



LATVIJAS REPUBLIKAS FISKĀLĀS DISCIPLĪNAS PADOME

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RĪGĀ

06.12.2017. Nr. 1-08/1756

Uz _____ Nr. _____

**Prime Minister
Republic of Latvia
Māris Kučinskis**
Brīvības bulvāris 36
Rīga, LV-1520

**Chairman of the Budget and Finance (Tax) Committee
Saeima of the Republic of Latvia
Jānis Vucāns**
Jēkaba iela 6/8
Rīga, LV-1811

**Minister of Finance
Republic of Latvia
Dana Reizniece-Ozola**
Smilšu ielā 1
Rīgā, LV-1919

Dear Messrs Kučinskis and Vucāns,
Dear Madam Reizniece-Ozola,

Regarding the deviation from the budget balance target to implement structural reforms in health care

According to Part 7, Section 28 of the Fiscal discipline law, the Fiscal discipline council (hereafter – Council) shall prepare and submit to the Saeima and the Cabinet's attention its opinion on fiscal policy matters if the Council finds them important for compliance with the terms stipulated in the Fiscal discipline law.

In the *Surveillance report on Latvia's Medium-term Budget Framework 2018-2020* the Council declined support for the deviation from the budget balance target to implement structural reforms in health care. The Council's position was that insufficient information had been provided about the reform and its impact on long-term growth prospects to justify the use of deficit financing.

In view of the information received from the Ministry of Health, which provides an overview of the way funds will be used and the results that have to be achieved, the Council withdraws its objection to the use of deficit financing to implement structural reforms in health care.

The Council will continue to monitor progress on structural reforms in the healthcare system.

Council Deputy Chairman

Ingars Eriņš