



SECTORAL BRIEF "HEALTHCARE"

Authors: Halyna Skipalska, Executive Director of ICF "Ukrainian Foundation for Public Health"; Tetyana Yurochko, Head of the Faculty, Candidate of Sciences in Public Administration, Assistant Professor at the National University of Kyiv-Mohyla Academy

Reviewer: Liliya Olefir, Executive Director of "Life" advocacy centre

1. Reform goals and main achievements for 2015-2019

Integrated healthcare reform aimed at creating a patient-centered health care delivery system capable of ensuring equitable access to quality healthcare and providing financial protection against excessive out-of-pocket expenditures remains a priority of the Ukrainian Government.

Key changes began in previous years in line with the implementation of the National Health Care Reform Strategy in Ukraine for 2015-2020:

- the funding mechanisms of health care institutions providing primary care are modified. The principle "Money follows the patient" is applied. The National Health Service of Ukraine (NHSU), the only national customer for medical services, has been established. Budget expenditures in primary health care have increased: from 10.6% of healthcare spending in 2017 to 14.6% in 2019. For the end of 2019, 1 466 primary care health care institutions contracted the NHSU, 168 of which were private and 248 were individual practitioners (family doctors). Growing competition in

the healthcare market is affecting their quality: institutions are beginning to focus on the needs of the patient, because only the patient can invite money to the institution. Almost 70% of the population have signed declarations with a primary care doctors (therapist, paediatrician or family doctor)¹. At the same time, the results of a sociological survey show that 70% of the population are satisfied with the quality of primary care^{2,3}. The change in funding has allowed professionals to earn decent wages: in some cases, primary care physicians' salaries have quadrupled

- 97% of state-level primary care medical facilities and 93% of specialized, tertiary and emergency care facilities are automated. The change of the legal form to the status of a municipal non-profit enterprise is necessary to sign a contract with the NHSU for the provision of medical services within the framework of the program of medical guarantees.
- The principles of pharmaceuticals procurement have been modified: since 2015, public procurement (at national level) has been carried out with the involvement of specialized international organizations. This has saved almost 39% of the state funding.

¹ Quarterly Report of the National Health Service of Ukraine on the implementation of public health contracts and reimbursement agreements for the 4th quarter of 2019. Electronic source: <https://nszu.gov.ua/novini/chetvertij-kvartal-2019-roku-u-cifrah-danih-ta-infografici-156>

² Ukraine: Healthcare Financing Reform Review 2016–2019: Joint WHO and World Bank Report. Electronic source: http://www.euro.who.int/_data/assets/pdf_file/0018/425340/WHO-WB-Joint-Report_UKR_Full-report_Web.pdf?ua=1&fbclid=IwAR0eDvwjxXlbgAXft2F eoudw1oNTaidzV6vRXn4y-X9AAUrhOpYBtX1nUs

³ Assessment of the medical sphere in Ukraine [21-29 May 2019]. Electronic source: <http://ratinggroup.ua/research/ukraine/ocenska-medicinskoy-sfery-v-ukraine-21-29-maya-2019-goda.html>

- A state-owned commercial enterprise Medical Procurement of Ukraine was set up, which in 2020 would start purchasing state-owned pharmaceuticals and medical devices.
- For the first time, the procurement list for 2020 was drawn up using a health technology assessment methodology, which enables public procurement based on clinical performance, cost-effectiveness and organizational problems with the use of pharmaceuticals, medical devices and other medical technologies.
- Affordable Medicine program approved and successfully implemented: as of April 1, 2019, the Affordable Medicine reimbursement program is being administered by the NHSU and has begun to work under the new rules. As of 14 January 2020, medicines under the state reimbursement program "Available Medicines" are distributed in 7 430 pharmacies in the country and only on the basis of electronic prescriptions. The Affordable Care program is designed for patients who have cardiovascular disease, type II diabetes and bronchial asthma. 11.19 million electronic prescriptions have been handed already, 9.39 million (84.38%) of them have been repaid. The largest number of prescriptions was handed out for the treatment of cardiovascular diseases (almost 8.940 million), followed by diabetes (over 1.860 million) and bronchial asthma (over 332 thousand)⁴. The list of medicines available on the program includes 254 pharmaceuticals, 78 of which can be obtained free of charge and others with a small additional cost.
- The eHealth system was implemented. The eHealth central database administrator is the SE Electronic Health. As a result, the eHealth system will ensure that all medical information is transmitted electronically. The level of digitalization among primary care providers contracting with the NHSU has increased from 3 to 92%.
- The process of building a public health system has begun, laying the foundations for reorienting health care from a policy of treatment to a policy of prevention and promotion / sustaining human health. Creating an effective network of regional public health centres across Ukraine is among the priority goals of the Public Health Centre for 2019-2020. 13 regional public health centres have already been established.
- The Biosafety and Biosecurity Strategy for the Unified Health principle⁵ was approved for the period up to 2025, which initiated the establishment of a unified system of biosafety and biosecurity aimed at protecting human health and the environment from exposure to dangerous biological agents, in particular those that could lead to emergencies and threaten national and international security.
- A plan of measures for the implementation of the Concept for development of the emergency medical care system was developed and approved by the Cabinet of Ministers of Ukraine⁶.
- The Government approved a National Plan of Action on noncommunicable diseases to achieve global sustainable development goals. Adoption of the document will contribute to the formation and development of the public health system, strengthening of sanitary and educational work in primary and secondary schools, increasing the awareness of the population about the risk factors of noncommunicable diseases, ways to reduce them; reduction of premature mortality from noncommunicable diseases (cardiovascular diseases, cancer, diabetes, chronic respiratory diseases, etc.), creation of real preconditions for improvement of the medical and demographic situation in the country.
- The foundation of transplantology development in Ukraine, in particular the legislative regulation of transplantation, was established: some legislative acts regulating the issue of human anatomical material transplantation were amended.
- Changes in medical education have been initiated, including the introduction of a threshold

⁴ NHS data. Electronic source: <https://nszu.gov.ua/novini/liki-za-programoyu-reimbursaciyi-vidpuskayut-u-7-430-aptakah-157>

⁵ A biosafety and biosecurity strategy based on the Single Health principle. Electronic source: <https://www.phc.org.ua/news/strategiya-zabezpechennya-biologichnoi-bezpeki-ta-biologichnogo-zakhistu-za-principom-edine>

⁶ Ordinance of the Cabinet of Ministers of Ukraine "On approving the plan of measures for realization of the Concept of development of the emergency medical aid system". Electronic source: <https://moz.gov.ua/article/reform-plan/kabinet-ministriv-ukraini-zatverdiv-plan-realizacii-koncepcii-rozvitku-ekstrenoi-medichnoi-dopogogi>

for admission to medical specialties, and a resolution of the Cabinet of Ministers of Ukraine on a unified state qualification exam for physicians has been approved.

2. Key challenges in implementation of the reform

The challenges that Ukraine faces in implementing the reform have both sectoral and political basis.

Since the launch of the health care reform, some political forces have repeatedly sought to discredit the reform agenda and block a number of fundamental innovations.

The election of a new President and Parliament, held in 2019, with a further change in the composition of the Cabinet of Ministers of Ukraine, respectively, and the leadership and composition of the Ministry of Health of Ukraine, have become a cause for public concern because of the retreat from the selected vector of transformational processes in the healthcare sector. Therefore, the main task for 2019-2020 is to ensure the continuity of the changes that have begun in previous years, namely: consolidate the achievements that have already been made and start implementing changes in line with the National Strategy for Healthcare Reform in Ukraine for the period 2015-2020⁷.

The sectoral challenges refer to the risks associated with the financial failure of certain sectors of specialized health care (such as phthisiology), which may lead to worsening of access to quality care for certain groups of the population, as well as downsizing and optimization of second- and third-level health care facilities under the conditions for their autonomisation that may lead to dismissal of medical personnel.

Financial challenges and risks: expenditures of the consolidated budget of Ukraine on health care increased by UAH 70.4 billion – this growth

is rather nominal, which is explained by the rate of inflation, not the real increase of expenditures, since in the percentage of total expenditures of the consolidated budget on health care does not show upward trends, and worse still – decreases. Hence, if in 2014 this figure was almost 11%, in 2019 it was a little less than 9%⁸.

3. Understanding of the reform and citizens' expectations of its implementation

Sociological studies in recent years show that the continuing depression of the medical industry has formed a persistent stereotype despondency regarding the reforming the health care system in Ukraine. At the same time, of all the reforms currently underway in the country, Ukrainians are most aware of the transformation of the healthcare system (data from GfK Ukraine and Q&Q Research, July 2018). The number of those who do not believe in the success of the reform is decreasing. The most tangible understanding of reform by both population and healthcare professionals is seen in areas where reform programs are validated through practical implementation and results. Foremost, it concerns the sphere of primary care. At the same time, according to a survey conducted by the Sociological Group "Rating" during 19-22 October 2019, the population is more likely to negatively assess changes in the quality of health care (45% noted deterioration, 12% noted improvements, 30% – no changes)⁹.

The main expectations of reform from the medical community are related to improvement of the working conditions: renewal of the material and technical base, raising not only wages but also prestige of the profession, introducing widespread use of innovative technologies in daily medical practice. For patients, the priority issue is financial protection in case of illness and access to quality health services: a clear list of state-guaranteed services at all levels of care, developed infrastructure and the provision of pharmaceuticals purchased by the state.

⁷ National Healthcare Reform Strategy in Ukraine for the period 2015-2020. Electronic source: <https://moz.gov.ua/strategija>

⁸ Reports of the State Treasury Service of Ukraine. Electronic source: <https://www.treasury.gov.ua/en/file-storage/vikonannya-derzhavnogo-byudzhetu>

⁹ Assessment of the situation in the country (19-22 October 2019). Electronic source: http://ratinggroup.ua/research/ukraine/ocenka_situacii_v_strane_19-22_oktyabrya_2019_goda.html

4. Linkage with international cooperation programs

Health care reform is in line with Ukraine's international commitments and is supported by the reputable international organizations (World Bank, CDC, USAID, UN, EU, EDGE, UKAID and others). Strengthening of the health care system of Ukraine and its potential, in particular through the implementation of reforms, is part of the commitments under the Association Agreement between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community and their Member States, on the other. For example:

- in order to implement international cooperation on the one hand and to eradicate corruption on the other, from 2015 the Ministry of Health of Ukraine started to purchase medicines and medical products through international organizations — the United Nations Development Program, the United Nations Children's Fund (UNICEF) and the British procurement agency Crown Agents;
- USAID-supported international technical assistance projects are being implemented to promote public health, reform health care funding, and develop the electronic system of health care;
- projects with the support of the Swiss Agency for Development and Cooperation are being implemented to reform medical education and mental health;
- A project supported by the European Union aiming at developing a sustainable public health system in accordance with EU legislation, requirements and practices is being implemented.

5. Key reform goals for 2020-2024

Reforming the national health care system is a fundamental change in the organizational and economic management principles in line with market requirements and European standards. The first stage — reforming the primary care unit — is completed. Further implementation of health care reforms should focus on the following steps:

- to complete the implementation of new financial mechanisms on a "Money follows the patient" basis at the level of specialized and highly specialized medical care (ambulatory and inpa-

tient levels);

- to establish an effective emergency medical care system that meets the international standards: to develop and adopt the Good Samaritan Law, to update the technical, information and personnel support of the service, to equip dispensaries and intensive care hospitals in accordance with the international standards;
- to complete the digitization of the industry - ensure complete electronic flow of documents in the healthcare system;
- to establish the transplant system and ensure its development in Ukraine;
- to complete the development of a public health system, especially in areas such as the prevention of non-communicable diseases, the strengthening of tobacco control legislation through the implementation of the WHO Framework Convention on Tobacco and EU Directives 2014/40 / EC and 2011/64 / EC implementing the European standards and practices in the blood system as well as in the surveillance system for infectious diseases, ensuring maximum coverage by immunoprophylaxis;
- to create a single biosafety and biosecurity system aimed at protecting human health and the environment from the effects of hazardous biological agents, in particular those that could lead to emergencies and threaten national and international security;
- to ensure the development of a system for the evaluation of medical technologies that will allow to implement effective strategic in the field of health care based on indicators of clinical effectiveness, economic feasibility and organizational problems of the use of pharmaceuticals, medical devices and other medical technologies;
- to complete the reform of medical education at all levels in line with European standards – for nurses, physicians, and management;
- to introduce a system of professional licensing for physicians and ensure the development of medical self-government as an institution for regulating the quality of health care services and protecting the rights of healthcare professionals;
- to ensure implementation of the International Classification of Functioning, Disability and Health (ICF) and launch a full-fledged rehabilitation and disability determination reform (MSEC).