IMPLEMENTATION OF STATE SOCIAL POLICY IN THE SPHERE OF STATE FINANCIAL GUARANTEES OF PUBLIC HEALTH SERVICES

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Abstract: The article is devoted to a detailed analysis of the implementation of the state social policy in the sphere of state financial guarantees of public medical services and the activity of the National Health Service of Ukraine, its main purposes and functions. Amendment proposals to improve national legislation in the sphere of healthcare are being formulated. Problems of standards and warranties in the sphere of healthcare are also investigated in the article, because health is a top priority for both the citizen and the nation as a whole. The problems of financial guarantees of public health services have been analyzed, eventually the healthcare sector remained unattended for a quite a long time, despite the constant integration processes, implementation of international legal acts into national legislation. The results that are currently being achieved thanks to the ongoing medical reform show a number of unresolved issues and inconsistencies in the area of financial guarantees for public health services, but for example, the system "money follow a client" is gradually becoming a generally accepted fact that has only a positive effect not

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only for economy, but also in medicine sphere.

**Keywords:** state social policy, medical care, health care, primary care, financial guarantees

1. Introduction

In the modern period, one of the main functions of European countries, including Ukraine, is to provide a decent level of primary care to the population, as well as to provide effective and accessible health care for all citizens. Article 25 of the Universal Declaration of Human Rights of 10 December 1948 (United Nations, 1948) enshrines in the modern rule of law the right to guarantee a standard of living that takes into account the provision of basic needs, medical care necessary for the maintenance of health, own well-being and well-being of the family, and the right to social and economic security (Vivchar, Redkva, 2018; Nazarova et al., 2019) in the case of unemployment, illness, disability, old age and other cases of loss of livelihood under the circumstances independent of the person.

Establishment of a clear, consistent and effective mechanism for implementing public social policies in the field of public health services and implementing state financial guarantees is the primary to protect patients’ rights, prompt and clear fulfilling their responsibilities as healthcare providers. Hence, the core of healthcare is a well-regulated mechanism of providing individuals with financial guarantees of the medical relationship that arises between healthcare providers and the patient regarding the provision of medical care, including primary care. According to the Concluding Observations on the sixth periodic report of Ukraine of 14 June 2014, the Committee on economic, social and cultural rights expresses concern about the low share of healthcare costs of gross domestic product.

In turn Senyuta, (2018), the Committee also notes that the right to healthcare includes a wide range of socio-economic factors that create conditions that allow people to lead a healthy lifestyle and the basic components of health, such as food and nutrition, living conditions, access to drinkable water and adequate sanitation, safe and harmless working conditions, and a healthy environment. The current situation in the field of financing the
healthcare system significantly violates the provision of Article 2 of the Covenant on economic, social and cultural rights, which provides the obligation of each State participating in the Covenant to take actions to the maximum extent to ensure that the rights recognized in this Covenant are fully implemented in all appropriate ways. It should be noted that in the National report, submitted according to paragraph 5 of the annex to resolution 16/21 of the Human Rights Council of 31 August 2017 (Human Rights Council, 2017), Ukraine undertakes to increase state funding for healthcare to 2.8% of GDP, which indicates that the leadership of our country is aware of the fact that Ukraine has violated its obligations under international legal acts (Kornilova, 2018).

According to the data of the State Treasury Service of Ukraine as of 01.03.2020 expenditures of the state budget of Ukraine (functional classification) in 2020 in the sphere of healthcare is 4727.8 UAH, which is 3.27% of the general budget of Ukraine, and expenditures of the state budget of Ukraine (program classification) in 2020 by the Ministry of Health is UAH 5,100.3 (3.52%), and by the Ministry of Health (national expenditures) - UAH 9721.8 (6.72%). (State Treasury Service, 2020). It is also should be noted that central government financed the main part of health care services through medical subsidies, which averaged 77% of government spending on health care in 2015-2019. Local governments financed the rest through their own resources.

Fig. 1. Paradigm. Government expenditures in the sphere of healthcare, 2015-2019.

Source: State Migration Service of Ukraine (2019)

It’s advisable to draw a parallel with countries whose level of economic development is much higher than in Ukraine. For example, in the UK budget medical expenses are 18.9% of it. For those who don´t have private medical
insurance and who aren’t resident of the country, treatment will cost 150% of the rates set by the National Health Service. Also, you should pay attention to the US, where part of the budgetary expenditures for healthcare are the highest - almost 40% of the total healthcare expenditures, although private medical insurance is widespread in the United States. These costs have increased recently (compared to the previous 20%) after the introduction of a guarantee’s program and an obligation to insure all citizens (NHS, 2019).

2. Literature review

The formation of social policy in the sphere of health is caused by the deterioration of public health and by necessity to solve problems of medical and social nature at a whole new level (Tsiborovsky, 2003). It should be noted that the social component of the state policy in the sphere of public healthcare is realized, first of all, based on the interaction and the ability to adapt the human body to the social environment (Bodnar, Mirkovich, Koval, 2019). Analyzing this situation, it’s worth noting that in the direct process of interaction between the human body and the environment, the last has a significant impact on health, depending on a number of factors, such as environmental situation, which includes both chemical and biological state of the environment, industrial production, which pollutes the environment with gaseous emissions and others.

Today the topical issue in the sphere of the public health services is the demographic situation in the country, which indicates an increase in the number of older people and a rapid reduction in the number of births and persons of working age. The level of development of medicine and health services in general contributes to the continuation and maintenance of life of the elderly people.

Some aspects of the legal regulation of relations in the sphere of medical care, including primary, have been considered in the writings of famous scientists, for example, Senyuta (2008) considers that medical care is a type of professional activity that includes a set of measures aimed at prevention, diagnosis, treatment and rehabilitation, with the aim of preserving, strengthening, developing and, in case of violation, restoring the maximum attainable level of physical and mental state of the human body, performed by
healthcare professionals who are entitled to it in accordance with current legislation. Shemshuchenko (2003) signified the understanding of medical care as a complex of measures of medical and social character, which includes preventive, therapeutic, diagnostic, rehabilitation, prosthetic, orthopedic and dental care as well as child care, care of sick people and disabled people. Prasov (2007) defines health care as medical services that include measures aimed at improving and treating patients in a condition that, at the time of their delivery, threatens their life, health and efficiency. In turn, Samofal (2013) notes that the proposed definition needs clarification, explaining that explaining that the widespread view of the definition of medical care is a broader category than that of medical services.

However, in the works of these scientists questions about the main purposes and powers of the National Health Service of Ukraine, sphere of healthcare, including primary care, are in the process of reforming. In the Decree of the President of Ukraine “On the Strategy of Sustainable Development “Ukraine 2020” of January 12, 2015 № 5/2015 (President of Ukraine, 2015), the main goal in the sphere of healthcare reformation is marked by cardinal, systematic reformation aimed at creating a patient-oriented system, capable of providing health care for all Ukrainian citizens at the level of developed European countries (Popova, Koval, Antonova, Orel, 2019; Kostetska, Khumarova, Umanska, Shmygol, Koval, 2020). The main directions of the reforms should be raising the personal responsibility of citizens for their own health, providing them with a free choice of health care providers of appropriate quality, providing for this targeted assistance to the most socially vulnerable groups of the population, creating a business friendly environment in the healthcare market.

3. Results

The World Health Organization pays considerable attention to the creation of effective national health systems. WHO notes that healthcare systems must meet the needs of the population for affordable and high-quality health care, while protecting the public from the financial risks as a result of illness (Figueras, 2002). One of the main directions of reformation in the sphere of medicine in Ukraine is the
reorganization of primary care on the basis of family medicine, which is carried out in accordance with the Law of Ukraine "On amendments to some legislative acts of Ukraine on improvement of legislation on the activities of health care institutions" of 6 November, 2017 (Verkhovna Rada of Ukraine, 2017) and in accordance with the Law of Ukraine "On state financial guarantees of public health services" of October 19, 2017 (Verkhovna Rada Ukraine, 2017). One of the measures provided by the Act is the introduction of an electronic health system. Article 2, paragraph 2 of the said Law stipulates that the electronic health care system is an information and telecommunication system that provides automation of accounting of medical services and management of medical information by creating, placing, publishing and sharing information, data and documents in electronic form, the system includes a central database and electronic medical information systems, among which automatic exchange of information, data and documents through an open source interface is provided.

All data about a person's referral to a doctor will be recorded in the eHealth system, the activity of which is regulated in accordance with the resolution of the Cabinet of Ministers of Ukraine "Some issues of the electronic health care system" of April 25, 2018 No. 411 (Ministry of Health of Ukraine, 2018c), which approved "The order of functioning of the electronic health system". One of the most important measures of medical reform is the signing of a declaration about the choice of a doctor who provides primary care. Each person will be able to choose a primary care physician, such as a pediatrician, therapist or family doctor. According to paragraph 3 of the resolution of the Cabinet of Ministers of Ukraine “On approval of the procedure for selecting a primary care doctor and form of a declaration on selecting a primary care doctor” of May 19, 2018 No. 503 (Ministry of Health of Ukraine, 2018a) declaration is a document confirming the wish of the patient (his legal representative) to choose a doctor to provide him with primary care.

In accordance with Article 11 of the Law of Ukraine "On state financial guarantees of public health care", by signing a declaration on the choice of a doctor who provides primary care, the patient (his legal representative) provides an agreement to access
information about him contained in the electronic healthcare system to a such doctor, as well as other doctors directed by him to the extent necessary for the provision of medical services by such doctors.

According to the order of the Ministry of Health “On approval of the procedure for selecting a primary care doctor and form of a declaration on selecting a primary care doctor” a patient (his legal representative) has the right to choose a doctor who provides primary care, regardless from the registered place of residence of such patient, from the number of persons specified in the contract on public health services concluded between the respective primary care provider and the National Health Service of Ukraine.

Paragraph 4 of the above Order states that the scope of practice may differ from the optimal depending on the socio-demographic, infrastructural and other characteristics of the territory within which the persons belonging to the respective practice reside. However, it’s unclear how many people in maximum may receive primary medical care from one doctor, taking into account the peculiarities of Ukraine's political and territorial structure, namely the division of the state into administrative-territorial units, with a population of between 500 and 2000 people.

Also, in accordance with paragraph 7 of the Procedure of selecting a primary care doctor, a primary care doctor may decide to provide individual primary care services at the patient's place of residence (or stay) or using telecommunications equipment in accordance with the primary care provider's operating mode. However, the list of such individual primary care services isn’t indicated that there is a gap in the legislation. According to the Procedure, doctors will be able to work in state (polyclinics, hospitals, paramedics) and private institutions. It should also be noted that from the number of patients who have trusted the doctor their lives, doctor’s salary will depend.

According to Article 35-1 of the Healthcare Legislation Basis of 26 January 1993, 2427 - VIII (Verkhovna Rada of Ukraine, 1993) primary medical care is a medical care that provides consultation, diagnosis and treatment of the most common diseases, traumas, poisonings, pathological, physiological (during pregnancy) conditions, implementation of preventive measures;
referral according to the medical evidence of the patient who doesn’t need emergency medical care to provide him with a secondary (specialized) or tertiary (highly specialized) medical care; providing emergency medical assistance in the event of a physical or mental health disorder for a patient who doesn’t need emergency, secondary (specialized) or tertiary (highly specialized) medical care. The reorganization of medical institutions into communal non-profit enterprises will contribute to the increase their independence in economic and management matters, will stimulate the improvement of quality of medical services and increase the economic efficiency of the of assets use (Tamosiuniene, Demianchuk, Koval, 2019; Yankovyi et al., 2020).

Autonomization implies that hospitals can acquire the status of a non-profit communal organization. Hospitals now operate as budgetary institutions under budget law and with vertical management. Their managers have no discretions and are guided by orders from above (Ministry of Health of Ukraine, 2017).

One of the key purposes for the government, after the signing by the President of Ukraine of the Law of Ukraine "On state financial guarantees of public health services" of October 19, 2017 (Verkhovna Rada of Ukraine, 2019), was the creation of the authority whose activity will be implemented through the implementation of policy in the sphere of public health care. According to the decree of the Cabinet of Ministers of Ukraine “On establishment of the National Health Service of Ukraine” (Ukraine” (Cabinet), such authority became the National Health Service of Ukraine. According to paragraph 1 of the Regulation on the National Health Service of Ukraine, approved by the resolution of the Cabinet of Ministers of Ukraine “On establishment of the National Health Service of Ukraine” (Cabinet of Ministers of Ukraine, 2018a), the National Health Service of Ukraine is the central executive authority, whose activities are directed and coordinated by the Cabinet of Ministers of Ukraine through Minister of Health, who implements the state policy in the sphere of state financial guarantees of public health care.

According to paragraph 3 of the mentioned Regulation, one of the purposes of the National Health Service
of Ukraine is the implementation of the state policy in the sphere of public financial guarantees of public health services under the program of state guarantees of public health services (the program of medical guarantees). However, the Regulations also set out other purposes, such as the fulfillment of the functions of the client of medical services and medicines under the program of medical guarantees and submitting to the Minister of Health proposals for ensuring the formulation of state policy in the sphere of state financial guarantees of public health care.

It should be noted that primary care medical institutions will receive funding from the National Health Service of Ukraine. Also, the National Health Service of Ukraine is a national insurer that will make contracts with healthcare institutions and purchase public health services from them. The National Health Service won’t own the funds allocated from the state budget to pay for public health services. The money will be stored in treasury bills. The National Health Service of Ukraine will monitor compliance with the terms of the contract (Ministry of Health of Ukraine, 2017). This principle of payment for medical services is called "money follow the patient." Strategic procurements of medical services will be carried out by the National Health Service of Ukraine. In the framework of the guaranteed package of medical services, in particular, for primary medical care 19.1 billion UAH was allocated, that is 11% more than last year. Just because The National Health Service of Ukraine will be created- to pay for services. (National Health Service Ukraine, 2020).

It should be noted that the national legislator doesn’t take into account the experience of foreign countries, such as Poland, which has already undergone medical reform, when establishing the National Health Service of Ukraine. After the restoration of independence in 1989, Poland initiated a number of reforms, including in the sphere of healthcare. The Semashko’s system has been transformed into social medical insurance, which covers about 98% of the country's population. Poland has switched to the Beveridge system, which, unlike social medical insurance, is funded by government revenues since 2018 (Chmel, Pustovoit, Schmigel, 2018). Similar to the Ukrainian National Health Service is the Polish National
Healthcare Fund (Narodowy Fundusz Zdrowia), established in 2003. In order to receive medical care in a neighboring country, it’s necessary to be insured with the National Healthcare Fund.

First of all the main purposes of the Fund are the management of the funds transferred to its disposal, as well as the financing of benefits in the general healthcare system. Promoting a healthy lifestyle, developing and implementing programs in the sphere of healthcare are the purposes of Narodowy Fundusz Zdrowia in Poland in addition (Narodowy Fundusz Zdrowia in Poland, 2017).

That’s why it’s expedient to add to the list of purposes set to the National Health Service of Ukraine: "propagating preventive measures to promote healthy lifestyle", because preserving and maintaining public health is an integral part of the sphere of medical care. According to the data of the Ministry of Health of Ukraine, the National Health Service of Ukraine started its work in June 2018. Medical institutions (workers) who provide primary care should make a contract on public health care with the National Health Service, according to which they will receive salary of Ukraine.

The Decree of the Cabinet of Ministers of Ukraine “Some issues concerning contracts on public medical care under the program of medical guarantees” of April 25, 2018 No. 410 (Cabinet of Ministers of Ukraine, 2018b) approved the Procedure of conclusion, amendment and termination of the contract on public medical care under the program of medical guarantees which extends to the conclusion, modification and termination of the contract between the National Health Service of Ukraine and healthcare institutions regardless of the form of ownership or individuals-entrepreneurs which were licensed, according to the law, to conduct business activity in medical practice. The Procedure also states that an entity which wish to make a contract with the National Health Service of Ukraine must be registered in the system and ensure registration in it its authorized persons and medical professionals who will be involved in the implementation of the contract. At this period of development Ukraine is going through difficult times. Situations that have been going on for several years in the East, annexation of the Crimea, have led to a significant increase in the number of stateless persons and foreigners. According to the
statistics of the State Migration Service of Ukraine, as of January 1, 2019, are registered 107,369 foreigners and stateless persons (State Migration Service of Ukraine, 2019).

It should be mentioned that in accordance with the order of the Ministry of Health "On approval of the Procedure of selecting a primary care doctor and declaration forms on the choice of a primary care doctor" of March 19, 2018 No. 503 (Official Journal of Ukraine, 2018) the patient has the right to choose a doctor who provides primary care regardless of the registered place of residence of such patient among the persons specified in the contract on public health care concluded between the relevant primary care provider and the National Health Service of Ukraine. The Ministry of Health notes that any person who resides in Ukraine, regardless of their place of registration, can sign up a declaration with a family doctor, therapist or pediatrician. If you don’t have a Ukrainian citizen's passport, you can submit other documents required by law. If it’s not possible to submit a Ukrainian citizen's passport to sign up a declaration on the selecting of a doctor, any person who is entitled to reside in the territory of Ukraine may submit one of the documents: temporary certificate of the citizen of Ukraine; Certificate of permanent residence in Ukraine; refugee certificate; certificate of the person who needs additional protection.

For internally displaced persons, there is no obstacle to signing up a declaration with the chosen doctor, regardless of the place of registration. If you have a Ukrainian citizen's passport, no additional information other than an individual tax ID is required (certificate of internally displaced person is not required) (Ministry of Health of Ukraine, 2018b). It should be noted that with the reformation of primary care in Ukraine, such a conscious approach of the legislator to special sections of the population testifies about the desire to improve the lives of persons living in the territory of Ukraine, in particular in the sphere of primary care.

One of the important steps to improve the level of primary care is to provide primary care services, which will be provided free of charge. In fact, the national solidarity system of medical insurance has started operating in Ukraine since 2018. All services, analyzes, researches, medicines provided under the state medical insurance program are 100 percent free.
of charge (Ministry of Health of Ukraine, 2017). As the National Health Service of Ukraine is the central executive authority, one of the main purposes of which is to compensate the financial expenses for providing medical services through the state budget of Ukraine, it’s worth paying attention to the order of the Ministry of Health of Ukraine (2018) “On approval of the procedure for providing of primary care” of March 19, 2018 No. 504, which approved the list of primary care services to be provided free of charge. So, it’s worth agreeing with the Recommendations of the parliamentary hearings on "On healthcare reform in Ukraine" approved by the Cabinet of Ministers of Ukraine (2016) of April 21, 2016 No. 1338 - VIII, as the relevance of medical reform is extremely high, because this extremely important area of social life has suffered for many years from inconsistent socio-economic policy and, unlike other sectors, is still operating under an outdated, inefficient management and funding model (Bagmet, 2018; Borychenko et al., 2019; Bukanov et al., 2019).

The reformation of the medical sector, including primary care, is one of the main components of socio-economic changes in Ukraine. First of all, such changes should be made taking into account the interests of each person living in the territory of Ukraine, as well as structured, and made step-by-step (Kornilova, 2019).

4. Conclusion

The state policy system in the sphere of financial guarantees of public health care, including the primary care, is still in a condition of reformation, that testifies about the seminal work of the national legislator on improving the healthcare sector in Ukraine. The national legislator tries to improve the healthcare system of modern Ukraine, which came with the independence of our state from Soviet times by implementing new ideas, projects and reforms. The results that are currently being achieved thanks to the ongoing medical reform show a number of unresolved issues and inconsistencies in the area of financial guarantees for public health services, but for example, the system "money follow a client" is gradually becoming a generally accepted fact that has only a positive effect not only for economy, but also in medicine sphere. The National legislator has implemented a large number of bills due
to the “National strategy for health care reform in Ukraine for the period 2015 – 2020, but a large number of issues related to the implementation of the state social policy in the sphere of public financial guarantees of public health services needs clarification, refinement and scientific research. It should also be noted that the current situation in Ukraine, namely the coronavirus pandemic (COVID-19), is once again experiencing the strength of Ukraine's current health care system.

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