the patients' health status. The reason thereof is seen in non-performance of evaluations for large share of diseases covered by these medicines, as anticipated under the Program for Treatment of Rare Diseases.
- Lack of qualified staff for implementation of public procurements is another corruption factor. The research found that as many as 23 from the total of 110 healthcare institutions do not have a single staff member with passed public procurement exam, which is contrary to the Law on Public Procurement.
- In the absence of efficient supervision and monitoring mechanisms, large sums of public funds are under risk of being spent without yielding proportional improvements

## 2. CONTEXT AND METHODOLOGY APPROACH

The overall objective of this research is not to collect evidence on corruption for each and any public procurement, but rather to demonstrate that the system of public procurement established in the healthcare sector and its implementation open up significant space for corruptive actions and abuse of public funds.

Importance assigned to the issue of corruption in healthcare public procurement arises from the financial scope of such procurements, as well as the fact that irregularities in implementation of public procurements reduce effectiveness and fairness of the healthcare sector, i.e. prevent equitable access to and lowers the quality of healthcare services for the citizens.

The research covered all healthcare public procurements organized in the period from 2015 to 2024. Data on public procurement are taken from the Electronic Public Procurement System (EPPS) and the scope thereof is correlated to relevant indicators such as: the number of persons holding health insurance, the number of specialist consultations performed, the number of inpatient cases, the number of inpatient days, etc. These data were taken from the web portal “e-zdravstvo” (e-health), which relies on data from the system known as “My Appointment”, as well as reports published by competent institutions in the field of healthcare.

The goal is to determine whether the growth under the value of public procurement has contributed to more and improved healthcare services or whether these parameters are disproportional, which could be indicative of higher corruption risks.

This is the first in the series of three research planned to investigate healthcare public procurement. The analysis focuses on movements in terms of the scope and potential instigators of corruption. The second analysis will focus on the most important economic operators, key players in healthcare public procurement and possible arrangements among them, while the third analysis will be dedicated to corruption forms and patterns detected on the basis of appeals lodged before the State Commission on Public Procurement Appeals by companies participating in public procurement procedures.

The research is conducted as part of the project “Combating Corruption in Healthcare Public Procurement”, implemented by the Centre for Civil Communications with financial support from the National Endowment for Democracy (NED).

## 3. RESEARCH FINDINGS

### 3.1 MORE MONEY FOR TENDERS, LESS SERVICES FOR PATIENTS

#### 3.1.1. Higher value of public procurement

In the last 10 years, public procurement costs in the healthcare sector have increased by two and half times, from 126<sup>3</sup> million EUR in 2015 to more than 315<sup>4</sup> million EUR in 2024. This growth takes place at times when the citizens express continuous dissatisfaction with quality and availability of healthcare services. Evident discrepancy between public spending and quality and quantity of services further enhances the impression that public procurements do not reflect the actual needs and interests of the citizens, and instigate additional distrust and suspicions about corruption.



The primary goal of public procurement organized for medicines, medical supplies and equipment is to provide adequate quantities, of adequate quality and at favourable prices, thereby ensuring timely and quality treatment of patients.

All 110 healthcare institutions in the Republic of North Macedonia organize public procurements to meet their own needs. In that, the Ministry of Health and the Public Institution in the Field of Healthcare for the Needs of Public Healthcare Facilities, University Clinics, Institute and Emergency Centre – Skopje also organize central public procurements on behalf of several healthcare institutions. This model is intended to ensure attainment of lower prices for certain types of procurements. In international context, research show that susceptibility to corruption does not depend on the fact whether procurements are centralized or decentralized, but on the manner in which the procurement process is organized and implemented and the level of integrity among responsible officers.

Accounting for a share of 22% , healthcare public procurement is the second biggest category of procurements in the country (immediately after the institutions providing general public services), which qualifies them as heavily vulnerable to corruption.

3 The value is corrected to reflect multiannual public procurements.

4 The value is corrected to reflect multiannual public procurements.

The Ministry of Health falls within the group of institutions marked by highest value of public procurement in the country, with a number of tender procedures organized for a period of two or three years (e.g., procurement of insulin and vaccines). On that account, this research divided the value of multiannual tenders into annual figures in order to obtain an objective image of the overall annual value of healthcare public procurement.

In the period 2015-2024, the value of public procurement has increased by 151%. More specifically, the value of public procurement in 2015 accounted for 8 billion MKD, i.e. 126 million EUR, and has increased to 19 billion MKD, i.e. 315 million EUR, in 2024.

Except in the years corresponding to the COVID crisis, major growth under the value of public procurement was also noted in 2016 and 2023.

The increased value of public procurement takes place at the same time when the number of persons with health insurance in the country has dropped by more than 19 thousand individuals (1.05%), from 1,859,027 in 2015 to 1,839,537 in 2024.

### Value of healthcare tender procedures

Year	Value of contracts awarded (in MKD)	Value of contracts awarded (in EUR)	Value of contracts awarded, corrected to reflect multiannual tenders (in MKD)	Value of contracts awarded, corrected to reflect multiannual tenders (in EUR)	Difference (%)
2015	8,297,320,752	134,915,785	7,738,774,169	125,833,726	/
2016	8,706,689,848	141,572,193	9,272,947,601	150,779,636	19.82%
2017	7,951,489,927	129,292,519	9,006,084,443	146,440,397	-2.88%
2018	10,438,161,082	169,726,196	9,719,734,562	158,044,464	7.92%
2019	10,652,420,224	173,210,085	10,157,215,621	165,157,978	4.50%
2020	10,153,744,022	165,101,529	11,353,090,059	184,603,090	11.77%
2021	16,764,439,295	272,592,509	13,459,557,650	218,854,596	18.55%
2022	11,627,558,565	189,065,993	14,693,451,554	238,917,911	9.17%
2023	19,087,345,180	310,363,336	17,442,866,659	283,623,848	18.71%
2024	18,048,613,864	293,473,396	19,400,023,749	315,447,541	11.22%

Calculations of public procurement values are made on the basis of the value of contracts awarded, which was inevitable due to two key reasons. First, for the last six years, i.e. since the adoption of the new Law on Public Procurement in 2019, contract performance notifications are no longer submitted to EPPS. Second, data on contract performance do not contain precise information. Namely, data analysis for the Ministry of Health, as the biggest contracting authority in the healthcare sector, shows that implementation of contracts awarded in the period 2019-2025 stands at 88%. An in-depth analysis, however, reveals that some contracts have been implemented under amounts higher than those reported to the Electronic Public Procurement System. An example thereof is identified in the 2022

procurement of medicines for rare diseases whereby the value of implemented contracts reported to EPPS amounted to 444,022,063 MKD. On the contrary, the program and budget implementation [report](#) for the 2022 Program for Treatment of Rare Diseases in the Republic of North Macedonia notes that the program's financial performance is identical to the amount of funds approved (657,000,000 MKD).

High implementation rate of contracts is confirmed by the fact that, in the period 2019–2025, PHI University Clinic of Radiotherapy and Oncology (second-ranked in terms of the volume of public procurement) has reported an implementation rate of 92% in EPPS related to public procurement contracts awarded.

It is important to note that a portion of public procurements, especially those concerning medical equipment, are financed with loans from international financial institutions and most of them apply the creditor's rules of public procurement, which means EPPS does not host any data relating to such procurements.

Except for the value of public procurement, the number of awarded contracts has also increased in the course of time. In 2015, the number of contracts signed was 5,221. The first major jump upwards is observed in 2019 when the number of contracts rose to 7,252, which accounts for an increase by 21%, and the second jump happened in 2023 when the number of contracts reached 8,309.

### Number of contracts awarded

Year	Number of contracts	Difference (%)
2015	5,221	/
2016	5,192	-0.56%
2017	5,738	9.52%
2018	5,693	-0.79%
2019	7,251	21.49%
2020	7,842	7.54%
2021	7,663	-2.34%
2022	7,211	-6.27%
2023	8,309	13.21%
2024	8,534	2.64%

Analysis at the level of individual institutions shows that the most voluminous public procurements belong to the Ministry of Health as the budget of this institution, inter alia and in continuity, anticipates budget programs on financing reconstruction and upgrades to PHI buildings in the Republic of North Macedonia, procurement of medical equipment for the needs of PHIs, as well as preventive and curative healthcare programs. On annual level, public procurements of the Ministry of Health range from 49 million EUR in 2015 to 65 million EUR in 2024. The highest jump under public procurement value was noted in 2021, accounting for an increase by more than 30 million EUR.

Second-ranked in terms of public procurement value is the Clinic of Radiology and Oncology, marked by one of the highest jumps under public procurement value from 5.7 million EUR in 2015 to around 32 million EUR in 2024. The Clinic's budget disbursed by the Fund is also marked by a significant growth, from 863 million MKD in 2021 to around 2 billion MKD in 2024. This increase is mainly due to the increased conditional funds for procurement of innovative medicines, i.e. biotherapy, accounting for 18 million EUR in 2024.

High increase under the value of public procurement is also noted with the Clinic of Children's Diseases, from 1 million EUR in 2015 to around 16 million EUR in 2024. This growth is mainly due to procurement of modular medicine Ivacaftor/Tezacaftor/Elexacaftor together with Ivacaftor – conditional budget; procurement of biological therapy (Adalimumab, Eltrombopag, Dinutuximab beta, Etanercept, Anakinra, Infliximab), somatotrophic hormone (Somatropin) and inhalation therapy for cystic fibrosis (Tobramycin, Dornase alfa, Colistin (colistimethate)), as well as medicines used in biological therapy, growth hormone, inhalation therapy and therapy for chronic immune thrombocytopenia - all financed under the conditional budget.

### Healthcare institutions with the highest value of public procurement, 2015-2024 (in EUR)

Институција	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Ministry of Health <sup>5</sup>	49,321,482	49,689,551	27,931,923	28,298,890	51,734,179	45,105,820	75,805,580	69,808,537	61,808,877	64,757,281
University Clinic of Radiology and Oncology	5,683,860	7,295,034	10,103,269	8,250,078	4,549,855	5,366,200	6,047,648	11,244,909	29,261,708	31,836,721
University Clinic of Children's Diseases	1,062,111	1,739,979	1,209,561	2,982,039	3,205,594	3,141,678	2,334,750	4,318,341	5,363,756	15,959,667
PHI City General Hospital "8th September" Skopje	8,886,916	10,465,435	11,220,130	11,782,839	12,044,610	11,850,238	12,125,196	10,672,777	13,316,970	13,243,148
Public Institution in the Field of Healthcare...	7,576,215	5,025,133	8,225,609	8,093,181	7,995,860	7,712,168	12,260,079	11,172,859	9,178,271	12,003,013
University Clinic of Haematology	3,004,668	3,324,409	4,296,864	5,095,653	656,925	6,020,848	1,738,709	4,837,750	9,454,957	11,016,620
University Clinic of Cardiology – Skopje	2,513,327	4,458,979	5,241,732	5,044,875	5,111,204	6,247,144	3,172,878	7,464,041	6,666,037	9,636,003
University Clinic of Neurology	840,156	282,047	1,879,083	2,066,654	2,973,786	1,623,654	3,323,974	527,485	2,098,874	7,155,665
Institute of Transfusion Medicine	3,203,531	4,242,258	7,883,934	6,171,746	4,550,608	5,699,696	5,333,039	5,885,448	6,982,660	6,721,579
Health Centre of Skopje – Central Board Skopje	3,020,277	1,972,365	5,039,078	1,212,965	1,214,346	2,299,052	2,136,373	4,104,108	6,225,056	6,303,394

5 Annual values of public procurement by the Ministry of Health are corrected to reflect the number of years for which the public procurement was organized.

Below are two external factors that have influenced the growth of public procurement value:

- Inflation (2021-2024) – affected the prices, especially of equipment, services and construction works, with limited effects on the price of medicines on the account of the fact that these prices are set in advance by competent institutions.
- Introduction of the conditional budget for PHIs – under the 2019 amendments to the Law on Health Protection, whereby the Health Insurance Fund - upon previously obtained approval from the Ministry of Health – disburses funds to PHIs for procurement of new generation/ innovative medicines, i.e. the so-called biological medicines for treatment of certain diseases that are not featured on the Positive List of Medicines which, prior to 2024, was last updated in 2015. According to available data, the amount of conditional funds has increased from 911 thousand EUR in 2017 to 28 million EUR in 2023. The performance audit reports for the Health Insurance Fund and some PHIs enlist a high number of irregularities relating to lack of control over the manner in which conditional funds are used, as well as non-transparent procedures at PHIs in terms of decisions for selection of the type of medicines to be procured, which creates high risk of corruption.

Be that as it may, these factors are insufficient to justify certain enormous jumps in the value of public procurement. Hence, the cumulative inflation rate in the period 2022-2024, standing at 29.3%, should also be taken into account. Due to the specificity of this sector, prices under healthcare public procurements were not only maintained at the same level on the account of price caps set by competent institutions, and price reductions were observed in the case of certain medicines and supplies. Here, we underline several examples of higher-quantity or higher-price public procurements that allow comparability over a longer period of time and detection of pricing trends.

### Price of vaccines for immunization of the population in RNM

Generic name	Unit price in 2018/2019, VAT included (in MKD)	Unit price in 2021, VAT included (in MKD)	Unit price in 2023, VAT included (in MKD)	Difference
Diphtheria-tetanus-pertussis (acellular) - Hemophilus influenzae B - inactive poliomyelitis	1,231	1,231	1,231	0.00%
Diphtheria-pertussis-poliomyelitis-tetanus	961	961	961	0.00%
Diphtheria-poliomyelitis-tetanus	/	854	854	0.00%
Pneumococcus, purified polysaccharides antigen conjugated	2,128	2,128	2,128	0.00%
Rota virus vaccine	1,523	977	977	-35.86%
Diphtheria- tetanus-pertussis (accelular)-hemophilus influenzae B- inactive poliomyelitis- hepatitis B	2,165	2,165	2,069	-4.47%
Hepatitis B, purified antigen	343	343	338	-1.40%
Tuberculosis live attenuated	29	32	32	10.51%
Measles, combination with mumps and rubella, live attenuated	394	394	586	48.82%

The table below showcases the examples relating to medicines for treatment of rare diseases.

### Price of medicines for treatment of rare diseases

Generic name	Unit price in 2019, VAT included (in MKD)	Unit price in 2024, VAT included (in MKD)	Difference
A16AB12 elosulfase alfa 5mg/ 5mi influenzae B- inactive poliomyelitis	64,575	61,324	-5.03%
A16AB02 imiglucerase 400 IE	73,395	73,395	0.00%
A16AB09 idursulfase 6mg/ 3ml	207,900	207,900	0.00%

The table below includes examples relating to procurement of haematology therapies.

### Medicines for treatment of haematological disorders

Generic name	Unit price in 2019/2020 (in MKD)	Unit price in 2024 (in MKD)	Difference
L01XC17 Nivolumab 100 mg/10ml, vial	89,455	62,700	-29.91%
L04AD01 Ciclosporin, 50 mg pill	27	34	25.92%
L04AD01 Ciclosporin, 100 mg pill	51	54	5.88%

The table below is compiled on the basis of public procurement for reagents and tests, as the most frequently used supplies in healthcare. Based on data presented, there were no significant price jumps even in the case of these frequently used supplies. In this regard, changes have occurred only after the type of apparatus was changed, whereby comparability of prices was possible only with some supplies.

### Prices for procurement of reagents and tests

Generic name	Unit price in 2019/20, VAT included (in MKD)	Unit price in 2021/22, VAT included (in MKD)	Unit price in 2023/24, VAT included (in MKD)	Difference
Unbreakable plastic bottles containing nutritive reagent for detection of anaerobic and facultatively anaerobic microorganisms (bacteria and fungi), compatible with Bact/Alert 3D60 or equivalent	1,218	1,304	1,304	7.06%
Unbreakable plastic bottles containing nutritive reagent for detection of anaerobic microorganisms (bacteria and fungi), compatible with Bact/Alert 3D60 or equivalent	1,218	1,304	1,304	7.06%
Single-vile multiplex molecular tests for blood donors, organ and tissue donors, screening for the following viral markers: HCV RNA, HBV DNA, HIV-1 RNA, HIV-2 RNA and HEV RNA, based on NAT (nucleic acid testing) technology and compatible with PROCLEIX PANTHER SYSTEM or equivalent		1,254	1,254	0.00%
Stripes for quantitative determination of Prothrombin Time, compatible with portable coagulation analyzer Xprecia Stride or equivalent	271	271	265	-2.21%
Control plasma for verification of Prothrombin Time, compatible with the portable coagulation analyzer Xprecia Stride or equivalent	2,832	2,832	3,115	9.65%

On the basis of price data presented above, it could be assessed that, to large extent, changes to the scope of public procurement were due to altered composition of public procurements, i.e. procurement subjects, and the quantities being purchased, but not due to price changes. Hence, the question is raised whether the changes in the course of time had been made to the best interest of the patients and were proportionate to increased services for the patients or whether there were any corruption factors at play.

### 3.1.2. Reduced number of inpatient services

**The highest increase under public procurement was noted with the clinics and hospitals. In the case of these institutions, the value of public procurement has tripled in the last 10 years. However, instead of more services and better care, the citizens are faced with a different reality – the value of tenders is on the rise, but operation of clinics and hospital is in decline. In the period 2015-2024, the number of medical consultations performed by all 55 clinics and hospitals was decreased by 14%, while the decrease in the number of inpatient days accounted for 24%. This gap gives rise to serious suspicions that public procurements are used as means for withdraw budget funds, instead of being an instrument to promote healthcare.**



Comparison of data on the number of inpatient cases and the number of inpatient days against the value of public procurement shows that, in the 10-year period, the number of inpatient cases was reduced by 14.3%, while the number of inpatient days in 2024 is lower by 23.5% compared to the 2015 corresponding figure. These drops take place at times when the value of public procurement organized by all 55 hospitals covered by this analysed has increased by as much as 216.3%.

The number of inpatient cases, as well as the number of inpatient days, is a piece of information that can be found in the annual reports published by the Health Insurance Fund. Inpatient services are provided by the following public healthcare institutions:

- 13 general hospitals in Skopje, Struga, Veles, Gostivar, Kichevo, Kumanovo, Ohrid, Strumica, Gevgelija, Kavadarci, Prilep, Debar and Kochani;
- 28 clinics;

- 3 clinical hospitals: in Shtip, Bitola and Tetovo;
- 8 specialized hospitals; and
- 3 psychiatric hospitals.

According to the [annual report of the Health Insurance Fund](#), the number of services provided by clinics and hospitals in 2015 accounted for 216,413, while the total number of inpatient days amounted to 1,197,955 days. On the contrary, the number of inpatient services in [2024](#) stood at 185,484 and the number of inpatient days was 916,077.

### Inpatient healthcare services vs. public procurements, 2015-2024

Year	Number of inpatient cases	Number of inpatient days	Value of public procurements (in EUR)
<b>2015</b>	216,413	1,197,955	62,586,540
<b>2024</b>	185,484	916,077	197,965,033
<b>Difference</b>	-14.3%	-23.5%	216.3%

As regards the number of inpatient cases, the biggest drop was observed with general and clinical hospitals, accounting for a decrease by 27%. These are followed by the clinics, accounting for a drop in the number of inpatient cases by 1.2%. Increase in the number of inpatient cases was noted only in the case of specialized hospitals and psychiatric hospitals.

### Number of inpatient cases, 2015-2024

Year	Clinics	Clinical hospitals	General hospitals	Specialized hospitals	Psychiatric hospitals	Total
<b>2015</b>	80,023	39,098	81,661	15,568	63	216,413
<b>2024</b>	79,032	28,535	59,462	18,321	134	185,484
<b>Difference</b>	-1.2%	-27.0%	-27.2%	17.7%	112.7%	-14.3%

Drops are more prominent in terms of the number of inpatient days. In 2024, their figure was reduced by 364,005 days, accounting for a decrease by high 28.4%.

In 2015, the clinics reported a total of 492,186 inpatient days, unlike the situation observed in 2024 when the number of inpatient days amounted to 407,976, representing a decrease by 17.1%. The biggest drop in the number of inpatient days (39%) was noted with clinical hospitals. Increase in the number of inpatient days was observed only in the case of psychiatric hospitals (by 102.5%) and specialized hospitals (by 0.5%).

### Number of inpatient days, 2015-2024

Year	Clinics	Clinical hospitals	General hospitals	Specialized hospitals	Psychiatric hospitals	Total
2015	492,186	190,040	428,675	85,955	1,099	1,197,955
2024	407,976	115,943	303,562	86,371	2,225	916,077
<b>Difference</b>	-17.1%	-39.0%	-29.2%	0.5 %	102.5%	-23.5%

Contrary to decreased number of inpatient cases and inpatient days, the value of public procurement in the analysed decade has increased from 63 million to 198 million EUR (216%). The highest jump under the value of public procurement was noted with the clinics, accounting for an increase by more than 4 times. The value growth for other groups of healthcare institutions ranged from 80.5% to 152.5%. It is also important to underline the significant increase under the value of public procurement implemented by clinical and general hospitals which, on the other hand, are marked by exceptional drops in the number of inpatient services.

### Public procurement by clinics and hospitals, 2015-2024 (in EUR)

Year	Clinics	Clinical hospitals	General hospitals	Specialized hospitals	Psychiatric hospitals	Total
2015	28,086,674	6,162,236	19,185,449	7,087,553	2,064,628	62,586,540
2024	123,869,919	15,557,743	39,766,906	15,043,596	3,726,869	197,965,033
<b>Difference</b>	341.0%	152.5%	107.3%	112.3%	80.5%	216.3%

Increased costs coupled with decreased productivity and quality of services is an indicator of corruption risks. Public procurement value has increased by three times, but the number of inpatient services and inpatient days have significantly dropped. Such discrepancy is indicative of serious corruption risks and inefficient public spending, i.e. the growth of public procurement value does not match the actual dynamics of healthcare needs, and often follows private interests.

This shows that public procurements might not be guided by the actual needs of the healthcare system, but are pursued according to private interests (tenders intended for certain companies, unrealistic or fictitious invoicing, inefficient and non-purposeful use of purchased goods).

According to data published in HIF's annual reports, the number of inpatient admissions at private healthcare institutions for services insured under the Fund is marked by a continuous increase, from 2,884 in 2015 to 4,660 in 2024. This accounts for an increase by 62%. In that, it should be noted that referrals to private hospitals often concern healthcare services in the field of cardiac surgery and ophthalmology.

Detecting possible correlations between the increased scope of public procurement and the number of surgical interventions was impossible due to the fact that some hospitals do not disclose the number of surgical interventions performed, thereby preventing the public to have actual insight into efficiency of their operation.

Public healthcare institutions should regularly report on surgical interventions performed and ensure such data are available to all citizens on the web-portal “e-zdravstvo”. In particular, such reports should include data on:

- total number of interventions per institution;
- total number of interventions per type of interventions; and
- number and type of interventions per medical doctor, including their name and surname and the institution where they are employed.

In the practice, this obligation is not complied with, even by the biggest healthcare institutions. For example, in 2024, CGH “8<sup>th</sup> September” reported data indicating that only 2 interventions had been performed, which is an unrealistically low figure. On the other hand, it seems that private healthcare institutions under service contracts with the Health Insurance Fund diligently report data on performed interventions that fall on the burden of the state budget.

Such disregard on the part of public healthcare institutions towards the obligation to publish information on the number of surgical interventions hinders both transparency and accountability. This is particularly important in the case of bigger hospitals, as they are allowed a so-called secondary activity, i.e. medical doctors can provide consultations and perform surgeries at public healthcare institutions and charge the patients for these services as private institutions and in full amount. Concealment of such data creates justified concerns about possible negative trends.

While public healthcare institutions conceal such data, the number of surgical interventions at private healthcare institutions is on the rise. In 2022, the number of private healthcare interventions accounted for 3,123 and has risen to 3,760 in 2024, accounting for an increase by 20%.

### 3.1.3. Reduced number of specialist consultations

**Increased public procurement costs cannot be justified with specialist consultations. The last three years have seen an evident decline of specialist consultations by around 700 thousands, i.e. 19%. In the field of gynaecology and obstetrics, as well as in the field of transfusion medicine, the decline in the number of healthcare services exceeds 60%.**

According to records published on the web-portal “e-zdravstvo.mk”, the number of specialist consultations performed in 2022 reached 3.6 million; in 2023 the corresponding figure was reduced to around 3 million, followed by an additional decrease in 2024 to 2.9 million specialists consultations. This represents a drop by as much as 19% only in the period from 2022 to 2024.



At the level of individual specialties, the relevant drops sometimes exceed 60%. Notably, according to data published on “e-zdravstvo.mk”, as many as eleven from the total of fifteen specialist healthcare fields are marked by decreased number of consultations.

As shown in the table below, the number of internal medicine consultations performed in 2022 accounted for 626,815 and in 2024 their number was decreased by one third, standing at 409,119.

## Overview of trends in the most frequently used specialist consultations

Specialty	Referrals performed in 2022	Referrals performed in 2024	Difference	Difference %
Internal medicine	626,815	409,119	-217,696	-34.7%
Ophthalmology	236,238	208,345	-27,893	-11.8%
Otorhinolaryngology	216,689	225,347	8,658	4.0%
Orthopaedics	214,343	188,986	-25,357	-11.8%
Paediatrics	187,300	169,746	-17,554	-9.4%
Transfusion medicine	183,378	68,330	-115,048	-62.7%
Psychiatry	166,682	153,255	-13,427	-8.1%
Cardiology	154,546	108,881	-45,665	-29.6%
Neurology	152,457	155,251	2,794	1.8%
Dermatology and venerology	147,088	165,772	18,684	12.7%
Obstetrics and gynaecology	123,480	48,750	-74,730	-60.5%
Urology	123,230	109,315	-13,915	-11.2%
Physical and rehabilitation medicine	116,709	122,274	5,565	4.8%
General surgery	109,758	91,657	-18,101	-16.5%
Infectious diseases	101,357	97,913	-3,444	-3.4%

The biggest drops in the number of performed referrals was observed in the field of transfusion medicine (by 63%) and in the field of obstetrics and gynaecology (by 61%). Increased number of consultations was noted in the field of dermatology and venerology (by 13%), physical and rehabilitation medicine (by 5%), otorhinolaryngology (by 4%) and neurology (by around 2%).

In order to create a realistic image about state of affairs, due consideration should be made of inconsistencies in the manner in which appointments for specialist consultations are created, as well as the manner in which they are recorded and reported. Notably, there is a trend of decreased compliance with the legal obligation on publishing regular appointment lots as part of the monthly calendar of activities, with a high number of PHIs opening lower number of appointment lots compared to the law-mandated scope. Large portion of specialist consultations are performed on the basis of emergency and priority referrals and in the case of some PHIs the number of consultations performed under emergency referrals and without appointments is almost identical to the number of consultations performed under regular referrals, which negatively affects equitable access to healthcare services for the beneficiaries.

This is further evidenced by data obtained from the Electronic Health Administration, according to which the number of consultation appointments published in 2016 accounted for a total of 2,623,841 appointment lots and has dropped to 1,776,429 lots in 2024. Hence, over the period of nine years the number of consultation appointments was reduced by one third.

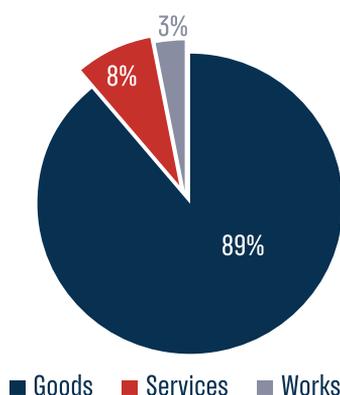
### 3.1.4. Rising healthcare costs, to great extent, are intended to cover ongoing needs

Among the total of 1.9 billion EUR spent in the last 10 years, only 56 million EUR (3%) were spent on construction and reconstruction of healthcare buildings. Another 59 million EUR were spent on medical equipment and apparatus (these do not include equipment purchased with loans from the World Bank and other creditors). The biggest share of public procurement expenditure in the healthcare sector concerns procurement of goods and services intended for ongoing operations, in the total value of 1.7 billion EUR and accounting for 89% of all healthcare spending.



In the analysed 10-year period (2015-2024), high 89% of the value of healthcare public procurement were spent on goods, 8% were spent on services and 3% accounted for construction works.

**Structure of healthcare public procurement, 2015-2024**



As shown in the table below, in the period 2015-2024, more than 1.7 billion EUR were spent on procurement of goods (medicines, medical supplies, food, hygiene products, electricity, oil derivatives, etc.), followed by 153 million EUR spent on services (cleaning services, equipment maintenance, etc.), and only 56 million EUR were spent on construction works, i.e. construction or reconstruction of existing healthcare buildings.

### Structure of healthcare public procurement, 2015-2024

Year	Procurement of goods		Procurement of services		Procurement of works	
	Value (in EUR)	Share	Value (in EUR)	Share	Value (in EUR)	Share
2015	116,518,271	86.4%	9,575,908	7.1%	8,820,955	6.5%
2016 <sup>6</sup>	104,250,198	82.9%	10,601,651	8.4%	10,942,403	8.7%
2017 <sup>7</sup>	101,409,000	90.0%	10,554,665	9.4%	776,884	0.7%
2018 <sup>8</sup>	132,100,411	90.6%	10,449,052	7.2%	3,283,676	2.3%
2019 <sup>9</sup>	157,166,116	90.7%	13,378,575	7.7%	2,665,394	1.5%
2020	142,486,378	86.3%	18,422,366	11.2%	4,197,663	2.5%
2021	249,678,041	91.6%	15,732,691	5.8%	7,181,777	2.6%
2022	168,195,069	89.0%	18,663,163	9.9%	2,207,762	1.2%
2023	285,150,516	91.9%	21,097,279	6.8%	4,115,542	1.3%
2024	257,241,298	87.7%	24,120,994	8.2%	12,111,104	4.1%
<b>Total</b>	<b>1,714,195,299</b>	<b>89.1%</b>	<b>152,596,342</b>	<b>7.9%</b>	<b>56,303,160</b>	<b>2.9%</b>

In the category of goods, only 3.4% of funds were spent on medical equipment and apparatus. Namely, the value of all contracts awarded in the analysed 10-year period and relating to procurement of equipment amounted to 3.6 billion MKD, i.e. 59 million EUR. In that, it is important to note that these contracts do not include equipment purchased in the same period with loans secured from the World Bank (equipment procured in the value of more than 1.2 billion MKD) or other creditors, as these procurements fall under application of procedures and rules stipulated by the creditor.

According to audit report findings, portion of the equipment purchased is not in use due to lack of staff or inadequate spatial conditions, which shows that oftentimes public procurements are not conducted with sufficient planning and assessment of actual needs, i.e. they are organized as an end in itself. This creates high risk of corruptive actions and abuse of public funds, especially given that loans are ultimately repaid from state budget funds, i.e. the burden of loan repayment falls on the taxpayers.

The inference that most of public procurement expenditure was intended to cover ongoing needs, not capital investments (construction and reconstruction of healthcare buildings, equipment, vehicles for healthcare needs, and the like) is confirmed in the publication of PHI Institute of Public Health titled "[Trends in Health Indicators – Health for All in the Republic of North Macedonia, 2013-2023](#)". This publication assessed that total capital investment costs for medical facilities, expressed as share of total healthcare expenditure in the period 2013-2023, are marked by a continuous decrease from 11.99% in 2013 to 0.8% in 2023.

6 This value does not include contracts from records on tender procedures with calls for submission of bids.

7 This value does not include contracts from records on tender procedures with calls for submission of bids.

8 This value does not include contracts from records on tender procedures with calls for submission of bids.

9 This value does not include contracts from records on tender procedures with calls for submission of bids.

### Total capital investment costs for medical facilities as share of total healthcare expenditure in RNM, 2013-2023

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Share	11.99	5.36	4.41	4.89	4.41	4.83	2.4	2.4	1.3	1.07	0.8

This means that the healthcare system operates in the short run, providing for day-to-day needs, but failing to invest in modernization and advancement of treatment conditions. Such trend creates the risk of:

- aged and insufficiently functional healthcare infrastructure;
- limited access to modern medical technology; and
- increased costs in the long run, especially because insufficient investments today lead to greater repairs and costs tomorrow.

In simpler terms, investments are made to “extinguish fires”, not for development purposes. This further enhances the impression of chronic underdevelopment of the healthcare system and constraints its ability to respond to future challenges and the citizens’ needs.

In this context, due consideration should be made of findings enlisted in the last performance audit report for the Ministry of Health which show that, while more than 90% of construction works on the Specialized Hospital “St. Erasmus” in Ohrid and the hospital in Strumica (initiated 10 years ago) have been completed, conditions are still not secured for these facilities to be put into operation. Moreover, the audit report enlists that significant amount of funds has been spent on reconstruction works at the hospital in Kichevo and construction of new hospital in Shtip, but construction was stooped exposing previously completed works to damages on the account of not being used and not being maintained. Such state-of-affairs have negative effect on availability and quality of healthcare services, all the while decreasing efficiency of public funds and increasing vulnerability to corruption risks by means of inadmissible influence on selection of contractors, prices and contract management.

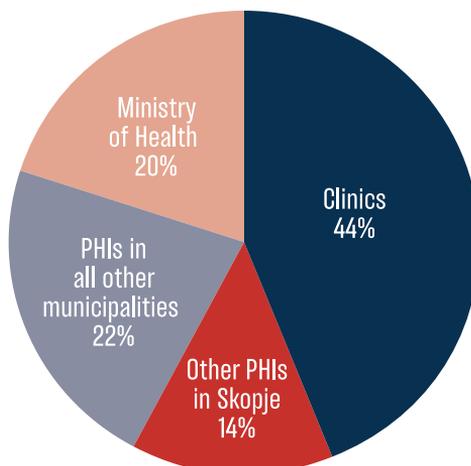
### 3.1.5. Concentration of public procurement with PHIs in Skopje

As many as 78% of public procurement contracts were awarded by public healthcare institutions in Skopje. Such concentration of public procurement in the capital is partially justified by the size of said institutions, but at the same time imposes the need of additional analyses on justifiability, as well as the need of enhanced supervision over the biggest spenders, in order to combat corruption and abuse of public funds.

An effort to categorize public healthcare institutions allows definition of 4 groups, as follows: clinics, Ministry of Health, other PHIs in Skopje, and PHIs in all other municipalities, and provides a clear image on concentration of public procurement in the country.



Healthcare public procurement, 2024



Analysed in terms of absolute amounts, in 2024 the clinics awarded public procurement contracts in total value of around 138 million EUR. This represents a jump by as much as 103 million EUR over the 10-year period. The value of public procurement organized by the clinics is much higher than public procurement of all other public healthcare institutions, of which other PHIs in Skopje have awarded 45 million EUR and PHIs in all other municipalities have awarded 68 million EUR.

### Comparison of the value of public procurement in 2015 and 2024

Institution	2015			2024		
	Value (in MKD)	Value (in EUR)	Share	Value (in MKD)	Value (in EUR)	Share
Clinics	2,132,527,863	34,675,250	27.56%	8,470,589,306	137,733,159	43.66%
Other PHIs in Skopje	1,222,806,619	19,883,034	15.80%	2,740,466,200	44,560,426	14.13%
PHIs in all other municipalities	1,350,168,558	21,953,960	17.45%	4,206,395,474	68,396,674	21.68%
Ministry of Health	3,033,271,143	49,321,482	39.20%	3,982,572,769	64,757,281	20.53%

## 3.2 THE VALUE OF TENDERS RISES, COMPETITION DECREASES

### 3.2.1. Absence of competition concentrates influence with a small group of dominant players

Significant growth under the value of healthcare public procurement is accompanied by a progressively lower number of tender participants. Almost half of the cumulative value of all contracts is awarded under tender procedures that were presented with only one bid. Absence of competition has the potential to concentrate wealth and influence with a small group of dominant players and leads to higher prices, lower the quality of healthcare services for the patients and reduce the variety of medicines.



Data show that, over a period of only five years, the average number of bids per tender procedure in the healthcare sector has dropped from 3.30 bids (2020) to 2.64 bids (2024). This decrease is much higher compared to the overall system of public procurement in the state, underlining the particular vulnerability of the healthcare sector. Decreased competition means fewer suppliers, weaker conditions in terms of price and quality, and increased risk for creation of “closed market” dominated by one or several companies.

Key indicators for assessment of corruption risks include the level of competition in public procurement and the share of tender procedures awarded to the only bidder.

Data on the average number of bids per tender procedure are computed only for the period 2020-2024, i.e. after the adoption of the new Law of Public Procurement. As regards the previous period, corresponding data on the number of bids per tender procedure cannot be extracted in full from EPPS because they were reported as part of the so-called records on tender procedures with call for submission of bids.

Competition in healthcare public procurement is always lower compared to overall competition at national level. Hence, while the average number of bids per tender procedure in the Republic of North Macedonia for the period 2020-2024 ranged from 3.58 to 2.82 bids, the corresponding figure in the healthcare sector stood at 3.30 to 2.64 bids.

## Competition in healthcare public procurement

Year	2020	2021	2022	2023	2024
Average number of bids in healthcare public procurement	3.30	3.12	2.88	2.76	2.64
Number of tender procedures presented with only one bid	2,342	2,362	2,513	3,081	3,374
Share of tender procedures presented with only one bid	29.9%	30.8%	34.9%	37.1%	39.5%
Value of tender procedures presented with only one bid (in EUR)	61,334,234	118,103,179	88,256,888	174,968,106	161,298,210
Share of the value of tender procedures presented with only one bid	37.2%	43.3%	46.7%	56.4%	55.0%

As shown in the table above, in 2024 the number of tender procedures presented with only one bid accounted for 39.5% of all healthcare public procurement, with their value accounting for high 55%.

The fact that half of the value of healthcare public procurement was awarded under tender procedures presented with only one bid poses a serious problem and is conducive to:

- formal implementation of tender procedures that are essentially inefficient;
- possible arrangements between institutions and bidding companies; and
- increased risk of favouring certain companies by means of specially-designed requirements for tender participation.

On annual level, more than 160 million EUR are awarded without any competition. This amount is sufficiently high to impact the overall market of healthcare public procurement and to concentrate wealth and power with a small number of companies. In turn, such concentration opens up space for “creation of oligarchy” in public procurement and for “capture of institutions” by interest groups. Decreased competition and high concentration of public procurement do not only imply a risk of corruption, but also have direct consequences for the patients in the form of:

- higher prices of medicines and medical supplies;
- reduced variety and availability of products;
- potentially lower quality of services; and
- delayed innovation, as the companies are not stimulated to make improvements under conditions of low competition.

The trend of increased public procurements presented with only one bid is one of the strongest indicators of higher corruption risks in the healthcare sector. Instead of securing the most favourable price and quality through competition among more bidders, tender procedures are turned into a mechanism for transfer of public funds to a small group of economic operators. This does not only hinder the integrity of the system of public procurement, but also threatens the citizens’ trust in the healthcare institutions.

### 3.2.2. Absence of competition in procurement of laboratory reagents, tests and supplies

Tender procedures for procurement of laboratory reagents and tests, to great extent, are implemented as mere formality knowing that they are organized for pre-defined apparatus, which means that the tender winner is known in advance, i.e. before the procurement procedure is initiated. Laboratory apparatus are previously obtained as donations, loaned for use or bought from companies that sell the corresponding reagents. On annual level, the value of public procurement for reagents and tests reaches up to 29 million EUR. Over the 10-year period analysed, the costs for reagents and tests have increased by 81%.

In the 10-year period analysed, the procurement value of tests and reagents was increased from around 16 million EUR to around 29 million EUR.

#### Value of public procurement for reagents and tests

Year	Value (in MKD)	Value (in EUR)	Difference
2015	977,682,529	15,897,277	/
2016	772,163,898	12,555,511	-21.02%
2017	742,899,015	12,079,659	-3.79%
2018	659,219,730	10,719,020	-11.26%
2019	885,231,495	14,394,008	34.28%
2020	1,164,549,271	18,935,761	31.55%
2021	1,440,022,632	23,415,002	23.65%
2022	1,375,124,867	22,359,754	-4.51%
2023	1,603,413,130	26,071,758	16.60%
2024	1,766,838,757	28,729,085	10.19%

To determine the inflation effect, the research compared prices of reagents and tests from contracts awarded in 2022 and 2024. It was observed that prices remained unchanged for some categories, with some price increases remaining significantly below the inflation rate.

Continuous growth of costs for procurement of reagents and tests has not increased accountability of public healthcare institutions to implement public procurement for reagents and tests in competitive manner nor to comply with recommendations by the State Audit Office issued 10 years earlier.

As shown in the table below, in the last five years, i.e. in the period for which data on competition in public procurement is available, the share of tender procedures presented with only one bid ranged from 70% to 80%.

## Procurement contracts for reagents and tests awarded to the only bid received 2020-2024

Year	Value of tender procedures presented with only one bid (in MKD)	Value of contracts awarded to the only bid received (in EUR)	Share of tender procedures presented with only one bid
2020	934,586,352	15,196,526	80.3%
2021	1,023,839,092	16,647,790	71.1%
2022	1,044,358,388	16,981,437	76.0%
2023	1,252,040,745	20,358,386	78.1%
2024	1,301,812,067	21,167,676	73.7%

Given that the institutions with highest individual procurement contracts for reagents and tests include PH University Institute of Clinical Biochemistry – Skopje and PHI Institute of Transfusion Medicine, both were presented with an information request inquiring about the manner in which they have acquired the apparatus for which reagents are procured.

Based on data disclosed by these institutions, some apparatus were acquired on the basis of business and technical cooperation contracts and donation contracts. In that, the contracts clearly stipulate an obligation for public healthcare institutions to procure corresponding reagents and supplies, which refers to the fact that the entity providing the apparatus has direct benefit therefrom. This practice does not correspond to provisions under the Law on Donations and Sponsorship in Public Activities where it is stipulated that donations are “voluntary and unconditional assistance in money, goods, and services that does not create direct benefit for the donor nor an obligation for repayment by the recipient, and which may be provided for public interest purposes or in support of the recipient’s activities”.

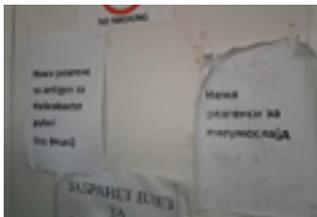
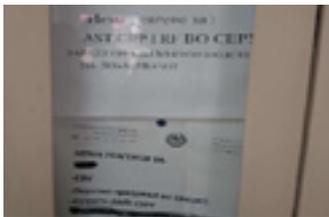
This situation was noted by the State Audit Office as early as 2015 during its performance audit for the University Institute of Clinical Biochemistry. In particular, SAO’s [report](#) noted that, to great extent, tender procedures for procurement of reagents, laboratory and other supplies are presented with only one bid. Furthermore, SAO assessed that: “The reason for submission of only one bid is the fact that tender specifications refer to reagents for specific apparatus, and each apparatus only uses reagents from specific manufacturer/distributor from which it was acquired. In addition to reagents, laboratory analyses and tests also necessitate calibration and control reagents and supplies which generate additional costs for the Clinic. The established method for procurement of reagents for laboratory analyses does not allow adequate use of funds under public procurement procedures, which is contrary to Article 2 of the Law on Public Procurement”. Accordingly, SAO recommended that: “Governing and management structures should take actions to change the establishment method for procurement of reagents tied to specific apparatus and to enable competition in public procurement of laboratory tests for all types of analyses that include reagents, calibration and control supplies, as well as apparatus (analysers) and additional equipment”.

An identical finding is found in the [performance audit report](#) for PHI Institute of Transfusion Medicine, noting that: “Implemented public procurement procedures are organized only formally, given the impossi-

bility for other economic operators to participate and submit bids, thereby preventing price reductions by means of downward bidding and resulting in acceptance of prices offered as part of initial bids. Therefore, PHI ITM is not protected against the possibility that the economic operator may bid prices higher than market prices, creating risks to cost-effective and efficient use of public funds pursuant to Article 2 of the Law on Public Procurement”. As was the case before, this audit also refers to the need for PHI to enhance its efforts aimed at attaining actual market prices and enabling competition in public procurements, with due consideration of legal possibilities offered by the Law on Public Procurement.

Despite SAO's findings and recommendations, the observed state-of-affairs does not show any progress, but the opposite – costs for procurement of reagents are increasing, with most tender procedures being implemented as mere formality. Identical findings can be found in every public healthcare institution whose performance was audited in the recent years.

To make matters worse, as costs for procurement of reagents and tests are increasing, the patients more frequently publish images on the social media showcasing notes at healthcare institutions about lack of reagents.



Images posted on the social media, 25th July 2025

Left-side photo: [translation] We do not have reagents for helicobacter pylori antigen (in faeces)/ We do not have reagents for Pneumoslide. Right-side photo: [translation] NOTICE: We do not have reagents for AST, CRP, and RF in serum due to discontinued production by the supplier/ We do not have reagents for EBV, occult blood (in faeces), AVIDITY-ANTI-CMV

The Health Insurance Fund's 2015 annual report noted that the total number of laboratory services performed at private healthcare institutions accounted for 5,235,724. Corresponding reports for the last several years do not feature any information that could facilitate a conclusion whether increased costs for reagents are accompanied by reduction in the number of services performed by private healthcare institutions. Absence of such data is indicative of the risk that the opposite trend is present.

Based on all above, it could be concluded that the system for procurement of reagents and tests is an example of “structural vulnerability to corruption”, i.e. tender procedures are implemented without actual competition in spite of the numerous indications by the audit institutions made in the past. Cost growth, absence of competition and dependence on specific suppliers create a closed market wherein public healthcare institutions do not have any negotiating powers and the citizens have to shoulder the higher costs.

Having in mind that the National System of Material and Financial Management at Public Healthcare Institutions is still not established, although it was mandated by law since 2015, and that the state - through the Ministry of Health - does not monitor and has no control over per-patient expenditure of medicines, reagents, and other medical supplies at PHIs, there is a high risk of abuse, with the possibility for such medicines and reagents to be diverted to private hospitals and laboratories.

### 3.3 INSULIN, VACCINES AND RARE DISEASE MEDICINES: MORE FUNDS UNDER HEALTHCARE PROGRAMS, BUT NO BETTER CARE FOR PATIENTS

The Ministry of Health has around 20 annual healthcare programs, of which the most voluminous in terms of public procurement value are: (1) Program for Providing Insulin, Glucagon, Insulin Needles and Blood Sugar Test Strips, Insulin Pumps with Supplies and Glucose Monitoring Sensors, (2) Program for Mandatory Immunization of the Population; and (3) Program for Treatment of Rare Diseases. To implement these programs, national commissions comprised of expert medical staff were established and tasked to develop technical specifications and define the quantities to be purchased. The research discovered a series of weaknesses in implementation of public procurement under these healthcare programs.

#### 3.3.1 Procurement of medicines and supplies for treatment of diabetes

Valued up to 39 million EUR, biannual tenders for procurement of insulin, glucagon, insulin needles and blood sugar test strips, insulin pumps and glucose monitoring sensors are organized under procedure marked by lack of competition and are followed by signing of annex contracts. In the 10-year period analysed, the number of patients receiving insulin therapy has increased by 21%, but the value of corresponding public procurement contracts was increased by 77%. Year after year, the programs for providing insulin are becoming shorter, while program implementation reports are not published regularly and lack public account for money spent.



In the last 10 years, tender procedures for procurement of insulin, glucagon, insulin needles and blood sugar test stripes, insulin pumps and glucose monitoring sensors (hereinafter referred to as medicines and supplies for treatment of diabetes) were implemented for a period of two years each. Hence, tender procedures analysed as part of this research (2015-2024) were announced in 2015, 2017, 2019, 2021, and 2023.

According to the 2015 Program for Providing Insulin, Glucagon, Insulin Needles, Blood Sugar Test Stripes and Education for Treatment and Control of Diabetes, the number of registered persons with diabetes receiving insulin therapy accounted for 36,230 persons, of which 2,230 have diabetes type 1 and around 34,000 have diabetes type 2.

Ten years later, i.e. in 2024, the number of registered persons with diabetes receiving insulin therapy in the Republic of North Macedonia stood at 44,000 persons, of which 4,000 have diabetes type 1 and 40,000 have diabetes type 2. This trend shows an increase in the number of patients by 21.44%. On the other hand, the research revealed an increase by 76.84% in terms of the value of tender procedures.

### Value of tender procedures for treatment of patients receiving insulin therapy

Period	Number of patients receiving insulin therapy	Increase in the number of patients <sup>10</sup>	Value of tender procedures after annex contracts were signed (in MKD)	Value of tender procedures after annex contracts were signed (in EUR)	Difference in the value of tender procedures
2015-2016	36,230	0	1,356,561,287	22,057,907	/
2017-2018	40,000	10.41%	1,166,697,639	18,970,693	14.00%
2019-2020	40,000	0	1,648,735,721	26,808,711	41.32%
2021-2022	40,000	0	1,882,558,130	30,610,701	14.18%
2023-2024	44,000	10.00%	2,398,973,793	39,007,704	27.43%

Differences and similarities in the manner in which insulin, glucagon, insulin needs and blood sugar test stripes, insulin pumps and glucose monitoring sensors were procured in the analysed 10-year period could be best identified by comparing tender procedures implemented for the needs of the patients and organized for the periods 2015-2016 and 2023-2024, i.e. the first two and the last two years of the analysed period.

Procurement of medicines and supplies for treatment of diabetes in the period August 2014 – August 2016 was organized as one tender procedure. It is a matter of tender procedure announced by the Ministry of Health and organized in the period September – November 2014. This tender resulted in award of 7 contracts, in cumulative value of 1,356,561,287 MKD, i.e. 22 million EUR.

On the other hand, procurement of medicines and supplies for treatment of diabetes for the period January 2023 – December 2024 implied award of 12 contracts and 5 annex contracts, signed 7 companies, the cumulative value of which reached 2,398,973,793 MKD, i.e. 39 million EUR.

- The first 6 contracts were awarded in April 2023 on the basis of the tender procedure announced for “insulin and glucagon for the period January 2023 – December 2024 and for the needs of the population in the Republic of North Macedonia”. Contracts were signed with 6 companies, in total amount of 1,708,463,075 MKD, i.e. around 27.8 million EUR. Compared to the period covered by this public procurement, there was an evident delay in contract award by almost 4 months.
- Another 3 contracts for procurement of insulin needles and blood sugar test stripes, insulin

<sup>10</sup> Data are taken from the Programs for Providing Insulin, Glucagon, Insulin Needles and Blood Sugar Test Stripes, Insulin Pumps with Supplies and Glucose Monitoring Sensors.

pumps with supplies and glucose monitoring sensors were awarded in July 2023, for the period January 2023 – December 2024 and for the needs of the population in RNM. The total value of these contracts amounted to 202,535,560 MKD, i.e. 3.3 million EUR.

- Two more contracts were awarded in August 2023 and concern procurement of sensor-based glucose monitoring systems intended for patients with diabetes type 1 and for the period April 2023 – April 2025. The total value of these contracts amounted to 194,020,320 MKD, i.e. 3.1 million EUR.
- By the end of August 2023, another contract was awarded and concerned procurement of insulin for the period 2023 – 2024 and for the needs of the population in the Republic of North Macedonia, in total value of 62,685,000 MKD, i.e. more than 1 million EUR.
- In April and May 2024, another notification was posted and concerned signing of 4 annex contracts from the new tender procedure, followed by a fifth annex contract signed in April 2025. All these annex contracts have increased the value of the overall procurement by 231,269,839 MKD (3,760,485 EUR), accounting for 13.54% of the total value of all contracts signed under this tender procedure. Hence, the tender's total value reached 1,939,732,914 MKD (31,540,372 EUR). Justification provided for the first 4 annex contracts referred to the increased number of new patients receiving this type of insulin therapy, as well as the increased doses for glucose regulation with a particular patient population. As regards the fifth annex contract, the justification referred to a 20% increase in consumption of two types of insulin (Lot 2: FIASP FlexTouch 100E/1 ml, and Lot 16: TRESIBA FLEXTOUCH 100E/1ml ), which necessitated procurement of additional quantities. A positive opinion for signing the annex contracts in question was obtained from the National Diabetes Commission and the person responsible for management of the Program for Providing Insulin, Glucagon, Insulin Needles and Blood Sugar Test Stripes, Insulin Pumps with Supplies and Glucose Monitoring Sensors.

The high number of tender procedures implemented for procurement of medicines and supplies for treatment of diabetes, as well as the high number of contracts awarded and annex contracts signed are indicative of planning weaknesses relating to the time period for which procurements are organized and inadequate definition of the types of medicines and the quantities thereof that have failed short of meeting the patients' needs, especially in the light of the fact that some quantities are spent under greater intensity, while others remain unused. All this creates a risk of insufficient and untimely provision of necessary therapies to the patients.

### 3.3.2. Procurement of vaccines for immunization of the population

**In financial terms, tenders for immunization of the population are becoming bigger, but the public procurements organized in some years are marked by weaknesses, ranging from flawed procurement planning to failure to award the contracts.**

Efforts to analyse and systematize public procurement contracts into two- and three-year tender procedures required an extensive search of the Electronic Public Procurement System. Notably, problems start with late publication of procurement notices. More specifically:

- in the case of tender procedure for vaccines for routine immunization and vaccines based on epidemiological indicators, intended for the needs of the population and for the period June 2016 – June 2016, the procurement notice was published in October 2016, followed by award of contracts in January and February 2017;
- delays were also noted in respect to procurement of vaccines for the periods June 2018 – June 2020 and January 2021 – December 2023.

Furthermore, the research observed that, in the case of public procurements organized for the periods June 2016 – June 2018, June 2018 – June 2020, and the current period (January 2024 – December 2026), some procurement lots related to individual types of vaccines were annulled. New procurement notices were published for annulled procurement lots, and again, the contracting authority has not received any bids or any acceptable bids for some types of vaccines. All efforts to locate previously signed contracts for the above-referred annulled procurement lots in EPPS proved to be impossible, which raises the question how was the population immunized with these specific types of vaccines in the past. Initially, the 2023 plan of public procurement did not include the tender procedure for procurement of vaccines for immunization of the population for the period January 2024 – December 2026, but the same was introduced by means of amendments to the procurement plan and was later organized. As was the case with most tender procedures in the past, the contracting authority did not receive any bids or any acceptable bids for 8 from the total of 22 types of vaccines, followed by decision on tender annulment relating to these procurement lots in September 2023. Instead of being published immediately afterwards, the procurement notice for these lots was announced as late as 29<sup>th</sup> December 2023. The repeated tender procedure resulted in contracts awarded for 6 procurement lots, with the remaining 2 lots being annulled yet again.

## Public procurement contracts for regular immunization of the population and immunization based on epidemiological indicators

Procurement subject	Date of contract signing	Value of contracts signed (in MKD)	Value of contracts signed (in EUR)
Vaccines for 2015 and 2016 (tender no. 87/2015)	17.12.2015	241,314,165	3,923,808
Vaccines for the period June 2016 – June 2018 (tender no. 79/2016 )	23.01.2017 03.02.2017	309,546,073	5,033,269
Vaccines for the period June 2016 – June 2018 (tender no. 13/2017)	20.10.2017	10,080,000	163,902
Vaccines for the period June 2018 – June 2020 (tender no. 59/2018)	06.03.2019	591,045,920	9,610,503
Vaccines for the period June 2018 – June 2020 (tender no. 35/2019)	20.06.2019	98,220,586	1,597,083
Vaccine for a period of three years: January 2021 to December 2023 (tender no. 02000/2021)	14.06.2021	931,180,131	15,141,140
Vaccines for a period of three years: January 2024 to December 2026 (tender no. 11344/2023)	04-06.09.2023	833,566,188	13,553,922
Vaccines for a period of three years: January 2024 to December 2026 (tender no. 23856/2023)	07.03.2024	241,507,903	3,926,958

The table above shows the inadequate time dynamics under which tender procedures for procurement of vaccines were implemented. In that regard, it should be noted that the growth in terms of the value of these procurements is exceptionally high. The value of vaccine contracts signed for the last three-year period (January 2024 – December 2026) amounted to approximately 1.1 billion MKD, i.e. 17.5 million EUR.

Observations relating to weaknesses in planning the period when public procurement procedures will be organized, the high number of annulled procurement lots from technical specifications, as well as the delays in contract signing all refer to inadequate planning and setting of public procurement quantities, and subjectivity in implementation of tender procedures, which opens up space for corruptive actions.

Here, it should be noted that the implementation report for the 2023 Program on Mandatory Vaccination and Revaccination issued by the Institute of Public Health places the coverage rate for primary immunization and reimmunization per different type of vaccines in the range from 56.3% to 87.7% of the overall population, which far below the program's primary objective defined as 95% coverage at national level and 90% coverage at regional level for all types of vaccines. While the Ministry of Health is obliged to provide vaccines for each and every citizen, the low immunization rate creates risks of certain vaccines to expire or vaccine vials to be damaged which, in turn, impacts the cost-effective use of public funds spent under public procurement.

### 3.3.3. Procurement of rare disease medicines

**In the last decade, the costs for rare disease medicines have increased from 90 million MKD to 1 billion MKD (i.e. from 1.5 million EUR to 19 million EUR). Such great increase of costs takes place at times when the State Audit Office had noted that the Ministry of Health does not dispose with comprehensive data whether the therapy in question actually improves the patients' health status. The reason thereof is seen in non-performance of evaluations for large share diseases covered by these medicines, as anticipated under the Program for Treatment of Rare Diseases.**

Primary objective of the Program for Treatment of Rare Diseases is to secure therapy for persons with rare diseases in the Republic of North Macedonia whose treatment is officially approved by the National Commission on Rare Diseases at the Ministry of Health.

The first program adopted in the analysed period dates from 2015 and was valued at 90 million MKD, but the actual value of rare disease medicines procured under the program amounted to 145 million MKD, i.e. 2.3 million EUR. Differences were also observed under other annual programs. Notifications on program implementation published thus far do not allow insight about reasons behind such difference in values. Moreover, reports on program implementation enlist program performance in the planned amount of funds, which is lower than the actual value of public procurement. On the other hand, analysis of reports on implemented public procurement contracts resulted in a third set of amounts. For example, implementation of the last program was planned in the amount of 1 billion MKD and, according to the program implementation report, was implemented in the same amount. However, the value of public procurement contracts amounted to 1,183,711,799 MKD, i.e. 19,247,346 EUR. Analysis of notifications on contract performed provides a completely different amount. According to notifications on contract performance, the value of medicines purchased for treatment of rare diseases amounted to 1,064,864,039 MKD, i.e. 17.3 million EUR.

### Value of programs for treatment of rare diseases and value of medicines procured

Year	Number of medicines	Number of patients	Value of the program	Tender procedures and contracts awarded	Value of PP contracts (in MKD)	Value of PP contracts (in EUR)
2015	/	/	90,000,000	30/2015	144,862,372	2,355,486
2016	/	/	203,000,000	107/2015 34/2016 66/2016	367,942,668	5,982,808
2017	34	146	213,967,000	8/2017 16/2017 Annex contacts signed under direct negotiations without call for bids	133,144,107	2,164,945
2018	23	134	350,093,000	4/2018 Annex contacts signed under direct negotiations without call for bids	371,789,716	6,045,361
2019	31	170	407,880,000	6/2019 03755/2019 15359/2019	462,143,192	7,514,523
2020	35	183	522,000,000	04956/2020 11338/2020 15359/2019	541,396,589	8,803,197
2021	43	245	680,000,000	05653/2021 10919/2021 12532/2021	637,746,481	10,369,861
2022	44	286	657,000,000	06151/2022 14752/2022	614,411,030	9,990,423
2023	49	313	878,000,000	01183/2023	989,159,800	16,083,899
2024	50	376	1,000,000,000	20518/2023 02867/2024 08048/2024 14797/2024	1,183,711,799	19,247,346

Such significant increase in the value of medicines procured for treatment of rare disease by 10 times in the last 10 years takes place at times when the State Audit Office had noted worrying findings. In its [report](#) published this year, SAO noted that evaluation activities have not taken place for large portion of diseases for which medicines are procured, although they were anticipated under the program. Relevant commissions have been formed only for two rare diseases and evaluation was performed only for one rare disease, which is contrary to Article 7 of the Rules of Procedure for the National Commission on Rare Diseases stipulating that separate commissions shall be formed and tasked with conducting at least one evaluation per year concerning the effects of therapies administered to rare disease patients. On that account, the State Audit Office noted that the Ministry of Health does not dispose with comprehensive data whether and to what extent the therapies yield positive effects on the patients' health status. This is of particular importance, especially when correlated to the amount of funds allocated for this program and for procurement of new medicines. Furthermore, no activities were taken to ensure regular reporting by PHIs on the quantity of medicines spent and the current level of supplies, as anticipated under the program, thereby failing to establish efficient control and monitoring of supply levels for these medicines prior to establishment of the module in the electronic system "My Appointment".

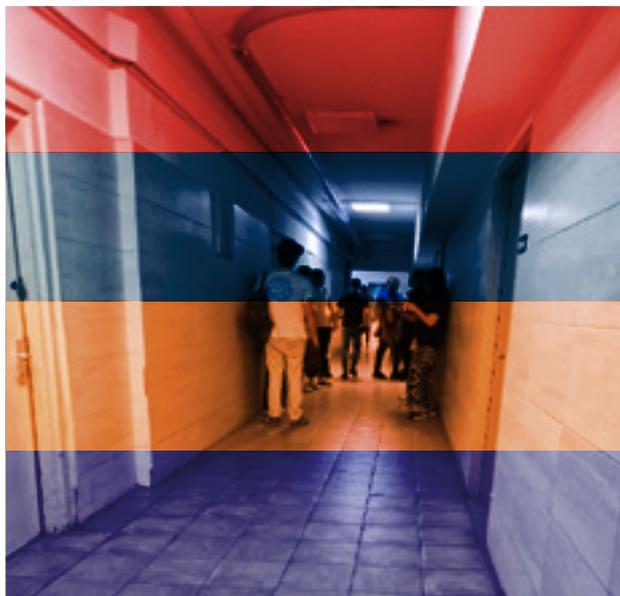
Furthermore, performance audit reports for some public healthcare institutions refer to the fact that selection of the type of medicines and the quantity thereof is not based on proposal from professional and expert staff at the institution, as anticipated under the Law on Health Protection, but rather such decisions are often made by responsible persons at the institution (managers), which opens up space for subjectivity in selection of medicines and favouritism of certain manufacturers and wholesale pharmacies.

As regards process weaknesses, the research observed signing of annex contracts under the justification that new patients have been registered.

### 3.3.4. Accountability for healthcare program implementation

**Irregularity in publication of financially-voluminous healthcare programs on the Ministry of Health's official website, including reports on program implementation.**

Reports on implementation of the 2023 and 2024 Programs for Providing Insulin, Glucagon, Insulin Needles and Blood Sugar Test Stripes, Insulin Pumps with Supplies and Glucose Monitoring Sensors are not published. The last implementation report published on the Ministry of Health's website concerns the 2022 program. Irregularity in publication of implementation reports was also noted in respect to the Programs for Mandatory Immunization of the Population in the Republic of North Macedonia. The 2024 implementation report for this program was not published by the cut-off date for this analysis.



In addition to program implementation reports, the programs for some years were not published on the Ministry of Health's official website. For example, the 2022 and 2023 Programs for Treatment of Rare Diseases were not published on MoH's website, and the situation is identical with the 2023 Program for Providing Insulin, Glucagon, Insulin Needles and Blood Sugar Test Stripes, Insulin Needles with Supplies and Glucose Monitoring Sensors.

Be that as it may, all programs are mandatorily published in the "Official Gazette".

Lack of regular and detailed implementation reports directly affects the patients: it cannot be assessed whether medicines and medical aids are provided in timely fashion, whether there are any disruption in the supply chain or whether the costs are justified by the actual needs.

Under conditions of limited transparency, increased public spending that does not yield better results inevitably raises suspicions about corruption or poor management.

## 3.4 STAFF CAPACITY AND SUPERVISION MECHANISM WEAKNESSES

### 3.4.1 Staff capacity

**Lack of qualified staff for implementation of public procurements is another corruption factor. The research found that as many as 23 from the total of 110 healthcare institutions do not have a single staff member with passed public procurement exam, which is contrary to the Law on Public Procurement.**

A number of public healthcare institutions are entrusted with management of sizeable, some of which lack sufficient staff with public procurement certifications. This is a “systemic weakness” because public procurements are implemented by persons who do not have the necessary expertise or supervision, which opens up space for manipulations and errors.

As shown in the table below, on annual level, the Ministry of Health awards public procurement contracts in the value of 43 million EUR with only 4 certified staff members. This means that, on average, each certified officer is responsible for public procurements worth 10 million EUR. Data on the number of certified procurement officers are taken from the [Registry of Certified Public Procurement Officers](#).

The University Clinic of Children’s Diseases employs 1 certified procurement officer, but has awarded contracts in the value of 16 million EUR, which imposes the risk of power concentration with one person. PHI “8<sup>th</sup> September” awards more than 440 contracts annually and has only 3 certified procurement officers, which is a large scope of public procurement for such low number of trained staff members.

The observed state-of-affairs refers to non-compliance with the Law on Public Procurements, especially by public healthcare institutions that do not have any certified procurement officer in spite of the law-mandated obligation, while the other institutions are under serious risk of large sums of money and voluminous contracts being managed by a handful of procurement officers (sometimes only one officer).

Lack of certified procurement officers who are well acquainted with public procurement rules is not merely a technical problem, but a direct corruption risk. Notably, lack of expertise is conducive to corruption – officers do not know or intentionally do not implement adequate procurement procedures, impose short deadlines for submission of bids, define discriminatory criteria for tender participation, favour certain companies.



### Certified procurement officers at the biggest PHIs

Institution	Number of contracts awarded in 2024	Number of tender procedure organized in 2024	Value of public procurements in 2024 (in MKD)	Value of public procurements in 2024 (in EUR)	Number of certified officers in 2024
Ministry of Health	75	54	2,631,162,884	42,783,136	4
University Clinic of Radiotherapy and Oncology	102	56	1,957,958,342	31,836,721	5
University Clinic of Children's Diseases	174	102	981,519,545	15,959,667	1
PHI City General Hospital "8th September" Skopje	442	358	814,453,631	13,243,148	3
Public Institution in the Field of Healthcare...	188	124	738,185,287	12,003,013	9
University Clinic of Haematology	70	63	677,522,113	11,016,620	3
University Clinic of Cardiology – Skopje e	152	89	592,614,171	9,636,003	8
University Clinic of Neurology	46	66	440,073,387	7,155,665	1
Institute of Transfusion Medicine of RNM	86	122	415,170,856	6,750,746	4
Health Centre of Skopje – Central Board Skopje	125	111	387,658,750	6,303,394	3

### 3.4.2. Supervision mechanisms

**In the absence of efficient supervision and monitoring mechanisms, large sums of public funds are under risks of being spent without yielding proportional improvements.**

Analysis of the ratio between the increased value of public procurement and the decreased number of healthcare services in the Republic of North Macedonia reveals a serious disproportion between funds invested and results that should be achieved. In spite of continuous increase of budget funds intended for procurement of medical equipment, medicines and other resources, the number of and availability of healthcare services are marked by a decline. This is not only a financial problem, but also crucial institutional weakness because invested funds do not contribute toward improved healthcare for the citizens.



A number of reasons behind such discrepancy, summarized from SAO's reports on performance of public healthcare institutions, concern the insufficiently developed supervision and control mechanisms, as follows:

- **Inadequately established public internal control** – the system of public internal control at many public healthcare institutions, including the Ministry of Health, is not adequately established or does not formally operate, thereby failing to ensure actual risk management and prevention of abuse. This results in poor accountability and absence of prevention mechanisms for timely detection of irregularities in public spending.
- **Inefficient or non-established internal audit** – internal audit, which should be one of key supervision tools, either does not exist at many healthcare institutions or lacks capacity and autonomy for effective performance of its role. Lack of active and autonomous internal audit creates conditions conducive to higher risk of corruption and insufficient transparency in public resource management.
- **Non-established National System of Material and Financial Management and Accounting Operations** – the legal obligation for introduction of this system dates back to 2015, but it is still not established yet, on the account of which the state – through the Ministry of Health – does not monitor and has no control over the per-patient expenditure for medicines, reagents and other medical supplies at PHIs, resulting in the risk of inadequate spending and abuse of public funds.

- **Failure to take action upon recommendations by the State Audit Office** – while the State Audit Office regularly identifies systemic weaknesses and failures, and issues recommendations to address them, implementation of these recommendations is very low. Lack of mechanisms to monitor and ensure implementation of recommendations weakens the effect of audit reports and allows perpetuation of same irregularities and risks in continuity. Disrespect for SAO's recommendations and absence of action on the part of investigative authorities creates a “culture of impunity”. The resulting lack of accountability creates an impression of systemic tolerance for irregularities and undermines the public and the patients' trust in the institutions' capacity to manage public funds.
- **Delayed investigative and judicial proceedings** – in the past period, we have witnessed competent authorities initiating several investigative or judicial proceedings into operations at public healthcare institutions that were prolonged over a longer time period without reaching final resolution. This creates the impression of inefficient rule of law and further erodes the public's trust in the institutions. At the same time, delayed proceedings send a signal on low or non-existent accountability for abuse of public funds, which further enhances corruption risks and enables repetition of irregularities.

