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**Development of medical insurance
in the Russian Federation. At the crossroads. What's next?***I. M. Akulin¹, L. Yu. Zhiguleva²*¹ St. Petersburg State University,

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The RF health care reform is gaining momentum. A thorough consideration should be given to the discussion on the need to exclude health insurance companies from the compulsory health insurance system (CHI). Formation of the National Health Care System of Russia is the main problem of the national health care at this stage of reforms. As it is known in the territory of the Russian Federation today there are three main systems: state, private and municipal. Each of which has its advantages and disadvantages. The state (Federal) and municipal health systems are United by the common term “public health”. It is a system of scientific and practical measures, as well as providing their structures of medical and non-medical nature, the activities of which are aimed at the implementation of the concept of protection and promotion of public health, prevention of diseases and injuries, increasing the duration of active life and working capacity by combining the efforts of society. Additional payment for medical services in the CHI by the general public is not advisable. It is necessary to change the concept of additional service, its legal status and to regulate the basic provisions. Changes in the regulatory framework of the CHI system is deemed to be the basis for reforming the system of compulsory and voluntary health insurance in Russia. The article describes the main problems of the CHI system in Russia. This applies not only to the legal regulation of the system, but also to the financing of the system, its feasibility and economic efficiency. Also in the article the variants of the decision of reforming of insurance in the medical sphere are specified. The main regulatory and legal criteria for the provision of compulsory and additional health insurance of the population are presented. We have developed a new algorithm for solving problems in the CHI system.

Keywords: national health care system, health insurance organizations, health care reform in Russia, paid medical services and CHI.

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Introduction

The objective to improve substantially the public health in the Russian Federation through the development of health care services has been stated in the Decrees of the President of the Russian Federation as of May 7, 2012: “On improvement of the state policy in the health care” (No. 198) and “On measures to implement the demographic policy of the Russian Federation” (No. 606). In these documents it is planned that by 2018, life expectancy of Russian citizens should increase from 70.3 to 74 years, while the population — from 143 to 145 million people. The CHI reform is connected with the unresolved issues of national health care:

- shortage of medical personnel (especially in primary care) and disproportion in its structure. Ratio of doctors to nurses (1: 2.5);
- inadequate qualification of medical personnel, problems of basic medical education, lack of continuity of postgraduate education, insufficient introduction of modern educational technologies;
- inadequacy of the provision of health care services under government-funded health care program, as compared to the “new” EU countries, including the amount of medicinal products (MP) provided under outpatient treatment (4.8 times less) and low levels of high tech medical care (HTMC) (5–7 times less);
- incompatibility of the medical care organization with modern health care technologies, including non-optimal structure of hospital bed stock — excessive and poorly equipped beds for intensive care and urgent treatment of patients; shortage of aftercare beds, too short periods of care;
- non-systematic management, including the lack of a health care development strategy, lack of responsibility and accountability of managers at all levels for achieving the results of the established indicators, and also inadequate and controversial legal framework for health protection.

Methods

It is to be recalled that the compulsory health insurance system is one of the types of social insurance, a form of social protection for the population of the Russian Federation. As such, the CHI is under the protection of the Government and is given the political, economic, legal guarantees on the basis of the Constitution. This means that the main principle of the compulsory health insurance is to provide, through funds of the compulsory health insurance, guarantees of free health care to insured persons in case insured event occurs in the framework of compulsory health insurance programs [1]. Therefore, changes in the CHI policy, the introduction of paid services, co-payment of the population in the sphere of CHI should be carefully thought out. One of the important points in the CHI is a state guarantee of observance of rights of insured persons to protection against insurance risks and performance of obligations under the CHI, regardless of the financial standing of the insurer. Financial stability of the health insurance company (HIC) is one of the main criteria for ensuring economic guarantees for the CHI system. In this regard, the measures proposed by the Government to consolidate the HIC, increase the authorized capital, have sufficient experience in the CHI/VHI system are justified conditions to work in the health insurance market and to achieve financial sustainability of the compulsory

health insurance system of the Russian Federation. This also contributes to ensuring the accessibility and quality of care provided under the compulsory health insurance programs. To discuss the feasibility of changes in the CHI system, we first need to understand what are the main principles of the reform, taking into account all sources of financing and implementation and the annually approved Government Guarantee Programs of the Russian Federation, what is the role of the governments of the constituent entities of the Russian Federation, and the applicability of the private health care system.

An important document in this connection is the RF Health Care Development Strategy until 2030 [2] which is based on the principles and norms of the Constitution of the Russian Federation, international law, international treaties of the Russian Federation in the field of health protection; the Federal Law No. 172 dated June 28, 2014, "On Strategic Planning in the Russian Federation", other federal laws, the Concept of Long-Term Social and Economic Development of the Russian Federation for the Period to 2020 as approved by the Decree of the Government of the Russian Federation as of November 17, 2008. No. 1662-p and other acts of the President and the Government of the Russian Federation.

Results

One of the fundamentally important sections of the Strategy is the formation of the National Health Care System. A system that unites all medical organizations, regardless of the form of incorporation and departmental affiliation, and operates within the framework of a single regulatory and legal framework (uniform requirements for quality and access to health care, medical personnel qualification, etc.) and a unified government, expert and public control. The primary areas of development of the National Health Care System of the Russian Federation include:

1. Improvement of the Government Guarantee Program.
2. Development of the CHI system based on the principles of solidarity and social equality and expansion of insurance principles.
3. Development of supplemental health insurance (in addition to the compulsory health insurance) when providing insured persons with additional medical or other services not covered by the Government Guarantee Program for the provision of free medical care.
4. Development of public-private partnership in health care.
5. Development of noncommercial medical organizations to be formed on the basis of territorial and professional principles.
6. Introduction of mandatory accreditation of medical personnel.
7. Informatization of health care.
8. Building of a vertical supervision and control system in health care.
9. Provision of pharmaceuticals and medical products.
9. Accelerated innovative development of health care based on the results of biomedical and pharmacological research.
10. Expansion of an open dialogue with civil society, development of public control.
11. Development of international relations in health care and enhancement of the role of Russia in global health care.

Without addressing these issues, it is not possible to build a new CHI system. Development of the National Health Care System of the Russian Federation — a system that unites all medical services and organizations, irrespective of the form of incorporation and departmental affiliation, and operates within the framework of a single regulatory and legal framework (uniform requirements for quality and access to health care, medical personnel qualification, etc.) and a unified government, expert and public control. Since the Government Guarantee Program includes not only the financial flows of the CHI, but also the budgetary process, it is important to understand that the objectives set by the Government for the Russian health care system are large-scale objectives which do not completely depend on the CHI system [3]. Proposals only with regard to the conditions for controlling the financial flows, and not the assessment of “organization of health care and quality control of the insured” as a whole within the competence of HIC would not be enough to solve the strategic objectives of health care reform in the Russian Federation. With regard to relevance of the work of HIC in such conditions, a more radical measure would be, along with financial control by the Government, the liquidation of the HIC as participants and the final transfer of these functions to insurers of the Federal Compulsory Health Insurance Fund (FCHIF) or the Territorial Compulsory Health Insurance Fund (TCHIF). Assessment of the effectiveness of the health care system of a certain constituent entity and the Russian Federation as a whole can be carried out using well-known integrated indicators, including medical and demographic indices, indicators of the functioning of medical organizations, including of the assessing the quality of health care and patient satisfaction, etc. HIC, as a key player (financial agent of the TCHIF) must be assessed not only by its financial performance, but also by the core medical and demographic indices and the activity integrated assessment indices of medical organizations [4]. As is known, HIC is responsible for the quality and organization of health care, but how this assessment is done in reality, it is not clear.

Conclusions

Primary objectives of the National Health Care System of the Russian Federation shall be as follows:

- Clear definition of types, forms and conditions of health care services covered by the Government Guarantee Program;
- Specification of the conditions for free medical care to citizens, of certain categories of citizens;
- Completion of the formation of a three-level health care system in the constituent entities of the Russian Federation in order to ensure the quality and timeliness (availability) of health care services;
- Improvement of primary health care, taking into account the priority of wide-scale prevention on the basis of both population-based and patient-specific methods, with the development of telemedicine and mobile forms of provision of health care services.

The formation of the territorial specifics of the preparation and implementation of the Government Guarantee Program should not misrepresent the basic standards and trends laid down in the Program. Therefore, strengthening of state control over the forma-

tion and implementation of territorial Government Guarantee Programs is required, as over the observance of uniform national-wide requirements for the procedures and conditions for free medical care and equal rights of citizens to health protection throughout the Russian Federation. Health insurance companies (HIC) should provide their information based on the experience of work in the territory to take into account the territorial specifics. There is no doubt that inclusion of private medical organizations in the Government Guarantee Program is a positive feature of the Russian CHI system, as this facilitates the development of competitive environment in health care, thus increasing the quality of and access to health care services. However, this does not prove the need to include health insurance companies in the CHI system, since the role of “financial agent” and supervisor of quality of health care services can easily be assumed by the TCMIF of a constituent entity of the Russian Federation. Nowadays, the modern regulatory framework has substantially defined the uniform requirements for the health infrastructure, the logistics of health care, its quality and accessibility, the qualifications of medical personnel (accreditation), for medical organizations of any form of incorporation and departmental affiliation. In view of increase in the number of non-governmental medical organizations, as also in the scope of health care services provided by them within the framework of the Government Guarantee Program, the most important function of the state is still the control and supervision of the entire health care system, irrespective of the form of incorporation and departmental affiliation of medical organizations and other organizations licensed for medical activities. Thus, the national health care system has a formed regulatory framework for the transition of the health care system operation to uniform rules and standards, regardless of the form of business entity of medical organizations.

Is there a place for the private insurer in the National Health System? Surely there is, but in our opinion, only in the VHI system, which must be reformed drastically, while creating conditions for its development. Hopes for “co-financing” in the CHI system of the population, in our opinion, can cause serious discontent among the general public. Moreover, today, in accordance with the WHO strategy related to the rise in the cost of health care services and their inaccessibility for the world’s population in the near future (by 2050), it is necessary to revise the health care development strategy of all countries including the Russian Federation, with its reorientation to life-saving behavior [5; 6].

Effective, proven and internationally recognized are health-saving technologies based on:

- mass health screenings as part of preventive medical examination (identification of the individual integrative risk of non-infectious diseases, early detection of vascular, oncological and other diseases);
- follow-up care for persons suffering from chronic diseases or having a high integrative risk of acute diseases;
- early correction of risk factors and increasing commitment of the population to treatment of diseases at the stages of maximum curability;
- mass immunoprophylaxis within the framework of the National Vaccination Schedule;
- a coordinated, consistent and quick operation of emergency medical services, ambulance services and emergency specialized medical services — in case of the acute pathology;

- a developed specialized medical care with a share of high-tech health care increased;
- interdisciplinary aftercare.

These indicators are fundamental for assessing the effectiveness of the health care system in general and a certain constituent entity of the Russian Federation. Along with that, interregional differences in the financial support of the health care sector are still there. Given the underfunding of health care in general, most of the state guarantees declared in the relevant Program are not actually covered by funding. The “shadow co-payments” of the population for all the main types of medical care are common now [7]. A withdrawal of unrecorded paid services from the shadow in the Russian Federation is possible only on the basis of the development of a private health care system and affordable VHI. However, if we introduce the CHI+, a system of obligatory “co-payments”, the release from this duty for disadvantaged social groups must be provided (i.e. for old age pensioners, veterans of wars, the disabled and students, and other disadvantaged persons). Instead of CHI+, perhaps it would be more properly to introduce a small fee for the prescription (according to the UK experience). Also, the overlap of VHI and CHI programs in state and municipal medical organizations causes a strong objection. It is not possible to separate medical services from each other within one health care organization, without compromising their quality. However, the compulsory nature of CHI+ could be combined by this additional source with the “public funds of CHI”, provided that certain payment is made for simple and understandable services to the population, at the same price for all citizens — it is quite an acceptable option. The fact is that the health care system of the Russian Federation is financed from governmental (public) and non-governmental (private) sources.

Discussion

It should be noted that allocating only one source (insurance premiums) to increase health care financing to 6 % of GDP in the Russian Federation is clearly not enough (even if the insurance premium rate is increased to 5.1 % of the wages fund, from 2011). This is due to the fact that:

- 1) in order to achieve a share of government spending of 6–7 % of GDP in other countries, the premium rate is on the average 14–15 % of the wages fund;
- 2) in addition to insurance premiums, health care in these countries is funded from taxes by 20–25 %;
- 3) the share of wages in the structure of GDP in the Russian Federation is lower than in developed countries, and according to Rosstat data, it is about 36 % (versus 55–70 %), excluding undisclosed earnings.

Therefore, we should not expect that citizens’ money would be sufficient to maintain the RF health care system at the appropriate level.

When discussing the formation of income producing sources of funding the health care of the Russian Federation, one should speak not only of increasing the insurance premium rates, but also of additional sources: the centralized budget.

In this connection, the long-overdue question of reducing the list and scope of medical services of the CHI Basic Program and creating a “social minimum in the CHI” is

acute, this is a political decision, but this will allow developing the VHI system irrespective of the CHI and making VHI available for wider population.

The scientific calculations of health economists are the rationale for this provision. If we increase the state funding of the health care in the Russian Federation from the level of 2011 by 1.5 %, then it will be about 6 % of GDP, as is in the “new” EU countries that have GDP per capita close to that in Russia [4].

Achieving the state funding of health care at 6 % of GDP is fundamental for the effective functioning and development of health care in any developed or developing country. If such funding is not secured, then most likely, the overall mortality rate will remain at 13.5 % per 1 thousand or yet somewhat increase, instead of the expected reduction of this index to 11.0 by 2018. If birth-death ratio decreases from 2011 till 2018 to 11.0, then it will be possible to save 1.25 million lives, about 0.9 % of the population of the Russian Federation.

In recent years, spending on treatment and aftercare services has increased to 63 %. Spending on medicinal products (MP) is 21 % of the total health care expenditure. In the spending pattern: 50 % is spent on hospital care services, while 48 % — on outpatient care services. Thus, the existence of multiple payers and spending units makes it difficult to manage public funds effectively, dilutes the responsibility for implementing the Government Guarantee Program, causes unnecessary administrative costs and duplication of functions, which clearly points to the need to exclude private insurers from the CHI system and reorient them to VHI programs.

Despite the fact that the financial figures and expertise of HIC are impressive, the population cannot appreciate in value the performance of the insurance system. Discussions on the feasibility of preserving HIC in the CHI system continue. More relevant are the CHI optimization options proposed in the society. Transition to a budgetary model of health care is no longer possible, because with liquidation of the Compulsory Health Insurance Fund and its branches and insurers, the Government has to revert to the budget and estimate state funding. The equalizing principle of remuneration of labor (at certain rates) will return. At the same time, availability of health care services at a fee in the private sector will only increase due to a lack of funding. The significance of primary care will decrease. The “dependent” quality system of medical care will return, with refusals to provide medical assistance when plan is accomplished. Due to the new CHI reform, the social conflict in health care will increase. In this regard, it will be difficult to orient the patient to life-saving behavior and effective use of medical care and medical services. In the context of a managed health care system, the principles of active clients (sick and healthy) are being formed in many countries. Modern management is targeted at patients. Tools are being developed aimed at activating the health and independent efforts of patients. The patient should understand that such behavior will reduce the spending on medical care, therefore it is necessary to preserve the system of minimal “co-payments” (direct or through the VHI).

The preservation of the system with the participation of insurance companies is possible if they connect to the problem of disease risk prevention and revive a special fund of preventive measures that does not work under the modern conditions.

The progressive development of health care should take into account the full range of relationships between the state and non-state segments of the industry. Particular attention should be given to the development of voluntary health insurance which is sup-

plementary to the CHI (CHI+), as this will not impede the development of innovative medical technologies, but actively introduce them into medical practice, while bringing additional financial resources to the system.

It is important that in the implementation of medical activities using all available capacities of the domestic health care (the Government Guarantee Program, CHI+, VHI, paid services), a clear distinction between “paid” and “free” health care must still be there.

It is necessary to improve the vertical government control over the activities of all participants of the National Health Care System in terms of access to, timeliness, quality and safety of medical care. All activities of the National Health Care System should be based on an open dialogue with civil society, professional medical non-profit organizations and patients.

The availability of the very possibility (Decree of the Government of the Russian Federation On approval of the rules for the provision of paid medical services to the population by medical institutions” No. 27 as of January 13, 1996, the Federal Law No. 323 “On the Fundamentals of Public Health Protection in the Russian Federation” as of November 21, 2011) of paid services in national and municipal health care institutions is the evidence that the state admits that it cannot ensure the declared government guarantees to the population. This indicates a shortage of funds in the state (solidarity) system, which results in the fact that solidarity (public) forms of payment for medical care are replaced with personal expenses of the population. However, because of paid medical services, health care providers partially subsidize free medical care, since the funds received go for additional payments to personnel, repairs of the infrastructure, purchase of supplies, but this method of redistribution of resources is inefficient and poorly regulated.

At the same time, according to many researchers [7], some medical services are excessive, for example, a number of preventive examinations. Combating the excessive medical services in health care is as follows:

- development of a national electronic information system that implies the timely and comprehensive provision of information exchange based on the use of information and communication technologies: availability of medical care;
- advanced training of health management professionals, for the efficient operation of the industry and resource consumption;
- widespread introduction of information systems in medical organizations that automate the organizational, treatment and diagnostic processes, which will ensure the keeping of the electronic health record containing the necessary information about the patient and providing access to federal information resources in order to support making timely decisions.

On the other hand, the insurance system gives rise to new problems, — the priority placed by medical personnel around the world is not the quality of diagnostics and treatment anymore, but the prevention from being subjected to professional liability, which is reflected in the unreasonable appointment of additional diagnostic procedures resulting in an unjustified increase in spending on health care. Doctors try to avoid being held liable and deliberately refuse medical interventions associated with increased risk. The phenomenon of protective medicine gains an increasingly strong foothold in the world. The final report of the Italian Parliamentary Commission of Inquiry on Health Care Mistakes and Causes of Losses in the Regions indicates that the budget

expenditure on the protective medicine in 2015 amounted to more than 12 billion euros, which is about 0.75 % of Italy's GDP and only slightly less than spending on scientific research and on development. This is another source of reducing the expenditure on the health care system in any country.

What must be done in our opinion to improve the effectiveness of the RF insurance system. Participation of HIC and TCHIF in assessing the effectiveness of the constituent entity of the Russian Federation, their role in improving the quality and medical and demographic indicators of the Region.

To do this, it is necessary to create a Coordination Council for assessing the effectiveness of the health care system in the constituent entity of the Russian Federation, which will consist of representatives of:

- The administration of the constituent entity;
- Health authorities;
- TCHIF;
- HIC or Association (SRO) (if available);
- Association of medical organizations or professional association of doctors (medical workers);
- Legislative authorities;
- A human rights organization (representative of the human-rights ombudsman in the region).

The objectives to be set for the Coordination Council of a constituent entity of the Russian Federation shall include:

- An integrated assessment of the effectiveness and performance of health care system in Russia in the context of the RF constituent entities and in comparison with developed countries;
- Practical use of incidence rates for assessing and analyzing the state of public health and the end results of health care services.

The main objective of the government authorities of the constituent entities of the Russian Federation is to develop effective regional management systems.

Since 2007, the effectiveness has been assessed in accordance with the Federal Law No. 184 as of December 27, 2002 (the President sets out a list of indicators to assess the effectiveness of the authorities in the region).

The Decree of the President of the Russian Federation No. 825 “On the assessment of effectiveness of the government authorities of the constituent entities of the Russian Federation” as of June 28, 2007 contains a list of effectiveness measures of the health care system of the constituent entity. As the Decree of the Government of the Russian Federation No. 322 “On measures to implement the Decree of the President of the Russian Federation No. 825 dated June 28, 2007” as of April 15, 2009 and the Decree of the Government of the Russian Federation No. 608 as of August 14, 2008 (as amended by the RF Government Decree No. 614 dated July 27, 2009) “On approval of the rules for making grants for constituent entities of the Russian Federation to facilitate the achievement and (or) reward for the achievement of the performance indicators by the government authorities of the constituent entities of the Russian Federation” — the approved list includes 329 indicators, of which 73 indicators relate to health care, including health indicators.

The **final results** are health indicators of the population (infant mortality, active age population mortality), the level of implementation of main objectives of the regional authorities (average monthly nominal wages in health care institutions, population satisfaction with medical care). Efficiency of utilization of budgetary resources in health care services in the constituent entities of the Russian Federation. The volume of inefficient spending is determined in accordance with the standard or average Russian values of indicators characterizing the budgetary network in the region and its use, and in terms of human resource management — the volume of inpatient care and ambulance services. The course of implementation of institutional reforms in the RF constituent entity in health care — the introduction of new management mechanisms and their effectiveness. To compare the effectiveness of health care, an integrated assessment of the effectiveness of the RF health care system in comparison with the countries of the OECD can be used (OECD stands for Organization for Economic Cooperation and Development, which includes 29 countries (2/3 of the world's goods and services). The indicators include: population health indicators; equality of different population groups (in terms of health, the burden of medical care expenses, access to health care services); quality and safety of medical care; economic efficiency; the ability of the system to improve and to introduce innovations; personnel, the efficiency of its utilization, increase in its interest in the effective performance of the CHI and VHI systems [8]. The existence of a flexible and clear structure, a modern quality control system at all levels based on the observance of professional standards (treatment, diagnostics, aftercare, diet, janitorial services, ISO international management standard) is another discipline allowing to provide a high level of health care for patients.

All of the above issues are becoming extremely relevant nowadays. The discussion of the need for reform of the CHI system is only gaining momentum in the society, and care must be taken in the fire of this debate, since liquidation of HIC in the system of health care insurance of Russia is not the most important aspect of the reform. The Government Guarantee Program in health care and its adequate funding is the main point of discussion. And the second question is whether the population is currently able to participate in the “co-funding” of the Program, using some or other way to connect the population's funds to supporting the national health care.

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