

*Workshop: Finance, insurance and stock-exchange industry,
innovation and investment strategies.*

***O.V. Petrushka, Ph.D. in Economics, Senior Lecturer
of S. Yuriy Finance Department,
Ternopil National Economic University
Ternopil, Ukraine***

INNOVATIVE ASPECTS OF THE HEALTH CARE SYSTEM REFORM IN UKRAINE

The current state of health care in Ukraine is extremely unsatisfying. Medical industry of our country does not have possibility to use advantages of market economy. Mechanism of health insurance is only at the formative stage, there is no clear understanding on the health insurance system, which should be transparent and understandable to the public. Despite the fact that for a long time there is a problem with improvement of health services level, arises the question to increase industry financing, which requires additional financial resources. A key role in reforming the health care system in Ukraine plays the transition to compulsory health insurance which will act as an additional source of financing of this industry and create the conditions necessary for its effective functioning.

Currently in Ukraine we have post-soviet medical system that formally guarantees free medical treatment. In fact, the Government is unable to fulfill these obligations due to insufficient financing of the industry. As a result, citizens have to solve their health problems themselves. So, the urgent question is to change the current system of financing of health care institutions, namely the transition to the principles of financing the cost of a specific medical service provided to a particular citizen.

The reform of the healthcare industry should be carried out step-by-step. Let's consider the main components that should be taken into account in case of the qualitative changes in the health system.

1. The orientation of financial resources on a particular patient. Consumers of health services will have chance to choose the institution, where funds provided for their treatment by the budget will be directed. The creation of the National Procurement Agency that will act as an intermediary between the Government, medical institutions and citizens. It will enable the last-mentioned to become the main distributor of budget allocations on the basis of contracts of medical services.

2. Independent choosing of a family doctor by a patient. Every citizen will be able to choose a doctor and sign a contract with him. Doctor's salary will be formed basing on the number of signed contracts and the qualitative composition of the patients. If, during the year, all citizens served by this doctor went through the necessary medical examination and did not use the hospital services, a doctor will receive an additional bonus.

3. Autonomy of medical institutions. Today, the Government keeps medical institutions regardless the number of patients. The Government is not also interested whether patient become healthy after received treatment. That means there is no quality control of services provided. An important step in the reform is reorganization of government and public health institutions into the state-owned and public non-commercial enterprises. These institutions will have the possibility to raise funds from private foundations, charities and non-governmental organizations. Relations with citizens should be built on the basis of contracts and service quality will be controlled by Quality Control Agency. All patient care institutions has to change to the financial autonomy that will create a competitive environment in the market of medical services and will

separate institutions with low-quality level, that receive funding from the budget.

4. Dependence of doctor's salary level on the services he provided. Head of independent medical institution will have the chance to conclude a contract with a specialist depending on his skills. Contract will be concluded in any amount that the institution considers necessary and the minimum salary of the doctor must be guaranteed by the relevant regulatory acts. In this case, the specialist himself can determine what is his job worth of, because he knows the value of services he provides. This change will enable doctors to choose place of work on the base of market principles according to their qualification and desired income. This will also save the Government from the participation in this process. Again, we have to mention about the important role of the Quality Control Agency as a regulatory body which will monitor the doctors' qualification and their professional orientation.

5. Existence of a guaranteed package of health services paid by the Government. The Government must take the responsibility on basic services which budget is able to pay for and people can to get these services in chosen medical institution. The list of services should be determined each year by the Cabinet of Ministers of Ukraine. This list must necessarily include: emergency medical care, childbirth and part of primary services at out-patient hospitals. Rare diseases, vaccination and partly oncology will be financed at the expense of budget. Services not included into the basic package people must pay themselves. The employer can pay for the employees' insurance or the employees will pay themselves from salaries [2].

The above changes should form the base for the introduction of compulsory health insurance of citizens of Ukraine. It is also necessary to make an inventory of all medical institutions of the country, form a registry of health

care workers, calculate the cost of medical services, and approve the basic guarantee package of services that will be provided for free.

Taking into account the world experience, in our opinion, the best option for Ukraine is to create the following three levels of population protection within the general health insurance system: 1) state social insurance as protection against industry risk; 2) corporate insurance payee by enterprises; 3) private (individual) health insurance. It should be noted that such structure of health insurance protection must be approved at the legislative level [1]. The adoption of a number of regulations on the introduction of compulsory health insurance in Ukraine will have positive results that contribute to the formation of transparent mechanisms for financial, legal and socio-economic relations between the Government, hospitals and patients, solving the problem of availability of health care services for all citizens and optimization of the use of health system resources.

Compulsory health insurance will provide additional inflow of funds into the sector, which will enable the health system to be dynamic, mobile and services provided by medical institutions will be of good quality and meet international standards.

References:

1. Lobova O.M., Akopyan D.E.(2015) “Problems of the mandatory health insurance implementation in Ukraine and measures to solve them”, available at: <http://www.economy.nauka.com.ua/?op=1&z=3885>.
2. The official site of Ministry of health care of Ukraine (2016), available at: <http://www.moz.gov.ua/>.