“State medical provision and health financing in Ukraine as compared to the experience of western European countries”

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In Ukraine, there is a steady increase in the mortality rate of the population, which is due to the low quality of medical provision. The main advantages and the efficiency factor of the health care system in the Western European countries are analyzed; the key factors regulating medical provision in Ukraine are systematized; the effectiveness of modern health care reform in Ukraine is evaluated; practical recommendations to improve the administrative and legal regulation of the system are developed. The analysis showed that the effectiveness of health care reform in Ukraine is currently about 30%, and the high mortality rate of the population in Ukraine is primarily due to the low quality of medical care and inadequate investment in the industry. The main health problems in Ukraine are failure to comply with legislation on the amount of funding and remuneration in the public health system, high levels of corruption and lack of control over the competence of doctors, inaccessibility of medical products for consumers due to the pharmaceutical market monopolization.

Inna Neskorodieva (Ukraine), Volodymyr Rodchenko (Ukraine), Olena Parkhomenko (Ukraine)

STATE MEDICAL PROVISION AND HEALTH FINANCING IN UKRAINE AS COMPARED TO THE EXPERIENCE OF WESTERN EUROPEAN COUNTRIES

Abstract

In Ukraine, there is a steady increase in the mortality rate of the population, which is due to the low quality of medical provision. The main advantages and the efficiency factor of the health care system in the Western European countries are analyzed; the key factors regulating medical provision in Ukraine are systematized; the effectiveness of modern health care reform in Ukraine is evaluated; practical recommendations to improve the administrative and legal regulation of the system are developed. The analysis showed that the effectiveness of health care reform in Ukraine is currently about 30%, and the high mortality rate of the population in Ukraine is primarily due to the low quality of medical care and inadequate investment in the industry. The main health problems in Ukraine are failure to comply with legislation on the amount of funding and remuneration in the public health system, high levels of corruption and lack of control over the competence of doctors, inaccessibility of medical products for consumers due to the pharmaceutical market monopolization.

Keywords

health care, public expenditure, budget, health insurance, quality of medical provision

JEL Classification

G28, H51

INTRODUCTION

Medical provision refers to the independent function of state power and local self-government. It is based on special legislation, a system of government bodies that ensure the realization of the citizens’ rights to receive health care services, sources of financing, and methods of their implementation (Sun et al., 2015; Murphy, Lawton, & Sandel, 2015). The Western European health system is recognized as one of the most effective in the world. These countries have a high level of funding (on average up to 10% of GDP), a low mortality rate of the population (up to 8 people per 1,000 population) and a high level of medical support quality (in the first 20 countries according to the health care quality in the world) (OECD, 2019; Numbeo, 2019; World Health Organization, 2019a).

As a country of the post-Soviet space, Ukraine inherited the Semashko system-based health services (Andronic, 2017). The system is about ensuring equal access to health facilities for the entire population; provision of full medical care, lack of financial restrictions for citizens with different income levels; the presence of an integral system of treatment, prevention, rehabilitation and sanitary and epidemiological supervision; high qualification of personnel (Balabanova, Richardson, & Coker, 2017). Only medicines received outside hospitals remained paid for patients. At the legal level, this system is reflected in the Constitution of Ukraine, according to which health care
is provided by sanitary and preventive, health and fitness, sanatorium-resort, pharmaceutic, scientific and medical and other health care institutions (Verkhovna Rada of Ukraine, 1996). Ministry of Health of Ukraine is a specially authorized central executive body in the field of health. Its competence is determined by the provision approved by the Cabinet of Ministers of Ukraine. Thus, in Ukraine there is a three-step system of health care management and this system is extremely inefficient.

1. LITERATURE REVIEW

The Ukrainian health care system is based on primary medical and preventive care, which is provided by general practitioners mainly on an area basis. The principle of access to therapeutic and preventive care is implemented by Article 49 of the Constitution of Ukraine, according to which everyone has the right to health protection, medical care and medical insurance (Verkhovna Rada of Ukraine, 1996). Health protection is provided by public funding of relevant socio-economic, health and sanitary, as well as health-improving and preventive programs. The state creates conditions for effective and affordable health care for all citizens. In state and municipal health care facilities, free medical treatment is provided; the existing network of such institutions cannot be reduced. The state promotes the development of medical institutions of all forms of ownership.

Meanwhile, the mortality rate in Ukraine is one of the highest in the world. It amounted to 13.9% per 1,000 population as of 2017. The country ranks 5th in terms of the death rate in the world, giving place only to countries like Monaco (18.6%), Bulgaria (15.1%), Lithuania (14.4%) and Latvia (14.3%). With that, according to the latest World Health Organization (WHO) 1981–2017 data, the country’s mortality rate increased by 2.6% (World Health Organization, 2019a; Central Intelligence Agency, 2019).

The average rate of increase in mortality over the study period exceeded the rate of population growth by 4%, which is accompanied by a sharp decline in medical facilities in the country (over the past 27 years, by 44% with an almost unchanged incidence rate of the population). Over the past ten years, the population of Ukraine has decreased by 7.7%, while the incidence has increased significantly in most diseases.

Life expectancy in Ukraine is 11 years less than in the EU countries (CantyMedia, 2018). The main factors of high mortality in Ukraine are coronary heart disease, blood stroke and oncology (Poniakina & Shevchuk, 2017), which indicates the poor quality of health care in the country. So, according to official Numbeo data, the Ukrainian health system is in the 77th place in terms of quality rating from 84 countries of the world (the Health Care Index 2019 value was 50.95) and almost in the very last place among European countries (Numbeo, 2019).

According to the WHO health rating, Ukraine ranks 97th out of 156, giving way to not only developed Western countries, but also the entire former USSR: Belarus is in the 54th place, Russia is the 73rd place, and Moldova ranks 75th. Only residents of poor Arab countries, Africa and Afghanistan have worse health and medical care than Ukrainians (Ivanova, 2018). One of the significant reasons is the low proportion of government funds for health care. In 2018, the level of financing in Ukraine amounted to 3.5% of GDP as compared to 7.01% of GDP in 1995 (State Statistics Service of Ukraine, 2018).

According to the Law of Ukraine “On the State Budget for 2019”, spending on health care is planned to increase by UAH 9.5 billion. However, taking into account the fact that it is also planned to increase the country’s GDP to UAH 3,946.9 billion (UAH 3,332.3 billion in 2018), the indicator of financing health care decreases to 3.2% of GDP (Verkhovna Rada of Ukraine, 2018; Cabinet of Ministers of Ukraine, 2018). This indicator contradicts the WHO recommendations of at least 6% of GDP and the requirements of the fifth part of Article 4 of the Law of Ukraine “On state financial guarantees of medical care for the population” on the costs of implementing a program of medical guarantees of at least 5% of GDP (the need is UAH 197 billion) (Verkhovna Rada of Ukraine, 2017a).

According to the 2017 annual report of the Ministry of Health of Ukraine, almost every
sixth child has health abnormalities already at birth. Only 10% of first-graders start studying fully healthy, and by the fifth form only 1.5% of them remain (Kozachenko, 2018). In view of the above, it can be stated that the current critical situation in the health care system of Ukraine is primarily due to the imperfect administrative and legal regulation. On September 1, 2017, the Ukraine-EU Association Agreement entered into force (Official Journal of the European Union, 2014). This means that all further legislative initiatives should be considered in the context of European integration.

According to EU legislation, all citizens must have access to health care. There are differences between individual countries regarding the range of services, depending on the type of health financing. However, despite these differences, there is a social consensus that the health care at the level of diagnostics and therapy, regardless of their cost, must be accessible to all (Portal of The Publications Office of the EU, 2012; European Commission, 2014; European Union Agency for Fundamental Rights, 2018). This goal is critical for the administrative and legal regulation of health care in the EU.

Today, the quality of the health care system in Western Europe is one of the best in the world. Over the past 17 years, the average level of financing has increased by 2.7% of GDP. It should be noted in general that for the period 2000–2017, there is a positive trend in the medical industry financing in Western Europe, with the minimum value of health financing being always above 6% of GDP. The highest level of financing can be observed in Switzerland. As of 2017, it was 12.3% of GDP, in France, it accounted for 11.5% of GDP, in Germany – 11.3% of GDP (see Figure 1) (OECD, 2019). These are countries where the death rate is one of the lowest in the world.

In Western European countries, there is a complex combination of the private and public sectors both in health financing and in health care deliv-
The cost of drugs is not refundable to consumers. The NHS is financed by the joint taxation system (OECD, 2019). The payment system includes scientific investigation agencies. The compulsory health insurance system covers about 88% of the population (13% of them are voluntary) (Statistisches Bundesamt (Destatis), 2019). The program is funded by contributions from employees and employers. The average contribution is 13.52% (13.92% in Eastern lands) (The Commonwealth Fund, 2019d; World Health Organization, 2019e). The employee always pays 6.76% (in the East, he pays 6.96%) of his wages, the employer pays the same percentage on average, but this rate is different for different lands and ranges from 4.75 to 7.5%. Approximately 60% of the funding comes from compulsory or voluntary contributions, 21% from general taxes, 7% from private insurance, and the remaining 12% are covered by direct payments from patients (The Commonwealth Fund, 2019d). Medical institutions, both private and public, are funded in a double way: it is assumed that the government will cover the capital expenditures of the land, and the operating expenses will be paid by the sickness funds. Hospital services for the insured privately are covered in accordance with the individual rates (Busse et al., 2017).

In Germany, the common prices for medicines are set. The cost of most drugs is reimbursed by the abstract pricing system (The Commonwealth Fund, 2019d). The doctor has the right to prescribe a more expensive product to the patient, but the patient will have to pay the difference between the actual price and the abstract price of the medication. The level of co-payment for drugs in Germany is one of the lowest in the EU (Busse et al., 2017).

The Dutch health system is financed largely by a combination of social and private insurance, with 64% of the population covered by social insurance and 31% by private insurance (Ministry of Public Health, Welfare and Sport, 2016). The compulsory...
health insurance program (CHIP) is provided by approximately 40 sickness funds and covers about 64% of the country’s population. There is an income threshold that excludes a significant portion of the population (about 31%) from this program – mainly high-income groups and self-employed (Ministry of Public Health, Welfare and Sport, 2016). They should buy private health insurance to cover the cost of acute illness. Civil servants make up approximately 5% of the country’s population. They are insured by a special mandatory program, the services in which are larger in volume than in the CHIP system. In addition, members of social health insurance funds may purchase supplemental insurance to cover additional risks. Also, 90% of the members of sickness funds use additional insurance to cover the cost of dental services (The Commonwealth Fund, 2019a). The Ministry of Public Health, Welfare and Sport is the main body responsible for planning and implementing health policy (The Commonwealth Fund, 2019a).

Social insurance is the dominant form of health financing in the Netherlands, covering about 70% of health costs. Personal insurance covers 13% of all expenses (The Commonwealth Fund, 2019a). Funding is supplemented by direct co-payment by patients and government subsidies. The Ministry submits a total budget for health expenditure to Parliament for approval. In addition, for some health care system sectors, cost targets for inpatient and outpatient care are established. Contributions to sickness funds are based on income and are mainly paid by the employer (5.6% of gross income); the amount of the employee’s contribution is significantly lower (1.55% of gross income). There is an upper limit on income for contributions, 29,314 euros per annum (Belastingdienst, 2019a). Contributions are managed and distributed through the central fund and based on the principle of per capita financing partially taking risk into account. In addition, health fund members pay a small fixed amount, which is set by each health insurance scheme separately (180 euros on average). This fixed contribution covers approximately 10% of all health expenditure (Belastingdienst, 2019b).

In France, there are parallel systems of the private and public sectors, in funding and in the health care delivery. The health system is based on the mandatory state health care program, which is largely complemented by voluntary insurance. However, in general, the system covers almost the entire population of the country. A wide range and almost unlimited amount of medical services are provided both at the inpatient and at the outpatient level. Patients have the freedom to choose a service provider. Some family doctors and hospitals have local arrangements with reciprocal partners to reduce payments at the point of care.

The health care system in France is largely regulated by the government. At the local level, there are 22 regional offices for health and social affairs (DRASS). General access to medical services is guaranteed by the national health insurance system, which is part of the compulsory social support system and covers 99% of the country’s population (European Observatory on Health Systems and Policies, 2017).

The general insurance program is financed by collecting taxes from employers and employees – 12.8% of the cost of wages from the employer and 0.75% from the employee – and covers 74% of all health care expenditure. Joint companies cover about 7%, and private insurers account for 5% of health care expenditure. Less than 3% comes from a general tax collection, and the rest – above 12% – comes from a patient’s co-payment (Rodwin, 2018).

Pharmaceutical drugs are included in the list of drugs the costs for which are reimbursed. Prices and reimbursement are determined by order of the Ministry of Social Affairs and Health. Over-the-counter (OTC) drugs, the cost of which is not covered by insurance, are not regulated. Patients’ direct payments for drugs amount to 20% on average, although they can range from zero (necessary drugs) to 65% for so-called “comfort drugs”. In France, there is no budget limit for pharmaceuticals, and no restrictions on the prescriptions (The Commonwealth Fund, 2019c).

As for Ukraine, diseases account for the lion’s share (86.8%) of all causes of mortality (Rating Group Ukraine, 2016; Health Statistics Service of Ministry of Health of Ukraine, 2019) (see Figure 2).

At the same time, Ukraine is not inferior to more developed countries, such as Poland and France,
in the number of doctors per 100 thousand population, and even exceeds them significantly in the number of hospital beds (see Table 1) (Health Statistics Service of Ministry of Health of Ukraine, 2019; World Health Organization, 2018).

In 2018, the health care reform in Ukraine started to be implemented. It was designed to reduce the mortality rate in the country and improve the quality of medical support for Ukrainians. Legislative changes in the reform process will affect not only the sphere of medical services financing, but also the entire system of legal regulation of the health care industry, since it is the problems of its functioning that are the main cause of the low quality of medical provision. The following measures have become the prerequisites and made the basis of the health care reform: the Law of Ukraine “On state financial guarantees for the provision of health care and medicines” (No. 6327) (Cabinet of Ministers of Ukraine, 2017b) adopted by Verkhovna Rada of Ukraine; the draft law on the necessary changes to the state budget (No. 6604) (Cabinet of Ministers of Ukraine, 2017a), and the presidential draft law “On increasing the availability and quality of health care in rural areas” (No. 7117) (LigaZakon, 2017b), the Law of Ukraine “On state financial guarantees for health care for the population” (Verkhovna Rada of Ukraine, 2017a), the draft law No. 6634 “On primary care on the principles of family medicine” (which was rejected by Verkhovna Rada of Ukraine) (LigaZakon, 2017a). The beginning of the health care reform has only affected the primary level: Ukrainians sign declarations with general practitioners, family doctors or pediatricians. It is for the assigned patients that the doctor now receives a salary. For one person, the therapist, family doctor and pediatrician will receive 370 hryvnias per year. For children and the elderly, the National Health Service will pay more, 740 hryvnias (Сегодня [Segodnia], 2018b). Attention, however, should be paid to the fact that nowadays in Ukraine, family doctors, district therapists and pediatricians who, according to the Ministry of Health decree, are authorized to conclude a declaration, amount to less than 50% of the required number (Сегодня [Segodnia], 2018a). According to the documents, there are about 14 thousand family doctors prepared; 7-8 thousand actually work, and 30 thousand are needed (Obozrevatel.ua, 2018). Patients usually sign declarations with doctors whom they trust, and other doctors receive the previous level of wages, which in turn results in a decline in the prestige of the medical profession and a corresponding reduction in the number of potential personnel. Thus, the extremely low wages do not provide health workers with even the minimum cost of living. According to the State Statistics Service of Ukraine, in June 2018, the average salary level of health workers was 6,258 UAH, which is 1.5 times less than in the industrial sector (9,552 UAH), 1.4 times less than in the field of education (8,553 UAH), and 1.1 times less than in the field of culture (6,641 UAH) (State Statistics Service of Ukraine, 2019). And this is despite the fact that, according to the Law of Ukraine “On state financial guarantees of health care for the population”, the Law of Ukraine “On increasing the availability and quality of health care in rural areas” and the Law of Ukraine “On emergency medical care”, there should be an increase in the capitation wage rate for health workers at the rate of not less than 250% of the average salary in Ukraine for July 2017 (Konoval & Gul, 2018). In addition, in 2018, the medical subvention amounted to UAH 57.4 million, while the wage fund deficit amounted to about UAH 3.6 billion. This resulted in salary arrearage to employees of health institutions in 11 Ukrainian regions in the amount of UAH 98.2 million (State Statistics Service of Ukraine, 2019).

### Table 1. Comparison of health systems quality and efficiency

<table>
<thead>
<tr>
<th>Country</th>
<th>Risk of death from noncommunicable diseases (30 to 70 years old)</th>
<th>The number of doctors per 100 thousand population</th>
<th>The number of deaths in childbirth (per 100 thousand population)</th>
<th>The presence of qualified medical staff in childbirth</th>
<th>Number of hospital beds per 100,000 population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ukraine</td>
<td>28%</td>
<td>315</td>
<td>23</td>
<td>99%</td>
<td>784</td>
</tr>
<tr>
<td>Poland</td>
<td>20%</td>
<td>231</td>
<td>3</td>
<td>100%</td>
<td>663</td>
</tr>
<tr>
<td>Germany</td>
<td>12%</td>
<td>411</td>
<td>7</td>
<td>98%</td>
<td>823</td>
</tr>
<tr>
<td>France</td>
<td>11%</td>
<td>323</td>
<td>8</td>
<td>97%</td>
<td>641</td>
</tr>
<tr>
<td>USA</td>
<td>14%</td>
<td>–</td>
<td>28</td>
<td>99%</td>
<td>–</td>
</tr>
</tbody>
</table>
In the context of reforming the Ukrainian health care system aimed at raising its financing and taking into account the indicators of the Law of Ukraine "On the state budget for 2019", it can be argued that the existing problems have been totally ignored. It is envisaged for 2019 that the amount of medical subventions will be UAH 55,502,068.3 thousand, which is UAH 1.9 billion less than in 2018. Whereas, based on the provisions of the Cabinet of Ministers of Ukraine Resolution No. 524 dated May 11, 2011 (Cabinet of Ministers of Ukraine, 2011a), the need is calculated based on the minimum wage from January 1, 2019 and the 1st tariff category of the Unified Rate Schedule (URS) (Интерактивная бухгалтерия [Interaktivnaya bukhgalteriya], 2019). The payroll budget (with extra fee) should be UAH 89,070.1 million. That is, the wage differentiation criteria for health care workers are completely leveled. The World Health Organization recommendations were also totally ignored. Articles 7 and 8 of the draft state budget provide for the establishment of a minimum standard of living for able-bodied persons in Ukraine from January 1, 2019 in the amount of UAH 1,921 and the minimum wage in the amount of UAH 4,173 (Verkhovna Rada of Ukraine, 2018). Consequently, from January 1, 2019, the amount of the basic tariff category of the URS is only 46% of the minimum wage, and the existing equalization in remuneration from the 1st to the 11th URS tariff category will not only be preserved, but will also spread to the 13th tariff category (Интерактивная бухгалтерия [Interaktivnaya bukhgalteriya], 2019). Consequently, for health care workers, a salary at the level of the minimum wage has been established.

Chronic underfunding of health care provokes payment for treatment at the expense of patients, which violates Article 49 of the Constitution of Ukraine. So, during the period 2004–2018, the proportion of household spending on health care has steadily increased and in 2018 reached 4.7% of the total household expenditure as compared to 2.8% in 2004. While public funding decreased by 1.1% for the period under study (Ministry of Finance of Ukraine, 2018). The current situation causes a change in the moral and ethical attitude of health care workers towards the sick, and, accordingly, of patients towards doctors. With the constitutional right to free medicine, the health care sector in Ukraine is recognized as one of the most corrupted social spheres in the country. So, out of UAH 120 million losses against the state, 90% of the funds were lost due to corruption offenses in the field of health care (National Anti-Corruption Bureau of Ukraine, 2018). In this case, for refusal to treat or for extortion of money from a patient, a doctor can be put in jail. According to Article 184 of the Criminal Code, for violating the right to free medical care, a fine of 170 UAH up to six months of arrest are provided for (Criminal Code of Ukraine, 2001). The low level of remuneration in the health system and the high level of its corrupt practices provoke emigration of doctors from Ukraine. According to a BBC News investigation, about 66 thousand health professionals left Ukraine (Dorosh, 2018).

Access to health care facilities and ensuring a balance of interests between patent holders and consumers of pharmaceutical services are the basic components of health care and high-quality medical care. Nowadays in Ukraine, according to the USAID project results, every second patient in Ukraine refuses treatment due to lack of money (Strana.ua [Страна.ua], 2017). This is despite the fact that many Ukrainians buy drugs at their own expense, although according to the law of Ukraine they should receive drugs free of charge from the state (Verkhovna Rada of Ukraine (1996) Constitution of Ukraine, Art. 49). One of the reasons for the current situation is that more than 60% of Ukrainians are below the poverty line today. It should be noted, however, that this factor is not key in the lack of drugs availability for the population in the country.

2. METHODS

Given the lack of legally approved indicators, which would allow to evaluate the effectiveness of the health care reform implementation, an expert assessment was conducted as part of the study. Lawyers can assess accurately the effectiveness of the health care reform implementation in Ukraine in the legislative plane; economists can do this appropriately when it comes to the financial plane; in organizational terms, lawyers and economists, while doctors and patients are subjects of medical relations. In the regional con-
The study was conducted in Kyiv, Kharkiv, Lutsk, Kherson, and Chernihiv. The use of such a broad geography (center, south, west, east, north) made it possible to take into account the mood and readiness for the reform of the participants throughout Ukraine, regardless of political beliefs. In addition, respondents represent cities with different levels of economic development in order to draw adequate conclusions about the feasibility of implementing the financial component of the reform.

A test of the representativeness of the research results was conducted according to the sample sufficiency indicator (Ponto, 2015).

According to calculations, the sample will be characterized by the sufficiency principle in a large general sample (more than 30 people), if the number of respondents exceeds 273 people. 300 people took part in the study. The reliability of the sample, its randomness, diversification according to geographic, economic, and professional characteristics indicate the representativeness of the research results and the possibility of taking them into account when implementing health care reform in Ukraine. Expert assessment was conducted via face-to-face questionnaires.

Respondents were asked to put their rate on a 5-point scale for the following positions (three statements in each of the three blocks). “5” corresponded to the highest level of readiness for reform, at which concrete measures towards the reform implementation are remarkable. A rate of “0” corresponds to the categorical disagreement of the respondent with the possibility of taking a certain type of measures for the health care reform implementation.

Here are the positions according to which the health care reform effectiveness in Ukraine was assessed:

1. Legislative support:
   1.1. In Ukraine, the laws started to be adopted promoting the reform implementation.
   1.2. The legislation has eliminated all contradictions in the healthcare field.

2. Financial support:
   2.1. Standard for funding health care is met in the country.
   2.2. The state finances provision of health services and the purchase of medicines to the population.
   2.3. An adequate level of medical workers’ remuneration has been ensured.

3. Organizational support:
   3.1. The system of compulsory health insurance is active.
   3.2. Transferring the duties of other doctors to the family doctor is justified from the standpoint of ensuring medical efficacy.
   3.3. The mortality problem has been solved in Ukraine.

3. RESULTS

Table 2 presents the expert evaluation results of the effectiveness of the health care reform implementation in Ukraine aimed at addressing the problems identified in the functioning of the health system.

The practice of administrative and legal regulation of health care provision in Western countries shows that the most effective is the combination of state budgeting and a certain system of health insurance. The advantage of state budgeting is that in this way the constitutional right of a citizen to receive free medical care is realized, thereby ensuring a high degree of social protection. The research conducted made it possible to state that an effective health care system rests on the regulating a specific list of services and the sources of their financing. The amount of financing of health care institutions depends not on the number of services provided and patients accepted, but on the health care quality and treatment of patients. The
constant growth of funding for the health care system ensures high quality of medical services, and government control over the pharmaceutical market guarantees the availability of medicines for consumers. In addition to the ministries, there is a professional self-management of medical workers – doctors, licensed pharmacist and nurses, which decentralize administrative and legal regulation of health care. The administrative and legal base of Western European countries provides professional self-governing organizations with a part of state authority in the field of professional relations, which ensures a high level of expertise of health professionals (The Commonwealth Fund, 2019a, 2019b, 2019c, 2019d). And most importantly, the health care system is motivated by and focused on the quality of medical services.

The study has found that the effectiveness of the health reform implementation in Ukraine is 32.4% (see Table 2). At the same time, the effectiveness of administrative and legal regulation in terms of health financing amounts to 14%; organizational support – 22.7%; and in terms of legislative support it amounts to 60.7% of which the maximum number of points falls at the beginning of the adoption of relevant legislative and regulatory acts to improve the quality of medical care in the country.

Based on the identified factors of the health system effectiveness in Western European countries, it is possible to single out the following directions for improving the administrative and legal regulation of health in Ukraine in order to contribute to effective implementation of health care reform. Modification of the regulatory framework governing health care, including laws on national health care, on the public and private health care systems, on making amendments to already existing laws directly or indirectly related to the administrative and legal regulation of health care should be based on: determining methods of health financing; improving the administrative structure of the health management system; creating a basic state package of free medical care; developing a policy of state support for regional medical institutions; developing new approaches to the pharmaceutical market (tight control of prices for essential medicinal drugs and government procurement of medicines for medical institutions, combined supply of medicines from the state budget and medical insurance).

Given the advanced experience of Western Europe, the goal of the new health care system in Ukraine should be to provide quality health care available to all segments of the population, which is possible subject to the introduction of compulsory health insurance along with budgetary funding. This means that health insurance requires certain government regulations and guarantees. The state should not only determine the amount of basic health care, but also guarantee its receipt to everyone in need. It is important to take into ac-

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean score</th>
<th>Probable maximum score</th>
<th>Readiness indicator, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1. In Ukraine, the laws started to be adopted promoting the reform implementation</td>
<td>4.7</td>
<td>5</td>
<td>94.0</td>
</tr>
<tr>
<td>1.2. The legislation has eliminated all contradictions in the healthcare field</td>
<td>2.5</td>
<td>5</td>
<td>50.0</td>
</tr>
<tr>
<td>1.3. All legal provisions contributing to the reform implementation are implemented</td>
<td>1.9</td>
<td>5</td>
<td>38.0</td>
</tr>
<tr>
<td>Legislative support</td>
<td>9.1</td>
<td>15</td>
<td>60.7</td>
</tr>
<tr>
<td>2.1. Standard for funding health care is met in the country</td>
<td>0</td>
<td>5</td>
<td>0.0</td>
</tr>
<tr>
<td>2.2. The state finances provision of health services and the purchase of medicines to the population</td>
<td>1.3</td>
<td>5</td>
<td>26.0</td>
</tr>
<tr>
<td>2.3. An adequate level of medical workers remuneration has been ensured</td>
<td>0.8</td>
<td>5</td>
<td>16.0</td>
</tr>
<tr>
<td>Financial support</td>
<td>2.1</td>
<td>15</td>
<td>14.0</td>
</tr>
<tr>
<td>3.1. The system of compulsory health insurance is active</td>
<td>1.2</td>
<td>5</td>
<td>24.0</td>
</tr>
<tr>
<td>3.2. Transferring the duties of other doctors to the family doctor is justified from the standpoint of ensuring medical efficacy</td>
<td>2.2</td>
<td>5</td>
<td>44.0</td>
</tr>
<tr>
<td>3.3. The mortality problem has been solved in Ukraine</td>
<td>0</td>
<td>5</td>
<td>0.0</td>
</tr>
<tr>
<td>Organizational support</td>
<td>3.4</td>
<td>15</td>
<td>22.7</td>
</tr>
<tr>
<td>Overall readiness indicator</td>
<td>14.6</td>
<td>45</td>
<td>32.4</td>
</tr>
</tbody>
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count the practice of the Western European countries (securing the amount of health financing in the State Budget at least 6% of GDP) and approve the principle of a family doctor, not territorial affiliation, as the basis for health insurance. Such a concept would allow realizing the patient’s right to choose a doctor and an appropriate insurance organization. To implement this concept, relevant health professionals should be trained and a legal mechanism for interaction between the family doctor and medical institutions should be developed. Contracts between health care economic entities should be the basis of this interaction. Contractual relationships can be drivers in the financial issues regulation. In this regard, additions are recommended to be written to the law of Ukraine “On state financial guarantees of public health service”, Article 8, “Peculiarities of contracts on public health service under the program of medical guarantees” (Verkhovna Rada of Ukraine, 2017a). It is expedient to add the first paragraph with the following: “The subject of health care activity is recommended to enter into agreements on financial cooperation with public authorities on the one hand, and with health insurance organizations on the other”. If bilateral agreement commitments are introduced into the health care system, environment for healthy competition among medical institutions can be created. This will improve the quality of medical services, implementing the right of choice, both by the patient and the medical institution of the health insurance organization, which in turn will create conditions for competition among the latter. It is important to understand that in a globalized economy, the key to the survival of any kind of industry, including health care, is its commercial basis (Sun et al., 2015).

Today in all places in Ukraine, there are facts of violation of the constitutional right of citizens to receive quality medical care. Patients who apply to medical institutions do not know what kind of services are payable by law. Medical staff often use ignorance of patients and provide a guaranteed amount of free health care on a paid basis. Therefore, along with the introduction of compulsory medical insurance, it is necessary to develop a system for monitoring the quality of medical services. Such a control system should be coupled with the improvement of administrative and legal responsibility, which is currently governed by the rules of the Code of Ukraine on Administrative Offenses (iFactor, 2019). It is expedient to add Article 5 “Administrative rights violations in the field of occupational safety and health protection” with the following points:

1) for concealing complete information from patients about the forthcoming treatment, not properly executing the necessary documentation on the provision of health services;

2) for the collection of money while providing health services included to the list of guaranteed free services;

3) for causing harm to health in the course of medical care and for significant harm to the patient as a result of medical error.

The above administrative measures will not only help prevent re-violation of legislation by health workers, but also significantly improve the quality of medical services provided to the population and allow the citizens to exercise their constitutional rights to health protection.

As mentioned earlier, the basis for developing a system for the protection of the rights of citizens in the health sector in Western European countries is the state’s guarantee of respect for patients’ rights in the form of a regulatory framework (Sun et al., 2015). In the current legislation of Ukraine, the rights of patients are divided into various regulatory acts and regulations. Therefore, creating a Law “On the rights of patients”, which is consistently structured and reduced to a common denominator with other regulatory acts, is an important task in the legal sector of state activity.

One of the most important areas of improving the administrative and legal regulation of the health care system in Ukraine should also be the elimination of the system of certification of doctors, regulated by the Ministry of Health of Ukraine dated December 19, 1997 No. 359 “On further improving the certification of doctors” (Ministry of Health of Ukraine, 1997). It is mandatory to develop the appropriate Law of Ukraine “On implementing the system of independent licensing of doctors”, which will be based on continuous
professional development. At the same time, the current licensing system of medical practice in accordance with the Law of Ukraine “On licensing types of economic activities” will remain generally unchanged (Verkhovna Rada of Ukraine, 2015). The regulation of creating a licensing system by law is more expedient, since changing the Law without public exposure is impossible, unlike the by-laws of the Ministry of Health of Ukraine. In the countries under study – France, Germany, the Netherlands, and the United Kingdom – the status of the bodies licensing doctors is defined at the level of laws (Portal of the Publications Office of the EU, 2012; The National Archives, 2012; European Commission, 2014). Ukraine has also the legislative practice to determine the legal status of bodies providing access to certain professions, namely laws (for example, the Audit Chamber of Ukraine, the Qualification Commission of Private Performers, the Council of Advocates of Ukraine, etc.) (Verkhovna Rada of Ukraine, 2017b; Verkhovna Rada of Ukraine, 2016; Ukrainian National BAR Association, 2012). To determine the criteria and requirements of the licensing system for doctors in Ukraine, members of the Licensing Board should involve associations of doctors and foreign experts (for example, from the European Medical Association) who may be members of tender commissions. It is also advisable to attract foreign experts to the Licensing Board as members or independent consultants. The composition of the Licensing Council must be approved by order of the Ministry of Health.

Since exercising the medical profession in the absence of a license will be prohibited, the new Law should regulate obtaining a license by already practicing (certified) doctors. Among the possible options for resolving the situation, one can see only the granting of a license subject to passing a special exam. In order to interest doctors in quickly switching to a new licensing model during the transition period in Ukraine, a communication campaign should be carried out for patients, they also should be informed about the license as proof of the doctor’s professional qualifications and encouraged to seek qualified medical assistance from licensed doctors.

The Ministry of Health of Ukraine is the only central executive body that determines and implements the state policy in the field of health care, whereas in the Western European countries, apart from the Ministry, there is a professional self-government of medical workers – doctors, pharmacists and nurses. The laws in these countries provide professional self-governing organizations with a part of state authority in the field of professional relations. In general, attention should be paid to the fact that health care reform in Ukraine should begin with the adoption of legislation on public law professions. Only this will change the paradigm of the doctor and patient relationship. Creating a medical self-government body by giving force of law to the draft law “On medical self-government” is also needed (LigaZakon, 2018). It is necessary to ensure payments stipulated by the decrees of the Cabinet of Ministers of Ukraine “On labor remuneration based on the Unified Rate Schedule of rates and levels on labor remuneration for institutions, agencies and organizations of certain sectors of the public sector” No. 1298 dated August 30, 2002 (Cabinet of Ministers of Ukraine, n.d.), “On approving the procedure for payment of a long service bonuses to health workers and pharmacists of state and municipal health care institutions” No. 1418 as of December 29, 2009, (Cabinet of Ministers of Ukraine, 2009), “Issues of remuneration of employees of institutions, agencies and organizations of individual sectors of state-financed sector” No. 524 as of May 11, 2011 (Cabinet of Ministers of Ukraine, 2011a), “About some measures to increase the prestige of labor of health workers who provide medical care to tuberculosis patients” No. 123 dated February 16, 2011 (Cabinet of Ministers of Ukraine, 2011b), “Some issues of remuneration of employees of tuberculosis institutions” No. 74 as of March 20, 2013 (Cabinet of Ministers of Ukraine, 2013c), “Some issues of remuneration of health workers of the emergency medical assistance” No. 199 as of March 27, 2013 (Cabinet of Ministers of Ukraine, 2013a), and “Some issues on remuneration of health workers who provide primary health care” No. 977 dated December 30, 2013 (Cabinet of Ministers of Ukraine, 2013b).

Changes in legislation in the field of licensing economic activities in the pharmaceutical market and the introduction of restrictions on the issuance of wholesale licenses to retailers are consistent with European approaches.
CONCLUSION

The study concluded that the effectiveness of administrative and legal regulation of health care is ensured by the availability of comprehensive budget and commercial funding, tight control over the quality of medical services, guaranteed availability of medical products, and decentralization of the system of regulatory bodies for medical provision.

An expert analysis showed that the effectiveness of health care reform in Ukraine is currently 34.2%, and this when the high mortality rate in the country is primarily due to the low level of quality of medical provision. The main problems of administrative and legal regulation of health care in Ukraine are non-compliance with legislation on the amount of funding and remuneration in the health care system, high levels of corruption and lack of control over the competence of doctors, inaccessibility of medical products for consumers due to the pharmaceutical market monopolization.

Given the advanced experience of medical provision in Western Europe, the developed set of recommendations for improving the administrative and legal regulation of the health care system is based on three components: legislative, financial and organizational support. The basis for improvement should be the creation of legislation on the licensing of doctors in Ukraine and the creation of self-governing medical organizations.

Thus, the recommendations proposed in the article are intended to contribute to the improvement of the current legislation in administrative and legal regulation of medical provision in Ukraine, thereby improving its quality and, as a result, raising the nation’s health index to a higher level.

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