

Slovenia: Financial Challenges in the Health Sector

Kue-Peng Chuah

SIP/2026/037

IMF Selected Issues Papers are prepared by IMF staff as background documentation for periodic consultations with member countries. It is based on the information available at the time it was completed on January 5, 2026. This paper is also published separately as IMF Country Report No 26/16.

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Slovenia: Financial Challenges in the Health Sector, Republic of Slovenia
Prepared by Kue-Peng Chuah

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ABSTRACT: Healthcare and long-term care expenditures are projected to rise significantly in Slovenia over the medium and long term, primarily due to rapid population aging. This paper examines the financial challenges confronting the health sector—the increasing demand for healthcare and long-term care, alongside a financing system that has not yet adapted to this evolving context—and outlines reforms to enhance the sector’s long-term sustainability.

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SELECTED ISSUES PAPERS

Slovenia: Financial Challenges in the Health Sector

Republic of Slovenia

Prepared by Kue-Peng Chuah¹

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REPUBLIC OF SLOVENIA

SELECTED ISSUES

January 5, 2026

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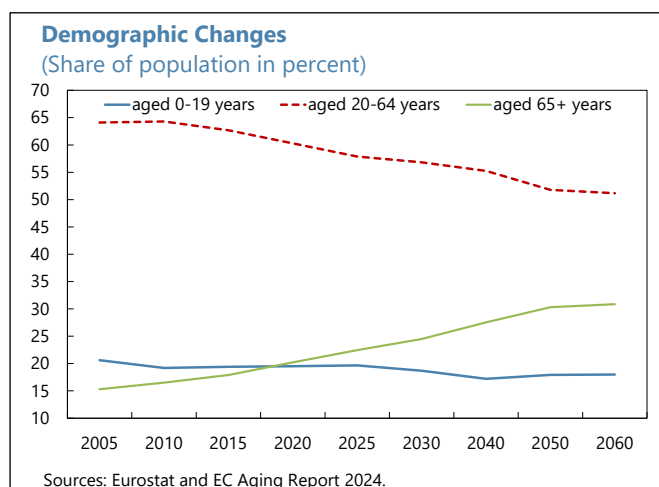
FINANCIAL CHALLENGES IN THE HEALTH SECTOR

Healthcare and long-term care expenditures are projected to rise significantly in Slovenia over the medium and long term, primarily due to rapid population aging. This chapter examines the financial challenges confronting the health sector—the increasing demand for healthcare and long-term care, alongside a financing system that has not yet adapted to this evolving context—and outlines reforms to enhance the sector’s long-term sustainability.

A. The Context: A Fast-aging Population

1. Population aging in Slovenia is projected to accelerate over the medium to long term, driven by rising life expectancy and a declining fertility rate.

This is occurring faster than in other EU countries: aging is projected to be among the most intensive among EU and OECD countries. By 2060, the shares of the population aged 65+ (elderly) and 80+ (very elderly) are projected to exceed the EU average, with “aging intensity” accelerating beyond the EU average.¹



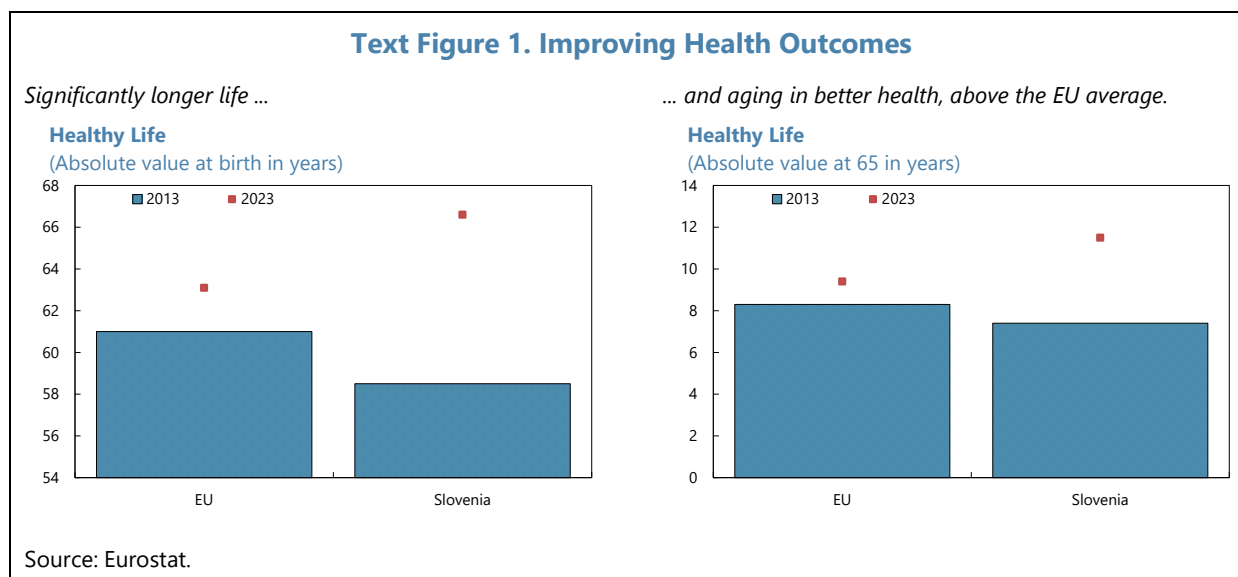
2. Aging increases the demand for healthcare and long-term care (LTC) spending but also reduces financing sources for the health sector, impacting financial sustainability. Demand for health services tends to rise more quickly as people get older. Health expenditure starts to grow rapidly after the age of 60 and more than doubles by the age of 80, as more and increasingly costly care is needed (EC, 2024). Similarly, as more people require assistance with daily activities as they age, LTC spending is expected to increase. As these needs for health services intensify, an aging population also reduces the workforce, potentially lowering compulsory health contributions, the main source of healthcare financing. In 2010, Slovenia crossed the “demographic turning point”—when the share of working-age population starts declining—and in 2016 the rising share of elderly (age 65+) has surpassed the share of young (age <19).

3. These trends underscore the urgency for comprehensive reforms in the healthcare and LTC systems. More resolute efforts are needed to strengthen the health system to successfully provide care for an increasingly silver population and maintain financial sustainability.

¹ See details in the European Commission (EC) Aging Report, 2024. The EC Aging Report describes aging intensity as the ratio of very elderly population (age 80+) to elderly population (age 65+). Spending on healthcare and LTC are significantly higher for age 80+, with prevalence of disability increasing with age, and dependency rate increases significantly for age 80+.

B. Rising Need for Higher Health Expenditure

4. The past decade has seen significant improvements in health outcomes against the background of steady increases in healthcare expenditure.



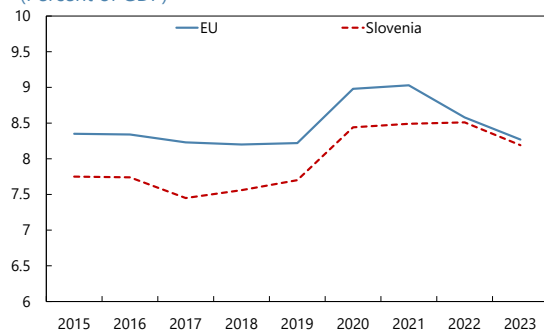
- *Health outcomes:* It is widely recognized that multiple indicators show strong improvements in health outcomes for Slovenia.² More individuals have reported to be in good health, and longer life expectancy has not only outpaced regional peers but also surpassed the EU average since 2015. Improved health outcomes, especially with active aging in an older population (¶13), would help to slow expenditure growth and boost financing sources for the healthcare and LTC systems to the extent that workers stay longer in employment.
- *Healthcare:* Spending averaged 7.6 percent of GDP during 2016-19 but increased in 2020 and has stayed elevated (averaging 8.4 percent of GDP during 2020-2023). While the level of spending is now marginally below the EU average, the average annual real growth rate of health spending in Slovenia is among the highest in the EU (IMAD, 2024).
- *Long-term care:* Spending remains comparatively low because the LTC system was historically fragmented in terms of organization and financing, leading to suboptimal outcomes. Reforming the LTC took more than ten years, delayed partly because of challenges to ensure financial sustainability. Implementing the new LTC Act starting 2024 marks a major milestone.

² See details in OECD (2025), OECD/EC (2024), Polin et al. (2024) and OECD/EOHSP (2023).

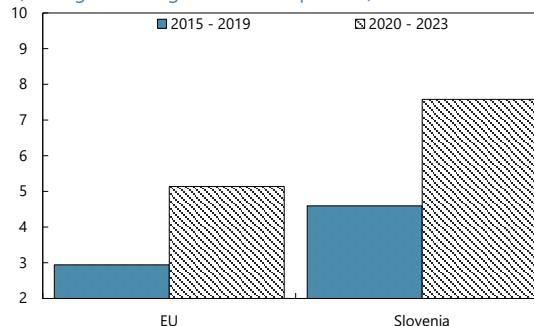
Text Figure 2. Growing Healthcare and Long-term Care Spending

Spending on healthcare grew faster than the EU average, and its level reached the EU average in 2022.

Healthcare Spending
(Percent of GDP)



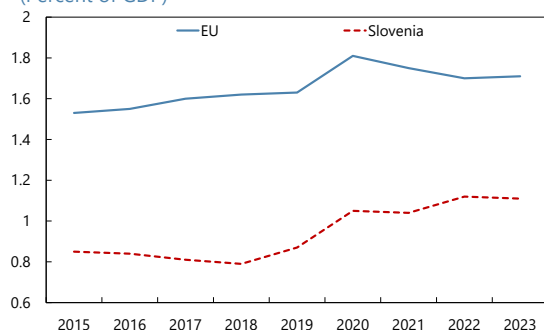
Real per Capita Healthcare Spending 1/
(Average annual growth rate in percent)



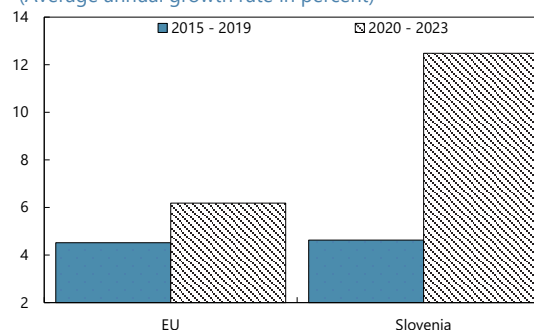
1/ Excluding capital and health-related long-term care spending.

Spending on LTC remains below the EU average, though growing much faster in recent years.

LTC (health) Spending
(Percent of GDP)



Real per Capita LTC (health) Spending
(Average annual growth rate in percent)



Sources: Eurostat and IMF staff estimates.

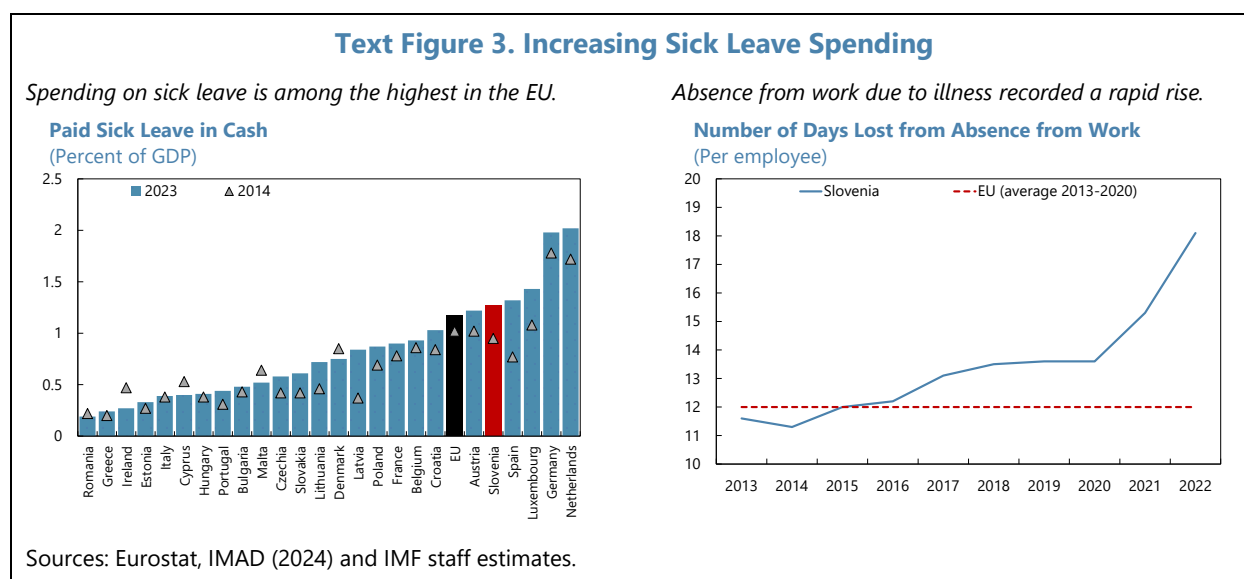
5. But the health sector faces ongoing challenges. Although selected components of the health reforms have received funding through the National Recovery and Resilience Plan, uncertainty persists regarding the financial resources required for other measures such as short-term interventions to stabilize unprecedented long waiting times,³ updating payments models to reflect actual costs and providing staffing for healthcare and LTC. Persistent labor shortages, including aging healthcare workers, have hindered the supply of health services. Addressing these shortages would improve the supply of care and reduce costs as delayed treatment from longer waiting times often results in more expensive treatment, sometimes more than twice as costly. Efforts are ongoing to replace stop-gap measures (that offered some temporary reliefs) with a comprehensive reform. Importantly, the National Strategy for the Management and Development of Human Resources in Healthcare (2026-2036), under preparation, aims to optimize, develop, and

³ Slovenia's health system is facing serious challenges since the last decade as demand far exceeded supply. Slovenia currently ranks among the highest in terms of unmet medical needs due to excessively long waiting times for specialist appointments, elective surgeries (e.g., hip, knee and cataract) and allocation to a primary care physician.

strengthen the healthcare workforce to meet the ongoing strong demand for staffing. A stable source of financing is essential to ensure that the Strategy can be effectively implemented over the long term.

6. Generous sick leave benefits add to health spending. Slovenia has one of the most generous benefits among EU and OECD countries covered by the compulsory social health insurance (SHI).⁴ There is cash compensation for loss of salary during temporary absence from work—without caps on the compensation and duration of sick leave. For example, data up to 2020 showed that the longest absence due to illness was 11.5 years and the highest monthly payment was over €21,000 (Court of Audit, 2023).

- As a result, spending on sick leave benefits by the Health Insurance Institute of Slovenia (HIIS) is large and growing significantly: close to 10 percent annually in real terms in the last decade and annual spending has now surpassed 1 percent of GDP. The labor market has been impacted: absence from work due to illness has nearly doubled in the last decade, now averaging close to 20 days per employee (EU average is 12 days) and data in 2025 showed that one-third of workers have been on sick-leave for over one year.⁵
- Long-term absenteeism is a financial concern as it reduces labor productivity⁶ and prompts early retirement that shrinks the working-age population to lower SHI contributions (112). Consequently, worsening labor shortages while raising demand for healthcare and LTC.



- There is room for improving efficiency when managing sick leave benefits (OECD, 2022 and Court of Audit, 2023). The in-depth evaluations on Slovenia's sick leave system have resulted in

⁴ There is cash compensation from the SHI for loss of salary after 30 days of absence, with employers covering the first 30 days. Depending on criteria, the compensation ranges between 70 and 100 percent of salary.

⁵ See details in annual reports from HIIS and OECD (2022).

⁶ See analysis on how sick leave negatively affects labor productivity in Bank of Slovenia's Review of Macroeconomic Developments September 2025.

ongoing efforts to implement tighter controls, enhance governance and collect more data to analyze absenteeism. To contain spending on sick leave, a cap was first introduced in 2024 to limit the compensation to 2.5 times the average gross monthly salary. Taken together, these recent measures could save at least 0.1 percent of GDP annually.⁷ Going forward, it will be critical to limit the number of sick leave days covered as indefinite entitlement is not financially sustainable. In addition, the costs of absenteeism could be reduced through better coordination across health authorities and programs, healthcare providers, and employers. This involves streamlining assessment and monitoring of sick leave, systematically integrating sick leave (temporary) and disability insurance (permanent) and creating incentives for employees' timely return to work.

7. Looking forward, spending on healthcare and LTC will account for a rising share of GDP.

The EC Aging Report (2024) projected that Slovenia could face one of the most significant increases within the EU in healthcare and LTC spending over the medium (2025-30) and long term (2025-40 and up to 2060) (Box 1). These projections cover different types of scenarios and even in the EC's healthy aging scenario, the gains (i.e., savings in spending) appear limited. Other sources (OECD, 2024 and IMAD, 2019) also indicated that rising health spending would coincide with declining government revenues over the long run as the working population shrinks. These future trends make the health sector a source of concern for fiscal sustainability.

⁷ Staff estimate based on information provided by HIIS.

Box 1. Medium-and Long-term Projections for Spending on Healthcare and Long-term Care Under Different Scenarios

Healthcare: In the projections from the EC Aging Report (2024), health spending is a function of changes in demographics, health status and non-demographic factors.

- The **baseline** captures the prominent impact of aging and a moderate impact from non-demographic factors. The projections assume no changes to current policies and health systems. Projections for Slovenia accounted for the following reform measures: higher salaries in the health sector following the public sector wage reform in 2024, additional coverage on mental health, and integration of the voluntary health insurance into the compulsory scheme.
- The alternative scenarios examine other main factors of spending: (i) the **healthy aging scenario** lowers spending through favorable conditions as years from longer life expectancy are spent in good health (baseline assumes only half are spent in good health); and (ii) the **risk scenario** introduces greater demand for health services due to non-demographic factors (e.g., costly new technology).
- **Healthcare spending increases over the long run.** In the baseline, healthcare spending is projected to increase by almost 1 pp of GDP by 2060. The increases in the healthy aging and risk scenarios are 0.6 pp and 2.1 pp of GDP, respectively.

Healthcare Spending Increases		2025-2030	2025-2040	2025-2060
		in percentage points of GDP		
Baseline	Slovenia	0.2	0.7	0.9
	EU	0.1	0.3	0.6
Healthy aging	Slovenia	0.2	0.5	0.6
	EU	0.0	0.2	0.3
Risk	Slovenia	0.5	1.4	2.1
	EU	0.2	0.7	1.3

Long-term care: Projections share a similar framework with healthcare, but demographics have a larger impact on LTC. Hence the model is augmented by factors capturing aging, including the dependency ratio and the country's institutional set up for receiving LTC (e.g., formal care vs. cash benefits).

- The **baseline** accounted for higher salaries in the health sector and more spending due to additional services provided under the LTC Act adopted in 2023.
- The alternative scenarios: (i) the **healthy aging scenario** reduces demand for LTC by assuming that all years of longer life expectancy are spent in good health (baseline assumes only half); and (ii) the **risk scenario** assumes rising age-related cost.
- **Long-term care spending increases over the long run:** In the baseline (and similarly under healthy aging scenario), spending could rise by 1 pp of GDP by 2060 while the increase would more than double under the risk scenario.

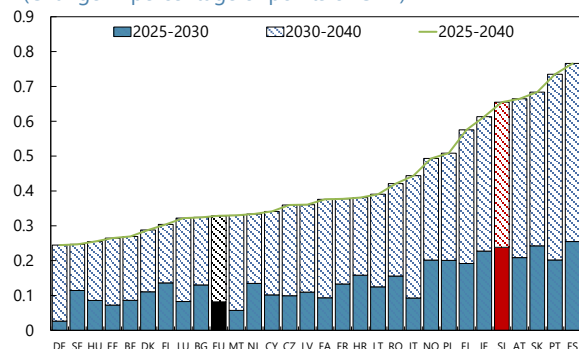
Long-term Care Spending Increases		2025-2030	2025-2040	2025-2060
		In percentage points of GDP		
Baseline	Slovenia	0.1	0.4	0.8
	EU	0.1	0.4	0.7
Healthy aging	Slovenia	0.1	0.3	0.7
	EU	0.1	0.3	0.6
Risk	Slovenia	0.2	0.8	2.3
	EU	0.2	0.7	1.9

Source: EC Aging Report 2024.

Figure 1. Medium-and Long-term Projections for Spending on Healthcare and Long-term Care Under Different Scenarios

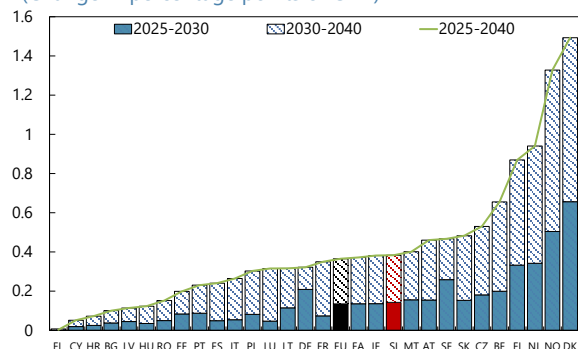
Healthcare Spending (baseline)

(Change in percentage points of GDP)



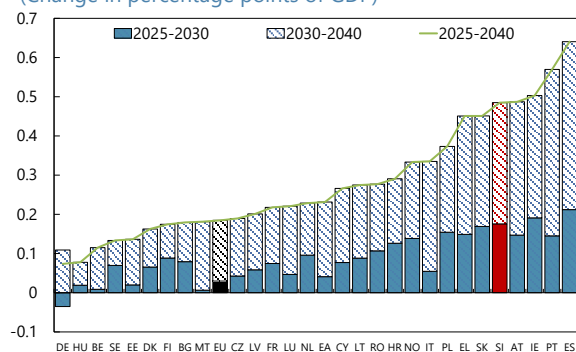
Long-term Care Spending (baseline)

(Change in percentage points of GDP)



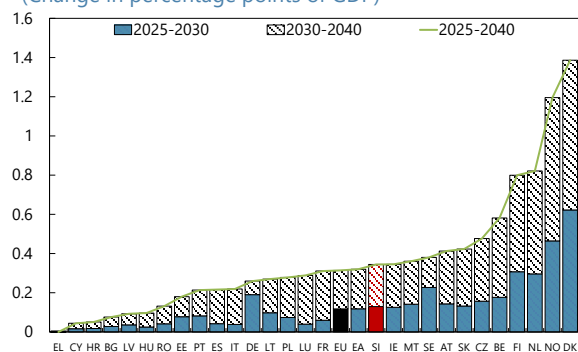
Healthcare Spending (healthy aging)

(Change in percentage points of GDP)



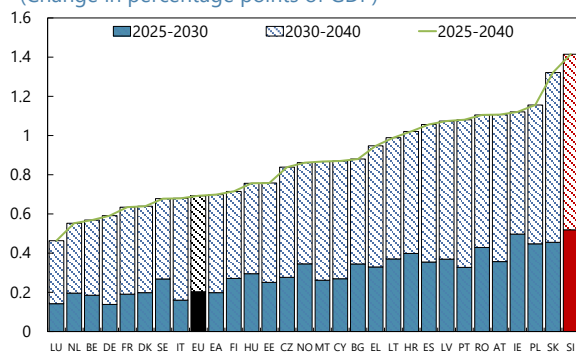
Long-term Care Spending (healthy aging)

(Change in percentage points of GDP)



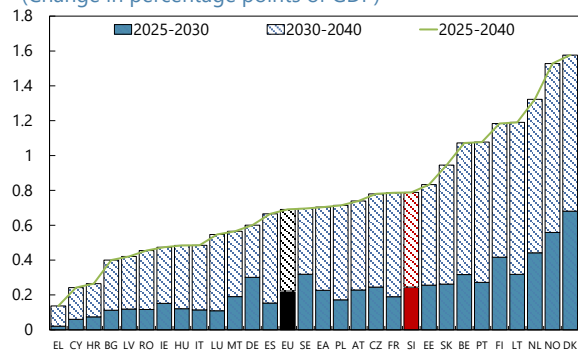
Healthcare Spending (risk)

(Change in percentage points of GDP)



Long-term Care Spending (risk)

(Change in percentage points of GDP)



Source: EC Aging Report 2024.

C. A Health Financing Structure That is Not Fit for Purpose

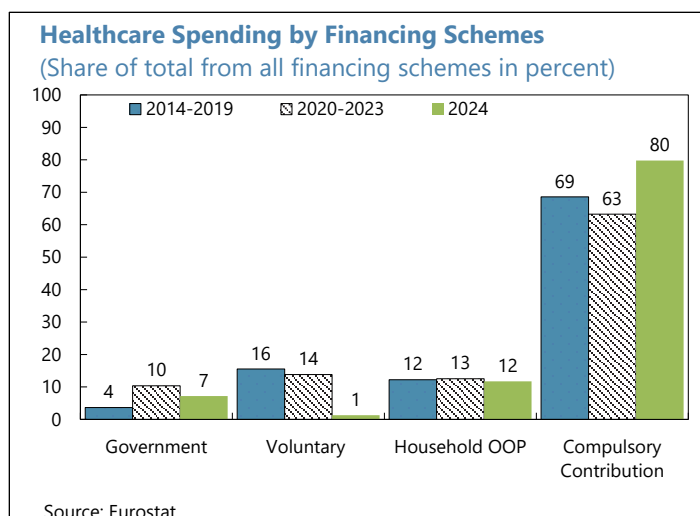
8. Slovenia's Healthcare and LTC financing is notable among OECD and EU countries for its heavy reliance on compulsory payroll contributions. While the mandatory social health insurance (SHI) is the main source of healthcare and LTC financing, top-ups from the state budget would need to increase to sustain the health sector against demographic challenges. Providing universal health coverage, the SHI is regulated through legislation and centrally administered by HIIS as the sole public insurer.

- **Employee-employer contribution is highly cyclical⁸ and, ceteris paribus, will decline over time as the workforce shrinks alongside the aging population.** The contributions have become an even more important financing source since the voluntary health insurance (VHI) was abolished (see below). A new compulsory contribution to the SHI replaced the VHI in January 2024 and further raised the public-to-private funding ratio to nearly 85:15 (from 75:25 previously).

- **Share of private sources is small.** The now-abolished VHI⁹ was used to fully cover co-payments, a unique feature of the Slovenian healthcare system. As a result, the other component of private financing—household's out-of-pocket payment (OOP)—is among the lowest in the EU, partly explaining the high demand for healthcare and exacerbating long waiting times.

- **Contribution from the state budget could become large ex-post.**

Government sources of revenues for HIIS include the state budget, local government budgets, and transfers from social security funds. While the two latter sources have been stable, the share of the state budget in SHI revenues could turn out to be much higher ex post when needed to close funding gaps (see 119). The share of financing from the government grew from 4 percent (average 2015-2019) to reach 10 percent (2020-2024), in part due to discretionary health



⁸ During Slovenia's economic crisis in 2009, the negative impact on financing of the health system was significant. See details in Albreht et al. (2016) and IMAD (2019).

⁹ While the VHI was regressive due to flat-rate premiums, it minimized OOP health spending for households, especially for medicines and medical equipment.

measures during the pandemic. General government spending by function¹⁰ shows that the share of health spending in total spending in Slovenia has exceeded the EU average since 2017.

- **The new LTC Act introduces mandatory contributions from both the private sector and the state budget.** Substantial funding is required when implementing the new LTC system with additional rights and benefits while ensuring sustainability over the long term. Effective July 2025, the new social security fund for LTC collects compulsory contributions from employers, employees, pensioners, self-employed and farmers, supplemented by an annual allocation up to €190 million from the state budget (about 0.3 percent of GDP). There is a provision in the LTC Act allowing for the introduction of co-payment (10-20 percent of the cost) to start in 2028 if the LTC contributions are inadequate.

9. The narrow funding structure creates fiscal risks and uncertainty over the quality and quantity of rights and services in the health sector. Although the annual spending of HIIS is capped to prevent budget overruns, revenues can fall short of spending, thereby creating potential risks for the state budget. Accounting for announced health reforms in recent years, the Fiscal Council (2024) estimates that revenues may not be sufficient to cover liabilities of HIIS in the near and medium term. Insufficient funding has reduced the range of fully financed services in recent years.¹¹ As a first step, the gap between revenue and spending could be filled using HIIS reserve funds and interim adjustments in spending.¹² Without a legal requirement for government funds to cover HIIS financing gaps, annual negotiations determine additional contributions from the government. To manage fiscal risk, the state budget can impose temporary caps on allocations made to HIIS (e.g., €420 million in 2024 and 2025).¹³

D. Reforms: Progress and Priorities

10. Tackling health sector challenges requires a comprehensive set of reforms, which take time to implement and yield results. A comprehensive review of the health system in 2015 was promptly followed by Slovenia's National Healthcare Plan 2016-2025 (Health Plan) outlining key reform strategies. Despite progress with implementing the Health Plan (Box 2), the lack of quantification has prevented an assessment of the realized savings from these reform measures. Assuming no new reforms are introduced, staff estimates that effective implementation of current policies and measures could yield savings of approximately 0.4 percent of GDP by 2040, primarily from healthcare reforms. This compares to the projected increase in total health spending in the EC Ageing Report of 1.1 percent of GDP (0.7 and 0.4 percent of GDP, respectively, in healthcare and LTC under the baseline scenario) and would align Slovenia's spending with the EU average (see Box 1 for comparison). Going forward, the new Health Plan, currently in preparation, would need to ensure financial sustainability of the health system for an aging

¹⁰ See COGOF data in Eurostat. In 2023, share on health spending was 15.9 percent in Slovenia (EU average was 14.8 percent).

¹¹ See details in Polin et al. (2024) and OECD/EOHSP (2023).

¹² Annually, HIIS is required to balance revenues and spending, set the cap for total spending with MoF and MoH, and is not allowed to accumulate arrears.

¹³ Draft Budgetary Plan 2024 and [Act on Implementation of Budgets of Republic of Slovenia for 2024 and 2025](#).

population. Gaps in three priority areas should be addressed before significant spending pressures materialize.

11. First, the financing structure of the healthcare and LTC systems needs to be strengthened.

While the challenges discussed above are well recognized,¹⁴ the current financing structure, even with the LTC Act, is not suitable for addressing the challenges of a rapidly aging population and a shrinking workforce. The LTC Act represents an important improvement, and the prompt implementation of other critical measures to ensure sustainable health financing should be prioritized.

- It is critical to adapt the financing structure to aging while safeguarding healthcare and LTC rights and benefits. Diversifying financing sources beyond payroll contributions would alleviate pressures on the state budget. This could include: (i) a primary measure to widen the revenue base to finance the SHI and (ii) a secondary measure to increase private financing through more OOP and co-payment schemes for targeted health goods and services. For example, a review of the contribution rates in the SHI would be timely as they have not changed over the last three decades.
- In addition, reductions in SHI revenues due to lower contributions during economic downturns can be addressed more effectively with countercyclical mechanisms. For example, a health stabilization fund could be established to accumulate surpluses in good times to be used in bad times under specific crisis conditions and managed through legislative oversight with strong governance to ensure spending is efficient.

12. Second, there is room for efficiency gains. International evidence¹⁵ suggests that a significant share of health spending is inefficient: more care or better outcomes could be produced without additional spending by doing things differently and promoting responsible use of resources (Box 3). The reform measures in Slovenia have long recognized the importance of greater efficiency to contain spending pressures (IMAD, 2019 and Box 3). And there is scope to continue strengthening governance,¹⁶ increasing usage of digital health solutions,¹⁷ and optimizing processes.¹⁸ These efficiency-oriented measures have been proven helpful in lowering health spending for other EU and OECD countries.

- A comprehensive spending review of the health sector—aimed at identifying operational bottlenecks, cost-inefficient practices, and areas with higher returns and efficiency gains—would help to contain spending pressures. Moreover, HIIS, MoH and MoF should jointly monitor the

¹⁴ See details in IMAD (2019).

¹⁵ See Medeiros and Schwierz (2015), OECD (2017) and Canzonieri and Giamboni (2024).

¹⁶ The Healthcare Quality Assurance Act adopted in 2024 is set to provide long-term savings by improving governance, coordination and monitoring of the health system.

¹⁷ Ongoing digital transformation of the health system through Slovenia's Recovery and Resilience Plan, and the Healthcare Digitalization Act was adopted in June 2025.

¹⁸ Lower spending is achieved by reducing duplicate tests and avoidable hospital admissions; streamlining treatment by optimizing different budgets (e.g., HIIS, hospitals, primary care and LTC); and centralizing procurements and complex services. To improve workforce efficiency, the Recognition of Professional Healthcare Act adopted in 2025 aims to accelerate the integration of labor from outside Slovenia by centralizing and standardizing the processes.

savings delivered and introduce mechanisms to reward efficiency gains and responsible spending, such as linking funding to performance indicators.

13. Third, adapting to demographic changes—living longer and healthier—requires changes to systems and policies. Slovenia has responded by adopting the Active Aging Strategy (2017-2030)—an integrated approach across several pillars including health, long-term care, education and labor market. Going forward, better coordination of policy actions will be critical to systematically prolong working life of the population through healthy longevity, reduce absenteeism, and create a sustainable demand for healthcare and LTC.

- Aging in good health can ease financial pressures on the health system. Ongoing implementation of the Strategy for the Development of Health Services in Primary Healthcare (2024-2031), together with more effective health-promotion and prevention policies, would keep Slovenians active and healthy for longer to limit or postpone health and aging problems. This would effectively lower health spending by reducing avoidable utilization and reallocating resources away from costly inpatient care, specialists and institutions.
- Expanding the labor supply of the older population would boost contributions for the SHI and LTC. Compared to the EU average, Slovenia continues to have one of the lowest employment rates among older workers (e.g., age 55-64) and a relatively low participation rate of older employees in lifelong learning, strongly indicating room for policies to increase labor force participation and support workforce re-entry and re-skilling.¹⁹ Prioritizing measures to extend the working lives of older people would help. Workers would benefit more by accelerating active labor market policies such as job adaptation programs to transition to age-friendly roles. Public and private initiatives on lifelong up-skilling and re-skilling are critical for workers to remain productive and competitive. Companies should foster age-management capabilities and promote intergenerational cooperation to facilitate knowledge transfer.

E. Conclusion

14. The Slovenian health sector is facing financial challenges driven by one of the most intensive aging trajectories among EU and OECD countries. Population aging poses a dual structural concern: rising demand for healthcare and long-term care goods and services is escalating financing pressures while a shrinking workforce lowers contributions to the SHI that is the main source of financing.

15. Despite ongoing reforms, the financial challenges of Slovenia's health systems require further action to mitigate long-term fiscal risks. These should focus on: (i) strengthening and diversifying the financing structure; (ii) pursuing efficiency gains and (iii) accelerating adaptation to active aging. Such measures would contain spending pressures and maintain access to quality care while safeguarding long-term sustainability of the health system.

¹⁹ See details in IMAD (2019).

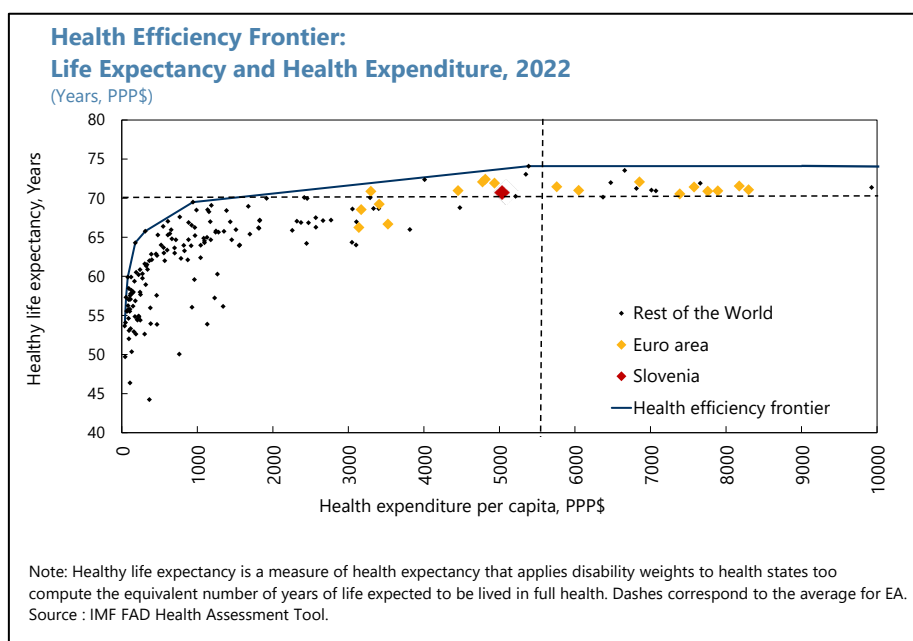
Box 2. Status of Selected Health Reforms

Reform Measures	Status
Long-term Care Act	Adopted (2023)
Emergency Measures to Ensure Stability of Healthcare System <i>(to address waiting times and staffing issues)</i>	Adopted (2022)
Intervention Measures in Field of Health, Labor and Social Affairs and Health-Related Content	Adopted (2023)
<i>of which:</i> Tighten sick leave benefits	Implemented (2024)
Replace VHI with a new compulsory contribution	
Additional Intervention Measures to Ensure Accessibility in Healthcare	Adopted (2024)
Quality Assurance in Healthcare Act	
Health Services Act <i>(to separate public and private health services and prohibit dual practices)</i>	Adopted (2025)
Digitalization Act	
Strategy: Healthcare Digitalization (2022-2027)	Ongoing implementation
Strategy: Development of Health Services in Primary Healthcare (2024-2031)	
Strategy: Active Aging (2017-2030)	

Sources: MoH, MoF, HIIS and IMAD and IMF staff estimates.

Box 3. Estimating Health Spending Efficiency

The health efficiency frontier analysis is a common empirical approach¹ to quantify potential efficiency gains. The efficiency scores are derived from the frontier that represents countries with the most efficient performance in a sample. Several studies during 2013-2021 (EC, OECD, IMF and IMAD) quantified the efficiency scores for Slovenia, and with estimates ranging from 0.5 to 0.9, Slovenia is often an average performer in the sample. A larger and more recent sample in 2022 estimated a score above 0.9, placing Slovenia relatively close to the frontier (figure below). Theoretically, the current level of health spending can be applied more efficiently based on best practices on the frontier to gain approximately three additional years of healthy life.



These efficiency scores can be translated into potential savings. For example, IMF (2015) quantified a score of 0.5 and estimated that closing that gap by half could yield savings of 2 percent of GDP. However, with more recent estimates indicating that Slovenia is moving closer to the frontier, savings would be below 1 percent of GDP. Other studies using a long-term scenario analysis suggest that, realizing efficiency gains in Slovenia could potentially reduce annual health spending by 0.6 percentage points of GDP from the baseline spending trajectory (Medeiros and Schwierz, 2015 and IMAD, 2016a and 2016b).

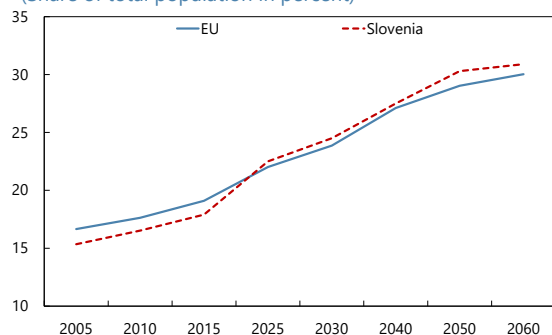
¹ The scores are highly sensitive to model specification and choice of output-input variables. See technical details and limitations of the approach in Canzonieri and Giamboni (2024), Garcia-Escribano et al. (2022), and Dutu and Sicari (2016).

Figure 2. Aging Population

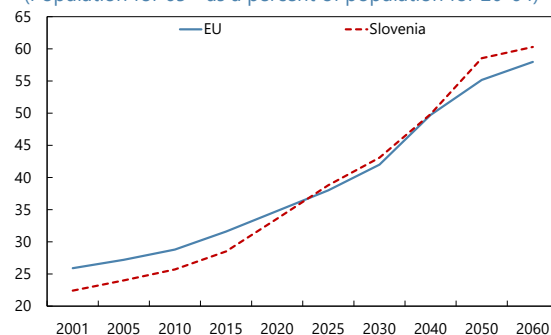
Aging is projected to shrink the working population and raise the dependency ratio, adding long-term pressures to the healthcare and LTC systems.

Elderly Population (65+)

(Share of total population in percent)

**Old-Age Dependency Ratio**

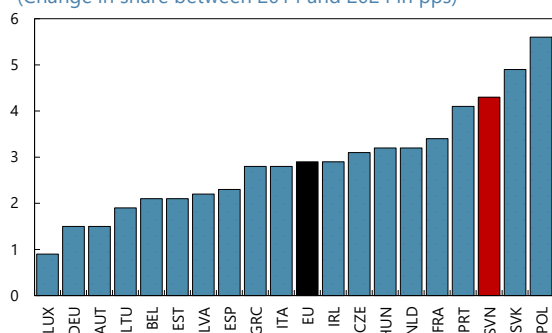
(Population for 65+ as a percent of population for 20-64)



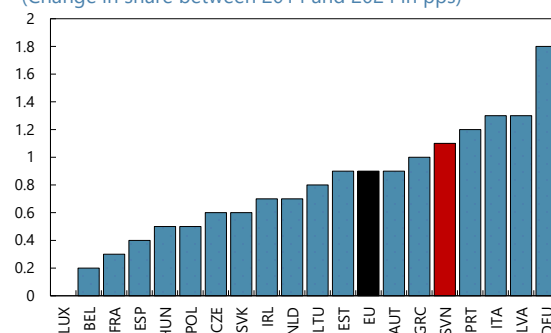
With the share of elderly (age 65+) and very elderly (80+) population growing, aging intensity is projected to rise significantly over the long term, one of the largest increases in the EU.

Share of Elderly Population (65+)

(Change in share between 2014 and 2024 in pps)

**Share of Very Elderly Population (80+)**

(Change in share between 2014 and 2024 in pps)



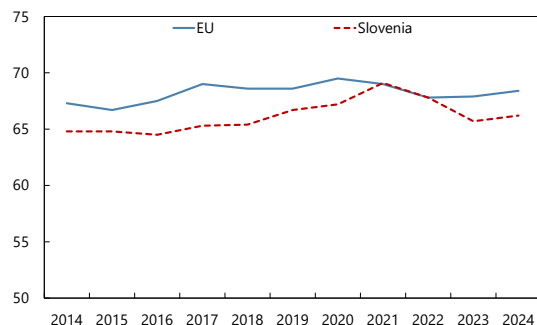
Sources: Eurostat and EC Aging Report 2024.

Figure 3. Improving Health Indicators

Perceived health is slowly improving for the broader population ...

Perceived Health Condition (16+)

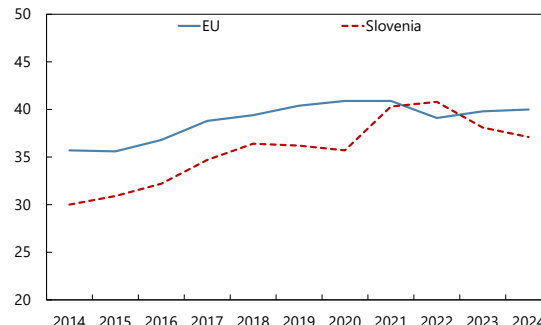
(Share of self-reported for age 16+ in good or very good condition in percent)



... and even more so for the elderly.

Perceived Health Condition (65+)

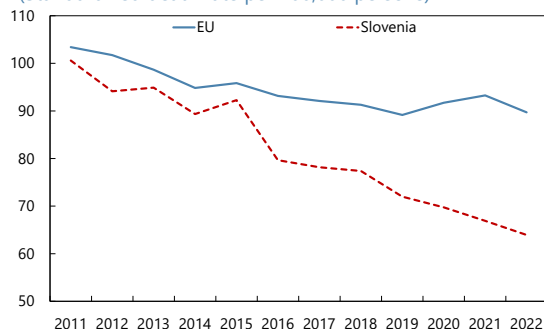
(Share of self-reported for age 65+ in very good or good condition in percent)



Mortality rates have been declining ...

Mortality Rate: Treatable

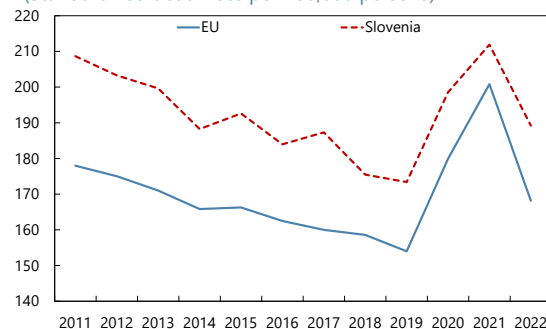
(Standardized death rate per 100,000 persons)



... with room for improving preventable cases.

Mortality Rate: Preventable

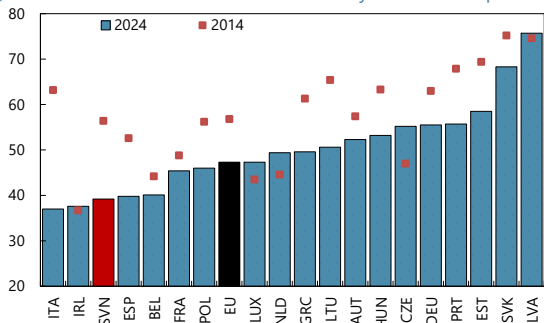
(Standardized death rate per 100,000 persons)



The level of disability among the elderly and very elderly has been declining...

Level of Disability for 65+

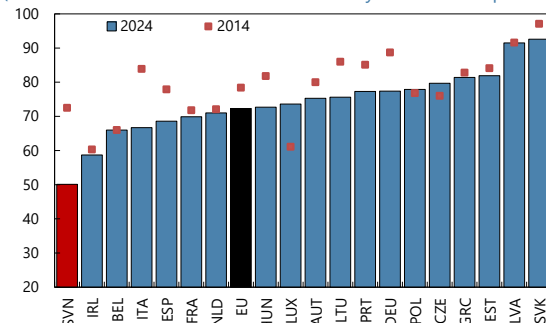
(Share of 65+ with some or severe activity limitation in percent)



... placing Slovenia below the EU average.

Level of Disability for 85+

(Share of 85+ with some or severe activity limitation in percent)

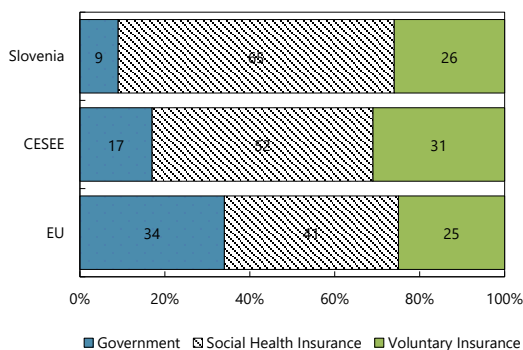


Source: Eurostat.

Figure 4. Narrow Health Care Financing

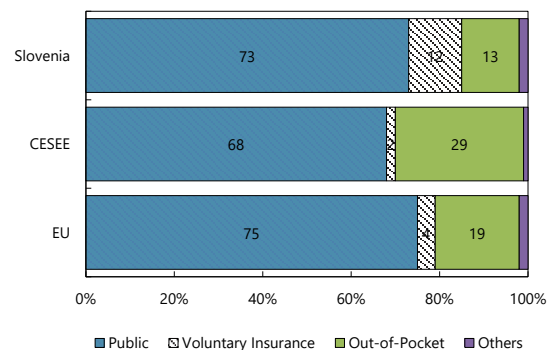
Financing of the health system is reliant on compulsory contributions.

Financing Schemes for Healthcare
(Percent of current health expenditure, 2023)



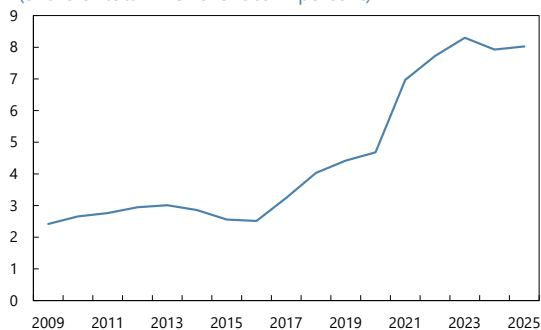
Sources of financing are narrow, with a relatively small share of OOP that is below the EU average.

Funding Sources for Healthcare
(Percent of current health expenditure, 2023)



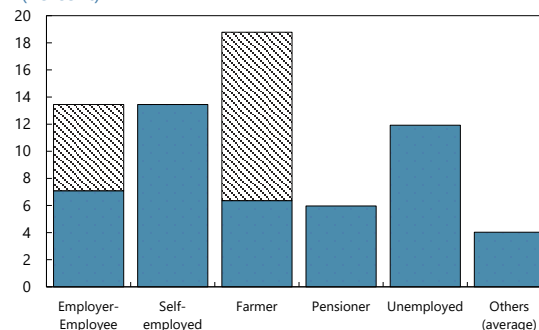
Financing from the government is growing strongly and can create fiscal risk.

Revenues Transferred from State and Local Budget
(Share of total HIIS revenues in percent)



Employee-employer contributions accounted for over 80 percent of total revenue in 2024.

Contributions Rates for Healthcare Insurance
(Percent)



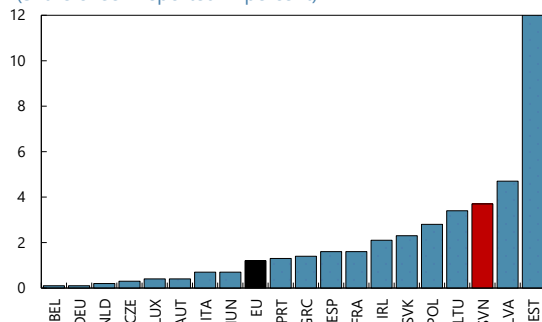
Source: WHO GHED Oct 2024, FAD HAT, HIIS Annual Reports and IMF staff estimates.

Figure 5. Additional Spending Pressures

Waiting time in Slovenia is among the longest in the EU ...

Unmet Medical Needs due to Waiting Time 2023

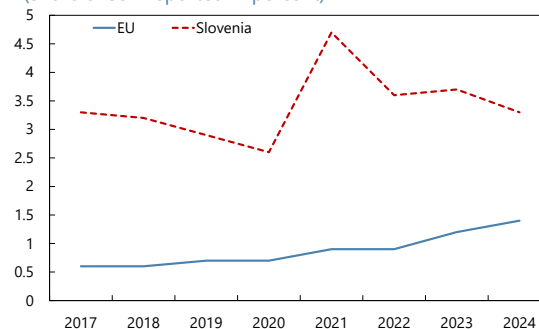
(Share of self-reported in percent)



... indicating that the health systems are under severe strain, especially for elective surgeries.

Unmet Medical Needs due to Waiting Time

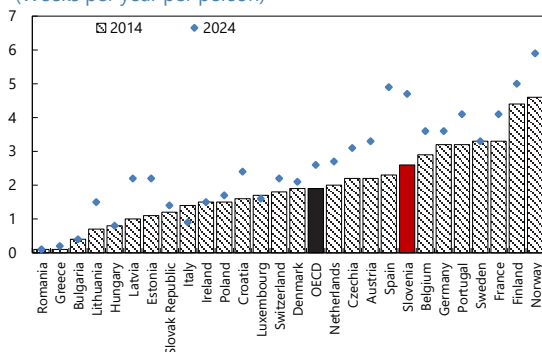
(Share of self-reported in percent)



Longer duration of absence from work due to illness, with Slovenia recording among the largest increase.

Absence from Work due to Sickness

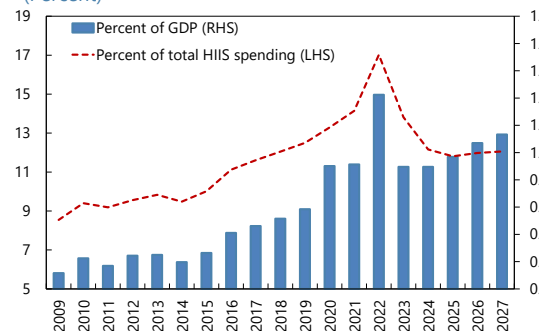
(Weeks per year per person)



There is a persistent increase in spending on sick leave under the generous benefits of the social health insurance.

Spending on Sick Leave Compensation

(Percent)



Sources: Eurostat, OECD, HIIS and IMF staff estimates.

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