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Social safety aspects in the conditions of reforming the financial providing of the health system in Ukraine

This article describes the features of the organization and the possible directions for reforming the financing of the health care system in Ukraine, based on the point of view of ensuring social security.

Keywords: *social security, health protection, reforming the financing of the health care system, medical insurance, voluntary medical insurance.*

The most important indicator of the welfare of the state is the level of public health. The health care system of Ukraine turned out to be low effective, due to the inconsistency of the existing model of health care management with the new, political,

economic and social conditions. All these problems have caused the critical state of the national health system and pose a threat to national security as a whole.

The state policy of reforming the medical sphere in Ukraine provides for the creation of a socially effective health care system, ensuring equitable access to medical care, and developing a rational model for financing the industry.

In conditions of insufficient resource supply of the health care system, its ability to maintain the necessary volume and level of provision of basic types of medical care is reduced. The formation of a model of health financing actualizes the domestic and foreign experience of medical insurance and insurance medicine, which is one of the most effective sources of attracting additional funds to the health sector [1; 2].

One of the ways to solve the problems of financial health care was to attract extra budgetary funds. These are funds received from the provision of paid medical services, from insurance organizations for the provision of medical care, voluntary contributions from legal entities and individuals, funds from the lease of temporarily vacant premises and other income [5]. The main source of extra budgetary revenue is the provision of medical services for a fee.

Today, the deterioration of the socio-economic conditions of the population, neglect of a healthy lifestyle, reduced sanitary and epidemiological control, the environmental crisis leads to an increase in morbidity and mortality (on average, a citizen of Ukraine lives about 11 years less than a resident of a developed European country) [3].

In this regard, comprehensive measures are needed from the state to improve the regulatory framework and stabilize the medical industry.

For the provision of medical services, almost all European countries have a mixed public and private system for their provision. Funding systems from the state

budget and compulsory health insurance operate regardless of the form of ownership of medical institutions. In almost all of these countries, private medical institutions receive government funding for the provision of medical services to the public. In many countries, the state budget is the main source of income for many private health care providers.

The cost of health care in countries with medical social insurance and private health care, as a rule, is much higher than in countries with a predominantly public health care. In the UK, Norway and Denmark, where the national (state, budget) health system prevails, the share of expenditures for medical needs is no more than 6% of the national product. At the same time, Japan spends on its health care system 6.7% of the gross national product, Germany - 8.1%, France and Canada - 8.5%, Sweden - 9.4%, the USA - more than 14%. Compulsory medical insurance, which provides all citizens of the country with the opportunity to receive medical care by freely choosing a medical institution and doctor, has become a huge social asset of Western countries [7].

UN experts annually conduct a rating assessment of the human development index (hereinafter - HDI) based on the analysis of statistical data on three main areas of human development - life expectancy, education and income. The dynamics of the HDI can be used to evaluate the quality of social policy, since it makes it possible to compare the results of this policy with the achievements of other states. At the top of the ranking among the 177 countries of the world are Norway, Sweden, Australia, Canada and the Netherlands. The United States is in 8th place, Great Britain - 12th, France - 16th, Germany - 19th. Ukraine in this rating takes only 70th place [4].

Building public-private partnerships in central and eastern European countries promotes new, market-oriented incentives for increased efficiency and patient satisfaction.

However, the financing of health care by private foundations can lead to certain problems. First, private fund financing reduces the access of the impoverished and vulnerable population to medical care. Secondly, even for the wealthy, private financing does not guarantee sufficient resources to pay for basic medical services for everyone. Difficult to predict the individual costs of medical care, determine the need to increase coverage of the population, insuring the risks associated with diseases, and thereby limit financial losses. And it is more efficiently done by the state, rather than by private insurers [8].

Health insurance can be implemented as compulsory or voluntary.

The object of health insurance is the risk of dangerous for human health conditions. Assigning the concepts of insured risk and insured event to voluntary medical insurance is quite legitimate, if we bear in mind the realization of the insurance principle of this form of social protection of the population. It should be noted that the Law of Ukraine “On the Basics of Compulsory Social Insurance” in Article 3 defines the concept of “insured risk” and “insured event”; these definitions also apply to voluntary health insurance.

With this approach, there are no fundamental distinctions in the definition of the object with mandatory and voluntary medical insurance.

The subjects of health insurance are:

- Insured citizens (users of medical services);
- Underwriters (payers of insurance premiums);
- Insurers (buyers of medical services);

- Manufacturers of medical services.

The list of subjects of medical insurance is identical for compulsory medical insurance and voluntary medical insurance, but there are differences in the content of each of these concepts.

Underwriters: underwriters for health insurance are legal entities and individuals that enter into an agreement on health insurance for insured citizens and pay insurance premiums (payments). Thus, when determining the insured in the voluntary medical insurance system, it is advisable to follow the following principles:

- the underwriter of every citizen in the voluntary medical insurance system must be a structure (legal or natural person) that provides income to the citizen;
- each capable citizen participates in the payment of the insurance premium (payment);
- the size of the insurance contribution (payment) is determined as a percentage of the income that a citizen receives, and the total amount of contributions is divided between the legal (physical) person who provides income to the citizen and the citizen himself.

Insurers: in health insurance, the insurer is a key figure in terms of the functioning of the system in the interests of insured citizens.

In the field of medical care, the relationship between the user and the seller of medical services is fundamentally different from similar relationships in other areas. The specificity of medical care is dictated by its supplier, who is an expert in this field. The manufacturer of the medical service, by virtue of its professional training, has the ability to impose on the patient the type and amount of necessary medical care.

The priority in applying, as a rule, the unit of financial payments for the medical services provided in the form of gross quantitative indicators, such as the number of

outpatient visits and the number of bed-days, although provided the simplicity of monetary relations in the system, but did not lead to its economic efficiency and optimization. In some cases, in the absence of ensuring proper control and medical and economic expertise, an acceleration of the cost mechanism is observed.

Thus, the role of the insurer - the buyer of medical services for the insured citizen - is extremely important in the health insurance system. The insurer represents the interests of the citizen, his duty is not only to pay for medical services provided by the manufacturer, but also to organize the provision of medical care to the insured, ensuring their rights, and quality control of medical care. Thus, insurers in the system of obligatory state social health insurance are legal entities subordinate to the state, having the appropriate state license.

It is very important to legally distinguish between the implementation of compulsory medical insurance and voluntary medical insurance by insurers. When insurers combine the activities of compulsory medical insurance and voluntary medical insurance, there is the possibility of using funds directed at compulsory medical insurance to pay for medical care provided to the insured under voluntary medical insurance. This can be prevented only by increasing the transparency of the expenditure of compulsory health insurance funds, by increasing control over this process, both by the state authorities and by other subjects of compulsory health insurance, primarily insurers and insured persons.

Manufacturers of medical services in the health insurance system are legal entities of any organizational and legal form and form of ownership and departmental affiliation who provide medical and preventive care, as well as individuals engaged in the provision of medical care without a legal entity, both individually and collectively. These legal entities and individuals must have a state license to practice medical

practice. With compulsory medical insurance, primarily the function of providers of medical services will be performed, as a rule, by state or departmental medical institutions in accordance with medical insurance programs under the terms of the medical assistance agreement.

The existence of a voluntary medical insurance market depends on a number of specific conditions:

- positive demand (a certain group of the population should not be at risk);
- offering services for which people are willing to pay;
- technical possibility of providing insurance services;
- the level of public spending on health care, and, accordingly, the degree of satisfaction or dissatisfaction of the population with the existing health care system.

In our country, voluntary medical insurance is not in demand of the population. Its share in the total insurance market is only 2.6%. At the same time, the insurers are mainly corporate clients, that is, employers who insure their employees. This situation is primarily due to the interest of the insurers themselves. This is due to the complexity of this type of insurance with minimum profitability (the level of insurance payments is 65-70% and higher). Secondly, the insurer has to go to substantial costs in order to start creating service for its customers, because The existing network of medical institutions is not able to provide this. Third, due to the low standard of living, the population does not show interest in health insurance. Attitude towards medical insurance also depends on the traditional availability of medical services from the “shadow market”. Fourthly, from the state there is no support for this type of medical insurance and mechanisms for its development.

The formation of the market of voluntary medical insurance in Ukraine is negatively affected by such factors as the low level of financing of the state economy,

the low level of gross domestic product, the low investment attractiveness of our country, the increasing complexity of the social, political and economic situation. In Ukraine, about 10% of risks are insured, whereas in most developed countries of the world - 90-95%. According to a survey conducted in November 2010, 72.6% of the population of Ukraine is being treated at its own expense, 16.8% are self-medicating and 4.7% have an insurance policy. The share of the Ukrainian insurance market in the pan-European volume of insurance services is 0.05%. At the same time, about 7% of the European population lives in Ukraine. And life insurance Ukraine is in 83 place in the world [6].

Unfortunately, the practical absence of scientifically based indicators of the efficiency of health care functioning, taking into account its characteristics and specifics, does not make it possible to make effective management decisions in determining the amount and sources of funding. The fate of government spending in the structure of total spending on the health care system in Ukraine is almost impossible to determine. It is believed that in Ukraine the financing of medical care (in any case, within the social minimum) is fully carried out by the state, which does not always correspond to reality, as it is implemented in certain industrialized countries.

On this general basis, there are additional special factors contributing to the development of the principle of commitment. One of the main ones is the possibility of additional financing of medical institutions, which is the main task and problem of the state.

For example, in the UK, a significant portion of outpatient treatment costs is offset by the state. In Ukraine, almost all medical outpatient treatment is paid for by the population, that is, in Ukraine there is a de facto mixed budget and extrabudgetary system for financing health care [6]. That is why it is so important to define and divide

the functions and powers of the state and insurance companies when introducing the budget and insurance model. At this stage, it is very important to maintain state control over the functioning of the mixed budget-insurance system of financing of medical institutions. The principle of compulsory (imperative) insurance allows the use of sound methods of state regulation.

Most researchers attribute management in health care to social regulation, that is, in a system of factors aimed at the livelihood of the population. In most cases, the measures applied in this area are advisory or prohibitive in nature [8].

It is important to bear in mind that the dependence of the degree of state obligations on the level of economic development is objective. To overcome it is almost impossible even with the implementation of changes in budget priorities in the direction of health. The principle of public solidarity, which is the basis of any civil system, has lost its meaning in Ukrainian healthcare. The health care system increasingly resembles a system of individual responsibility for covering the costs of medical care. A sick person is left alone with his illness, and in the event of a serious illness, he bears such expenses that put him on the verge of financial collapse. That is why in the near future it is difficult to expect a substantial flow of funds into the health sector. It is necessary to reform the system of state obligations. The mechanism of this reform should be the search for socially sound and economically rational forms of attracting the funds of the population.

At the same time, the basic principles that are declared in the management of the industry remain:

- preservation of the human rights and the patient to receive medical care and related state guarantees;
- priority of preventive health measures;

- accessibility and quality of medical and social assistance;
- social security of citizens in case of loss of health;
- Responsibility of public authorities and management, as well as health care institutions, regardless of departmental affiliation and ownership, for ensuring the rights of citizens in the field of health care.

The main mechanisms for implementing these principles of health regulation are:

- legal regulation;
- economic regulation;
- administrative regulation, etc.

At the same time, it is necessary to note the difficulties of implementing most of these mechanisms in modern conditions due to the underfunding of the industry; unsatisfactory indicators of the health status of the population (average life expectancy, mortality rate, morbidity rate); increasing the gap in the dynamics of these indicators; lack of modern technology in medical institutions; low level of innovation in treatment methods and the almost complete lack of medical standards; low resource efficiency; lack of incentives to work effectively; weak user ability to influence the quality of services provided; the existence of a shadow payment of formally free medical services.

Thus, reforming the healthcare sector of Ukraine in modern conditions is impossible without the formation of an effective system of financing the medical industry. The impossibility of providing medical services exclusively at the expense of budgetary resources actualizes the existing domestic and foreign experience in organizing financing of the healthcare sector, including on the basis of voluntary medical insurance. Solving the above problems will allow creating an effective health

care system in Ukraine and meeting the needs of the population in the provision of medical services.

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