

Memorandum on the adjustment of ratios in healthcare in Slovak Republic

Signed on December 3-rd 2011

by the Government of the Slovak republic- Prime Minister Iveta Radičová
and the Doctors Trade Association /LOZ/- Chairman Marián Kollár

1. Ensure compliance with Labor Code and Public Notice on the minimum physical and personal security indiscriminately in all health facilities in Slovakia.

1. 1.1 The Government undertakes to carry out organizational and economic measures to create conditions for the strict respect of the Labor Code and Decree of the Ministry of Health of 10 September 2008 no. 09812/2008-OL the minimum requirements for personnel and material-technical equipment of various types of healthcare facilities (hereinafter referred to as "personal normative").

2. 1.2 The Government will ensure consistent and public exercise of control by the competent national authorities and the application of sanctions against health care providers, who in this period will not result in consistent compliance with the above legislation.

3. 1.3 In connection with violations of the Labor Code and normative personnel, the Government undertakes that it will be through their bodies regularly and continuously, but at least once every three years to monitor compliance with the Labor Code and personal norms in all residential care facilities as defined in § 7 par. 4 of Law no. 578/2004 Z. z. on health care providers, health workers; professional organizations in health care and on amendments and supplements to certain laws as amended (hereinafter the "inpatient care") and infringements of the Labor Code, or personal normative appropriate corrective action status by 4 months of becoming weaknesses.

4. 1.4 If violations of the Labor Code and personnel normative will continue to exist the Government will ensure that employees who are found to be violated by the Labor Code and personal norms, in addition to statutory entitlements under the Labor Code, will be provided compensation for study leave and reimbursement for education and training without the condition of remaining in employment.

5. 1.5 In the case where a complaint has been filed by LOZ (Doctors Union Trade) for violations of the Labor Code and personal norms in health facilities, the Government of the Slovak Republic is committed that the Ministry of Health will carry out an inspection of such health facility within 30 days of receiving the complaint and notify LOZ with the result within 60 days of receipt of the complaint and at the same time takes measures to eliminate detected violations and drawbacks.

6. 1.6 The Government undertakes that in cooperation with LOZ, other trade unions, professional and trade associations shall prepare a draft amendment to the Labor Code, which will ensure the adoption of the material conditions expressed in paragraph 1.1 to 1.5 of this Memorandum. The Government will ensure any procedure may be used so that a draft amendment, which is a proposal in the Annex. 1, to enter into force on 1.1.2012.

2. Change the system of financing the health care facilities so that health insurance payments reflect the real costs of health care including the wages of health care workers.

The Slovak Republic undertakes no later than 12/31/2012, to ensure the adoption of such legislative and organizational measures that by the end of 2013 actually applied in practice classification system together with the determination of reimbursement for the individual performance of the healthcare provided in accordance with the Act. 18/1996 on prices. The Slovak Government is committed to make the change of financing the health care system, based on standard diagnostic and therapeutic procedures specified by the Ministry of Health in collaboration with professional, technical and trade unions (especially Slovak Medical Chamber and LOZ) and will reflect the real costs (including the wages of health care workers) to treat a specific diagnosis. The Government is committed to ensuring a legal obligation to the health insurance cost inpatient care to pay. In developing the new system described in section 2.1 will be part of the expert groups for the preparation of the relevant laws of professional representatives, professional and trade organizations. Representatives of the Slovak Medical Chambers and LOZ will have co-decision powers in expert groups.

3. Stop the transformation of hospitals into joint stock companies

3.1 Government delegates to the Minister of Health through the National Council members no later than 16.12.2011 submitted for approval by the National Council of the Slovak Republic, the draft amendment to Act no. 578/2004 Z. z. on healthcare providers, as amended, which seeks annulment of § 84 to 91 of the Act, as amended Annex. Second the government secure the accelerated procedure so that the draft amendment, which is a proposal in the Annex. 2, may enter into force on 1.1.2012. The Government has committed not to implement those provisions of the Act, therefore, not to make changes in national organizations that provide health care for joint stock companies until the approval of parliament above mentioned proposal in the Annex. 2.

3.2 The Government is committed to ensuring a transparent and publicly auditable performance of medical devices in state-subsidized organizations. The Ministry of Health will prepare an order for the directors of hospitals, which have allocated funds for the financial stabilization of the state financial assets in connection with planned transformation of hospitals in the state joint stock companies, to strengthen the conditions

of farming to more efficient and transparent functioning of hospitals with effect from 1.1.2012.

4. Legislative Guarantee of a gradual increase in basic salaries of doctors

4.1 The Government is committed to ensuring residential care facilities in the Slovak Republic. Increased basic salaries of health workers in the field to the level of physician:

- i. No later than 1.1.2012 to the minimum level of 1.05 to 1.6 times the average wage in national economy by educational attainment, in accordance with Annex no. 1,
- ii. No later than 1.7.2012 to the minimum level of 1.2 to 1.9 times the average wage in national economy by educational attainment, in accordance with Annex no. 1,
- iii. No later than. 1.1.2013 to the minimum level of 1.25 to 2.3 times the average wage in national economy by educational attainment, in accordance with Annex no. 1

4.2 The Government will ensure any procedure may be used so that a draft amendment, which is a proposal in article 1, to enter into force on Jan 1, 2012. Change the legislative and technical requirements, change forms, and the inclusion of the essential requirements of the Act to another shall not be deemed a breach of this obligation will be accepted unless the material conditions contained in article 1 of this memorandum.

4.3 The Government undertakes to create financial conditions to ensure the additional costs in connection with implementation of the remuneration of health workers engaged in the profession of physician in comprehensive health insurance as well as the negotiations and finding a suitable solution (including the conclusion of the necessary agreements) with other supplementary financing for health insurance.

5. Ensuring that all doctors who resigned are welcomed back into their jobs.

5.1 The Government undertakes to save the director of health facilities in founding the Ministry of Health of the Slovak Republic, Ministry of Defense, as well as ensuring the health facilities owned by the Slovak Republic, in order to restore stability of the system of healthcare provision agreed to accept employment with any doctors who resigned a request for admission, and to maintain their occupation prior

notice.

5.2 The Government undertakes to invite all members of Health Organizations, which are not founded by the Ministry of Health of the Slovak Republic, in order to stabilize the health care authority health facilities, to take up employment all doctors who have filed statements of employment and ask admission, and to maintain their occupation prior notice.

6. Remove any negative action against doctors with respect of the dismissal of doctors

6.1 The Government will ensure that all doctors in hospitals and establishing competence of the Ministry of Health, the Ministry of Defense of the Slovak Republic, including health care facilities owned by the Slovak Republic, who had been reassigned, the appeal of its management and other positions from the ground that they were re-filed notice of its entry into functions and their jobs and to respect them for their actions no negative consequences and penalties. The Government will ensure that none of the doctors was reduced salary compared to their salary, which amounted to prior testimony.

6.2 Government founders invite all healthcare organizations that are not in its scope of Slovak Ministry of Health to all doctors who have been reassigned, the appeal of its management or other positions because they were resigned re-entry into their functions and their jobs and to respect them for their actions there will be no negative consequences and penalties. At the same time invite them to any of the doctors was reduced salary compared to their salary, which amounted to prior testimony.

6.3 Government will ensure that doctors in particular, referred to in Annex 3 were put into their functions, at least under the same conditions in which they worked prior to termination and to respect them for their actions there will be no negative consequences and penalties. Government will ensure that their salary was not reduced compared to their salary, which amounted to prior testimony.

7. Adjustment of contracts

7.1 The Government is committed to ensuring the necessary financial and material conditions described in Art. 4 for all inpatient care in order to implement the bill material described in Art. 4 and also in residential care facilities established in state-owned, or organization to ensure that employers have concluded at least with doctors who resigned in the signing of this Memorandum, employment contracts, which will be expressly stated and agreed upon increase of the basic components of a minimum period described in details in Section 4.1 (i) of this memorandum and with effect from 1.1.2012 and to the extent described in paragraph 4.1 (ii) of this memorandum and with effect from 1.7.2012. Employment contracts will be concluded immediately after the signing of this MOU. The new employment contract will include other matters in the same conditions (in particular wages, ineligible components of wages,

social benefits, type of work or place of work, level playing field for working time, working time to the same extent, duration, maintenance of the notice period and area leave) for the employee than the original employment agreement with the fact that the employment contract will be agreed without a probationary period and employment contract will contain provisions for maintaining the validity and effectiveness of and professional development.

The Government undertakes that in inpatient care established by state or state-owned, or his organization, direction of the Minister of Health ensure that the increase in the constituent salary translated into reductions ineligible components wages of doctors who had the original contracts of employment.

Government was asked the other residential care facilities that are established or owned by other entities to act in a similar manner as described in paragraphs 7.1 and 7.2. this Memorandum.

8. Anti- Corruption Measures

LOZ (Doctors' Trade Union) is committed to actively cooperate in implementing anti-corruption measures in accordance with the conditions of performance of medical practice set out in existing legislation. In the event of proven violations by the LOZ member, LOZ starts disciplinary proceedings against a member in accordance with the Statutes of LOZ.

LOZ undertakes to provide for active cooperation with the directors of hospitals, by the end of February 2012 for public consultation draft for anti-corruption measures in hospitals.

9. Doctor – Patient Protocol

LOZ is committed to develop a doctor – patient Protocol by the end of February 2012 which will include sanctions against members of the LOZ who violate it and obligations of physicians covered in the Protocol.

10. End up of LOZ action

LOZ is committed to put a stop to the strike as soon as the memorandum is signed and articles 5, 6, and 7 are fulfilled. LOZ ensures that doctors who resigned and were represented by LOZ will resume their employment.

If there are sufficient guarantees for the adoption of draft laws described in Art 3 and 4 and to the conclusion of employment contracts for all doctors who resigned as indicated in Art.6. and 7 of this Memorandum, the action will end by signing contracts in accordance with Art. 7th.

11. Settlement of Disputes

Any disputes regarding of this memorandum shall be settled by negotiation parties. To oversee the implementation of this Memorandum, the parties establish a joint committee. The Joint Committee will have parity composition of the four representatives of each Party and shall meet whenever requested by either Party. The Prime Minister of the Slovak Republic appoints members of the Joint Committee for the Government of the Slovak Republic.

12. Final Provisions

Memorandum is concluded for an indefinite period and shall expire on the agreement of the parties.

Memorandum may be amended with facts after mutual agreement of the parties in writing.

Memorandum shall enter into force after being signed by both parties.