NATIONAL AUDIT OFFICE
OF THE REPUBLIC OF LITHUANIA

PUBLIC AUDIT REPORT

OBJECTIVE DETERMINATION OF DISABILITY AND OF THE CAPACITY FOR WORK LEVEL AND EFFECTIVE VOCATIONAL REHABILITATION IS STILL A DESIRABLE GOAL

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SUMMARY

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Full audit report in Lithuanian is available on the website of the National Audit Office: www.vkontrole.lt

The number of the disabled in Lithuania was increasing until 2009[1] but lately it has been going down. In 2011 there were 264 thousand people with disabilities who were receiving pensions for incapacity for work, disability pensions, or social assistance benefits in the country. The annual amount of pensions for incapacity for work and disability pensions paid to the disabled totals approximately LTL 1.7 billion, and that of social assistance benefits is LTL 250 million.

[1] 269 thousand people with disabilities were registered in 2009.

Person's capacity for work level, disability level and special needs are determined by the Disability and Working Capacity Assessment Office under the Ministry of Social Security and Labour (the Office). In 2011 the Office carried out about 190 thousand assessments.

The Lithuanian Labour Exchange organises and coordinates provision of vocational rehabilitation services meanwhile vocational rehabilitation training programmes for the disabled are chosen and implemented by institutions which provide rehabilitations services. The annual amount allocated for vocational rehabilitation of the disabled during the last three years totals about LTL 10 million. The average costs of vocational rehabilitation of one person with disabilities (including social assistance benefits) amounted to LTL 20 thousand[2].

When determining levels of disability and capacity for work and the need of vocational rehabilitation, it is very important to meet legitimate expectations of the public, therefore auditors assessed objectivity of determination of disability and capacity for work levels and of special needs as well as effectiveness of vocational rehabilitation

The audit conclusions were formulated after having analysed information of the Office about the determined levels of disability and capacity for work, as well as data of the National Health Insurance Fund on the use of reimbursable medicinal products by people with disabilities, data of the State Social Insurance Fund Board (SODRA) on job vacancies and salary of the disabled, and information of Statistics Lithuania about the number of the disabled and the unemployment rate in municipalities, having summarised data of the Office and vocational rehabilitation training centres of the Lithuanian Labour Exchange and survey data of people with disabilities, and taking into account interviews with specialists of the Office, Ministry of Social Security and Labour, and Ministry of Health. In addition, the experience and best practice of foreign countries (Denmark, Sweden, Germany, Estonia, etc.) was also considered.

Audit conclusions and recommendations were formulated upon assessment of the audit findings.

Audit conclusions

1. Foreign experience shows that benefits for incapacity for work in other EU countries (the Netherlands, Germany, France, etc.) are linked to the person's income lost and being received. According to Lithuanian legislation, state social insurance instruments are used to compensate income from work lost as a result of an insurance event or to cover additional costs. The amount of pensions for incapacity for work is insufficiently related to the lost income and received income, it has not been established what additional costs are and how they should be calculated.

[2] Data for 2010-2011 of the Lithuanian Labour Exchange.

2. Levels of capacity for work could not have been determined objectively in all cases since people with disabilities worked in several workplaces despite the established a few hours' duration of work or the need for care, they did not buy reimbursable medicines, etc.

3. Decisions of the Office were not correct in all cases because:

3.1. the Office is not able to revise the diagnosis made by a doctor;

3.2. determination of the capacity for work level is mainly influenced by medical criteria, whereas foreign experience shows that it is appropriate to increase the influence of functional and vocational criteria;

3.3. a quarter of re-examined decisions of territorial divisions of the Office are later amended;

3.4. experts of the Dispute Settlement Commission, personal health and care institutions (PHCIs) and the Office determine different Barthel indices for the same person.

4. Insufficient measures to prevent territorial divisions of the Office from taking incorrect decisions:

4.1. specialists of the office lack specific training;

4.2. there is no risk assessment system for decisions taken by territorial divisions of the Office.

5. The decision-making process in the Office is not sufficiently rational because:

5.1. no conditions have been envisaged for preparing referrals by PHCIs to the Office at the request of the person;

5.2. PHCIs not always ensure completeness of referrals to the Office, no procedure has been set for the application of liability for doctors who have provided incorrect medical data;

5.3. a sub-system developed for inter-institutional exchange of personal health information with the Office does not ensure sufficient access of the information system to personal health information in PHCIs;

5.4. the Office has no access to the databases of other institutions (such as SODRA, National Health Insurance Fund) and is not able to make sure that the data is correct, therefore it follows oral information and document copies provided by persons themselves.

6. Vocational rehabilitation is not effective because:

6.1. 30 per cent of people with disabilities got employed and participated in the labour market after their vocational rehabilitation. The disabled who acquire business licences or start individual business (self-employment) after their vocational rehabilitation do not manage to participate in the labour market for a longer period of time;

6.2. the actual demand of professional rehabilitation is not known, it is determined without taking into account the approved priorities;

6.3. the determination of the demand of vocational rehabilitation on the basis of the approved criteria does not ensure adequate selection of the disabled sent to training courses. A small share of people (3.4 per cent) sent to vocational rehabilitation were persons whose level of capacity for work was determined for the first time;

6.4. vocational rehabilitation training programmes for the disabled are selected without due consideration of their capabilities and skills;

6.5. persons (57 per cent) who participated in vocational rehabilitation training where those with low disability level, or whose capacity for work was determined to be 45-55 per cent. They can be included in formal vocational training programmes which are several times cheaper. Most of the training programmes (70 per cent) involved less than 5 people with disabilities;

6.6. vocational rehabilitation costs (accommodation, catering, transport, etc..) are not reimbursed from the benefits paid to the people participating in vocational rehabilitation.

Audit recommendations

To the Ministry of Social Security and Labour

1. With a view to ensuring people's social security in the event of reduced capacity for work and loss of income, to initiate amendment of legislation on the calculation of pensions for incapacity to work and to provide for that that the amount of the pensions is related to compensation for lost income thus encouraging people's greater integration in the labour market; a definition of additional costs is required;

2. With a view to ensuring adherence to the principle of cost-effectiveness of vocational rehabilitation, to amend the Rules of Provision and Funding of Vocational Rehabilitation Services:

2.1. to establish that persons' skills and abilities to work are evaluated prior to sending them to an institution which provides vocational rehabilitation services;

2.2. to establish that persons with low level of disability and those whose capacity for work has been determined to be 45-55 per cent are included in formal vocational training programmes;

2.3. to establish that vocational rehabilitation benefits paid to persons participating in vocational rehabilitation cover part of the rehabilitation costs (catering, accommodation, transport, etc.).

To the Ministry of Social Security and Labour and to the Ministry of Health

1. With a view to ensuring objective determination of incapacity for work, to amend the Procedure for the Determination of the Capacity for Work Level:

1.1. to lay down conditions for starting a procedure of the determination of the capacity for work level at the person's request;

1.2. to provide for a possibility for the Office to engage independent experts and/or send the person to carry out further examination.

2. When determining the capacity for work level, to reduce the impact of medical criteria and to introduce more functional and vocational criteria. It is appropriate to develop a tool for assessing person's long-term and permanent functional disorders.

3. To set a procedure for application of liability for a doctor who has provided incorrect medical data to the Office.

To the Ministry of Health

With a view to ensuring comprehensive referrals for determining the capacity for work level and reducing doctors' time costs for filling in such referrals, to recommend that PHCIs involved in the implementation of the measures of the E-Health System Development Programme 2009-2015 provide information to the Office electronically.

To the Disability and Working Capacity Assessment Office

1. With a view to preventing taking incorrect decisions at territorial divisions:

1.1. to revise specialists' workloads and to increase the sample of specific trainings;

1.2. to develop a decision risk assessment system for territorial divisions of the Office: to increase the scope of control of decisions taken by territorial divisions, to lay down risk criteria for the selection of territorial divisions and decisions taken thereby for the purpose of planned control, to use data of other institutions (SODRA, National Health Insurance Fund, etc.) for the selection of decisions subject to examination.

2. With a view to reducing the number of incomprehensive referrals of PHCIs:

2.1. to organise training for doctors on how to write referrals;

2.2. to perform regular analyses of PHCI referrals and to inform PHCIs about the irregularities identified.

3. With a view to ensuring rational adoption of decisions on the determination of the capacity for work level:

3.1. to further develop the Office's system of electronic data exchange with PHCIs and other institutions;

3.2. to sign data provision agreements with SODRA and the National Health Insurance Fund.

4. With a view to ensuring more effective vocational rehabilitation:

4.1. to make a list (queue) of the disabled who need vocational rehabilitation in accordance with the approved criteria and priorities and to develop and apply a rating system for the criteria used to determine the need of vocational rehabilitation services;

4.2. to increase the number of persons participating in vocational rehabilitation whose capacity for work level is determined for the first time.