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Non-coverage by health insurance in Austria – empirical findings on prevalence and causes*

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1 Introduction

Social health insurance in Austria has the status of a statutory compulsory insurance and is linked to gainful employment or the realisation of other facts related to compulsory insurance. In addition, statutory health insurance also covers entitled dependants (derived insurance protection) as well as the voluntarily insured. In the last 15 years, several political measures were implemented to extend the inclusion in health insurance.

Although coverage is relatively broadly designed, persons in extraordinary circumstances or in status transitions may fall out of the range of protection on the edges of the health insurance system. There appears to be a mix of structural gaps, social disadvantages as well as lacking individual resources and information (Riffer & Schenk, 2015). On top of that, persons from EU Member States and third countries, who are not employed and are not entitled to social benefits in Austria, may also lack statutory health insurance coverage.

Based on quantitative and qualitative empirical data, this Policy Brief discusses the access paths to health insurance as well as prevalence and causes of non-insurance.

2 Background and methods

The phenomenon of non-insurance has been assessed two times in Austria. The first study was conducted in 2003 on behalf of the Federal Ministries for Health and Social Affairs (Fuchs et al., 2003). A follow-up was carried out on behalf of

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the Main Association of Austrian Social Insurance Institutions (*Hauptverband der österreichischen Sozialversicherungsträger*) for the year 2015 (qualitative data: 2017).

The analysis of administrative data for 2015 was based on prior calculations by the statistics department of the *Hauptverband*. It primarily served to delineate more precisely the calculation variables used to identify uninsured persons: the resident population on the one hand and those registered as insured or as otherwise protected on the other hand.[1] However, due to still missing data or data inaccuracies, the findings should be treated with caution.

To complement and support the interpretation of the results from the administrative data analysis, additional empirical data were collected through qualitative methods in 2016/17, namely:

- an analysis of primary survey sheets (in total 112; not representative!) on clients in 'low-threshold' institutions providing medical treatment for uninsured persons (AmberMed Vienna, Marienambulanz Graz);
- two semi-structured expert interviews with employees of institutions working with or representing groups without health insurance coverage or who are at risk of losing or not acquiring it (Caritas Social Counseling Vienna and Trade Union of White-Collar Workers – IG Flex); as well as
- further complementary enquiries by telephone and mail (with representatives of e.g. Statistics Austria; Main Association of Austrian Social Insurance Institutions; private insurance companies, i.e. Wiener Städtische, Uniqa, and Merkur; Medical Association Vienna; Health and Social Planning – MA 24, Vienna) to fill remaining research gaps and answer specific arising questions.

3 Access to health insurance

In this section, the access to health insurance via compulsory and voluntary insurance as well as via minimum income benefit is discussed. Further, the special situation of EU- and third-country citizens as well as policies recently put in place in favour of inclusion in health insurance, are addressed.

1 However, the two calculation variables are not 100% compatible, as coverage in the Austrian health insurance can also be obtained with a place of residence abroad, primarily by gainfully employed in-commuting border crossers. Conversely, there are persons with main residence in Austria but (exclusively) insured by a foreign health insurance. These are first and foremost employed out-commuting border crossers. Dependants entitled to benefits only via the named groups of persons have also to be considered. In addition to employees, pensioners with exclusively Austrian (or foreign) pension benefits and residence abroad (or in Austria) could also play a role.

3.1 Compulsory insurance

The health insurance in Austria represents a statutorily regulated compulsory insurance

Regulations on the insurance coverage in the statutory health insurance are to be found in several laws, according to which, among others, employees, civil servants and self-employed are insured (Hauptverband, 2019). For employees, compulsory insurance exists from an income above the threshold for marginal employment (in 2019: € 446.81 per month). With self-employed persons, too, a condition for compulsory insurance is that the contribution base is above a certain threshold (Hauptverband, 2017).

Furthermore, among others, recipients of a pension benefit, rehabilitation or retraining allowance, of unemployment insurance benefits, childcare benefit as well as of the social assistance-related minimum income benefit, are covered by health insurance, too. It also includes war survivors and asylum-seekers.

Although there is also an insurance obligation for self-employed professionals represented in Chambers (e.g. lawyers, architects), they have a choice between statutory and private health insurance.

In the case of conscripts, health insurance is 'suspended' while compulsory military service is being performed and medical care is provided directly by the Federal Armed Forces. The health care of detainees in prisons is paid or reimbursed directly by the state.

Health insurance in Austria covers not only the insured persons themselves, but also their dependants (spouses, children, housekeeping relatives). For certain adult 'co-insured' dependants who have no children and also have no caring responsibilities, an additional contribution has to be paid (Hauptverband, 2019).

3.2 Voluntary insurance

For persons not covered by compulsory insurance, there is the option of voluntary insurance in health insurance at a premium on the basis of (favored) monthly minimum contribution bases, e.g. for marginally employed persons, students or the self-employed with income below the insurance limit.

In the case of general self-insurance as a further alternative, the contribution is basically to be paid on the basis of the upper contribution limit but can be reduced conditional on income upon application. However, related benefits, as a rule, may be claimed only after a qualifying period of six months (Hauptverband, 2017).

3.3 Minimum income benefit

Lack of health insurance coverage should be absorbed by health insurance granted in the framework of subsidiary minimum income benefit

Basically, the lack of health insurance should be compensated by a respective coverage granted within the framework of subsidiary minimum income benefit provided by the Federal States. An entitlement exists in case of appropriate needs (means-test of incomes and assets). In addition, the length of stay and the reason for stay in Austria are decisive (see also below). The contributions are taken over by the Federal Government.[2]

3.4 EU- and third-country citizens

Within the EU, EEA-countries and Switzerland, cross-border employed persons and their family members are entitled to all health insurance benefits in kind, both in the Member State responsible where they are employed and in the State of residence, covered by the responsible Member State, in accordance with the legislation applicable there.

For all other patients from EU Member States, in the case of existing health insurance in another Member State, the treatment costs in Austria will be reimbursed by the responsible health insurance as part of the benefit support within the EU. If the usual residence is in Austria, the patients are entitled to standard care. Provided that the patient is only temporarily in Austria and thus only temporarily outside his or her responsible Member State or State of usual residence, coverage is provided only as part of emergency care.

Unless other preconditions are fulfilled, an unrestricted access to minimum income benefit and, thus, health insurance for EU- and third-country citizens is only provided after five years of residence

However, under narrow conditions, EU citizens are also entitled to social benefits in Austria and thus also to related health insurance. The reason for stay and/or the duration of stay are decisive. For example, an unemployment benefit entitlement arises if a qualified employee or self-employed activity in Austria was exercised prior to unemployment. In case of a permanent, usual residence of at least five years in Austria there is an unrestricted entitlement to minimum income benefit.

In the case of patients from third countries, proof of a foreign health insurance is generally required to obtain a visa in Austria. However, this covers the treatment costs only in the context of emergency treatment and for diseases without known pre-existing medical conditions. Outside of an asylum procedure

2 For the continuation of the inclusion of receivers of minimum income benefit in the health insurance after the expiry of the overall underlying agreement between the Federal Government and the Federal States, the corresponding decree had to be adapted. The amendment adopted at the end of 2016 covered both 2017 and 2018. In November 2018, it was decided to extend the health insurance scheme for another year (until the end of 2019) (Pratscher, 2019).

(see below), several residence permits exist, some of which can also lead to an entitlement to minimum income benefit and related health insurance (Neupert, 2015). However, for third-country nationals too, unrestricted access to minimum income benefit is only provided after five years of residence.

"Foreigners in need of support and protection" are covered by health insurance as part of a basic care agreed between the Federal Government and the Federal States. Asylum-seekers in federal care should generally achieve health insurance coverage relatively soon after their arrival. Also persons entitled to asylum as well as non-deportable or subsidiary protection-eligible foreigners are included in the health insurance. Other people without a residence permit do not have access to health insurance in Austria.

3.5 Uninsured persons

In case of lack of insurance and without private payment, medical treatment may be denied by the attending physician. However, there is an absolute obligation to care for patients faced with a medical emergency (AmberMed, 2016; Neupert, 2015). For other cases, there are several outpatient and inpatient facilities as well as individual physicians who offer free medical care for uninsured persons. However, such services are mostly concentrated in larger urban areas.

3.6 Policy measures in recent years

In recent years, several policies have been put in place to accelerate inclusion in health insurance

In the last 15 years several policies have been put in place in favour of inclusion in health insurance. These include: the introduction of the basic care for "foreigners in need of support and protection" (2004), the extension of the retention period after termination of employment from three to six weeks (2006), the continuation of independent health insurance in the event of loss of unemployment assistance due to the amount of partner income (2009)[3] and the inclusion of minimum income benefit recipients in health insurance (2010).

3 In 2018 the setting-off of the partner income for the entitlement to unemployment assistance was abolished. Thus, even in the case of higher incomes of the partner, entitlement to unemployment assistance and related independent health insurance is provided anyway.

4 Non-covered persons: empirical findings on prevalence and causes

4.1 Administrative data

4.1.1 Prevalence 2015 and trend after 2002

On the basis of an extrapolation for the end of 2015, about 0.3 percent of the population were without coverage against health risks

On the basis of an extrapolation using various data sources (still missing data and data inaccuracies!), 8.67 million people in Austria were insured or otherwise protected against health risks at the end of 2015. When compared with the resident population, this means that around 30,000 persons (or 0.3 percent of the population) had no coverage against health risks (see Table 1).

Table 1: Persons without coverage against health risks (in 1,000), end of 2015

Resident population	**8,700**
Insured registered with Hauptverband (without Medical Care Institutions)	8,551
Beneficiaries Medical Care Institutions[4]	+180
Insured persons in Austria residing abroad	-138
Employed out-commuting border crossers (insured abroad) incl. estimated dependants	+40
Estimated solely private-law insured self-employed professionals represented in Chambers incl. dependants	+20
Conscripts in compulsory military service	+11
Prisoners	+9
Sum of estimated covered persons	**8,673**
Estimated uncovered persons (difference to resident population)	**27**
Estimated uncovered persons as a percentage of the resident population	**0.3**

Source: Benefit Consulting, BMLVS, Hauptverband, GÖG, justiz.gv.at, Statistik Austria, Uniqa, Ärztekammer für Wien; own calculations.

In terms of the prevalence of non-insurance relative to the resident population after 2002, ratios declined from initially close to three percent (2002-2004) to 0.2 percent (2013-2015). Reasons for the observed decrease were statistical

4 Medical Care Institutions provide health protection on the basis of employment with certain public employers (e.g. municipality of Vienna).

effects due to late registrations in the framework of the, at that time, newly installed claimant database, the above-mentioned policies to extend insurance coverage and the increase in employed persons (liable to health insurance contributions). In 2016, the 'uninsured rate' increased again to 0.5 percent, which could be due to the late registration of asylum-seekers and refugees in health insurance, but decreased again to 0.3 percent by 2018 (own calculations based on Hauptverband, 2019).[5]

4.1.2 Socio-demographic characteristics of uninsured persons

For socio-demographic characteristics of persons who are not covered by health insurance, only age and gender information are available at administrative data level. In general, men were somewhat more likely not to be covered in 2015 than women. When considering age and gender simultaneously, concentrations of uninsured persons are found in descending order among men aged 18 to 27, women aged 18 to 27, and men and women of retirement age.

4.2 Qualitative data

4.2.1 Additional socio-demographic characteristics of uninsured persons

Non-Austrian citizens seem to be clearly over-represented among non-insured persons

For additional socio-demographic characteristics of non-insured persons, the following evidence was found on the basis of the primary survey sheets in low-threshold institutions (not representative!):

- Education: Primarily persons with a low level of education (high proportion with at most compulsory education) seem to be affected.
- Marital status: It can be assumed that non-insured persons are less likely to be in a partnership than the general population.
- Citizenship: Non-Austrian citizens are likely to be clearly over-represented among non-insured persons.

5 Due to lack of other available data, this trend analysis is based solely on official administrative data on insured persons by the Hauptverband, which covers only insured registered with the Hauptverband and beneficiaries of Medical Care Institutions minus (since 2012) insured persons in Austria residing abroad, however, it does not cover the remaining groups listed in Table 1. It is for the sole purpose of examining trends in the prevalence of non-insurance over time and, due to the limitation of the data sources, is to be considered as a separate analysis. For 2015, the rate of persons with no coverage against health risks, as referenced in Table 1, is more meaningful.

- Housing situation: The data suggests that homelessness or a precarious housing situation is relatively common.[6]
- 'Subsistence': There seems to be little involvement in the labour market and, if so, only on the basis of precarious employment.
- Income situation: Non-insured persons are likely to have – if at all – only very low incomes.[7]

4.2.2 Earlier periods / duration of non-insurance

The information from the survey sheets suggests that absence/lack of health insurance represents a recurring problem for a considerable proportion of clients (who at least once had insurance in Austria). In many cases the period without insurance may last long (at least one year), especially for persons without Austrian citizenship or with a migration background.

4.2.3 Causes of non-insurance

The fact of non-insurance should, in the case of Austrian citizens, usually be associated with exceptional status transitions, lack of personal resources, etc.; EU citizens and other migrants are usually non-employed persons who have not yet lived in Austria for five years

The fact of non-insurance should, in the case of Austrian citizens, usually be associated with exceptional status transitions, lack of personal resources, lack of information and, in some cases, certain 'gaps in the system', e.g. Austrians living abroad who return after a long absence, or persons who are waiting for the granting of a benefit, have missed a deadline and/or are not supported by social workers within an application process.

EU citizens and other migrants without insurance coverage usually seem to be non-employed persons who did not qualify for unemployment benefits and have lived in Austria for less than five years and therefore are also not entitled to minimum income benefit. Some of them are also on a 'visit' or as tourists in Austria or for the purpose of medical treatment, mainly from poorer, eastern EU Member States.

In the case of asylum-seekers, who are in principle insured within federal care, the reason for lack of insurance usually lies in a change of place of residence

6 Within the sample of the primary survey sheets, around one quarter affirmed the direct question related to the existence of homelessness. Of all clients of Amber-Med Vienna in 2015, 8% lived in public accommodation and 2% were explicitly homeless (for 10% the housing situation is unclear). Clients in private accommodation often live in very crowded circumstances with bad furnishing, precarious contracts and overpriced rent costs (AmberMed, 2016). The interviewed experts from Caritas also pointed to the fact of concealed homeless clients, in particular women, who reside within the family circle or the circle of friends and are temporarily registered there.

7 For a comprehensive picture, it should be mentioned that among 'non-insured' persons, there might also be affluent persons for whom health insurance is not 'worthwhile'. However, as a matter of fact they are not covered in the analysis based on primary survey sheets and also do not constitute a problematic target group.

without notification of the responsible public authority, whereby the basic care for 'foreigners in need of support and protection' – which includes health insurance – gets lost (Marienambulanz, 2016).

The most common causes of non-insurance mentioned in the survey sheets were

- inactivity or unemployment without benefit entitlement (non-Austrian citizens);
- to be 'on visit' or as a 'tourist', or for the purpose of medical treatment in Austria;
- lacking residence permit; as well as
- problems with the asylum status (status not yet active, not in basic care, etc.).

4.2.4 Potential inclusion in health insurance

In the case of Austrian citizens, the acquisition of entitlements to monetary benefits and thus entitlement to health insurance should generally take place relatively quick and uncomplicated. The necessary steps towards inclusion usually lie in benefit applications that are still to be made, in the dissemination and access to relevant information, or in securing support by social workers. On the other hand, non-working migrants who do not live in Austria for a sufficiently long period of time have little chance of integration in health insurance, as most of them are not entitled to minimum income benefit. In the case of uncovered asylum-seekers, an application for (re)admission to basic care is usually successful (Marienambulanz, 2016).

The most common options for potential inclusion in health insurance mentioned in the survey sheets – which, according to the difficult access conditions of migrants discussed above, was only considered realistic by a minority – were:

- taking up gainful employment;
- obtaining an unemployment benefit or minimum income benefit;
- gaining a dependant's status in health insurance (due to marriage, cohabitation, taking up of employment by a partner); and
- (re-)inclusion in the context of asylum or basic care.

4.2.5 Risk groups / factors and individual consequences of non-insurance

The interviewed experts or media reports considered precarious workers, persons who do not take up voluntary insurance, impaired persons, returnees from abroad and migrants in general as potential risk groups for non-coverage by health insurance in Austria.

Potential factors that could jeopardize insurance protection are: lack of information about benefit entitlements; the (partly) hard-to-meet criteria such as the qualifying period for general self-insurance or the usually requested five years of residence in the case of migrants; the (individually different) duration of childcare benefit receipt and labour-law related parental leave; delays in the granting of benefits; sanctions for receivers of unemployment or health insurance benefits; and problems with minimum income benefit, especially in connection with the status of a dependant or non-take-up (see also Fuchs et al., 2019).

There are indications that the health status of uninsured persons is worse than that of comparable insured persons. Overall, uninsured persons tend to seek medical treatment relatively late, when symptoms are already more advanced or in the last resort only in case of medical emergency. However, (in acute cases) uninsured persons often use the available outpatient and inpatient facilities in urban areas, which also carry out treatments without health insurance (AmberMed, 2016; Fuchs, 2009).

5 Conclusions

The justification for (additional) political measures related to health insurance protection could, on the one hand, result from a human perspective, which considers the entitlement to medical care as a basic right. On the other hand, there are also arguments related to potential positive effects for society like improved health status or increased labour productivity (Fuchs, 2009). However, the actual consequences of possible measures for public health expenditures and beyond in an overall economic view (e.g. possible higher public health expenditure vs. increased labour productivity, etc.) remain an open question.

In the last 15 years, several policies have been put in place in favour of inclusion in health insurance in Austria. Most likely, the most important is represented by the inclusion of minimum income benefit recipients in health insurance. With this measure, the problem of non-coverage by health insurance should be more or less solved for poor (income and wealth test for minimum income benefit)

Austrian citizens or migrants with qualifying duration of stay, as long as they take up the benefit. A problem remains the coverage of persons from both EU Member States and third countries, who are not employed and are not entitled to monetary benefits in Austria due to their non-qualifying residential status. However, this problem can probably only be solved in the international context and not by Austria alone.

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