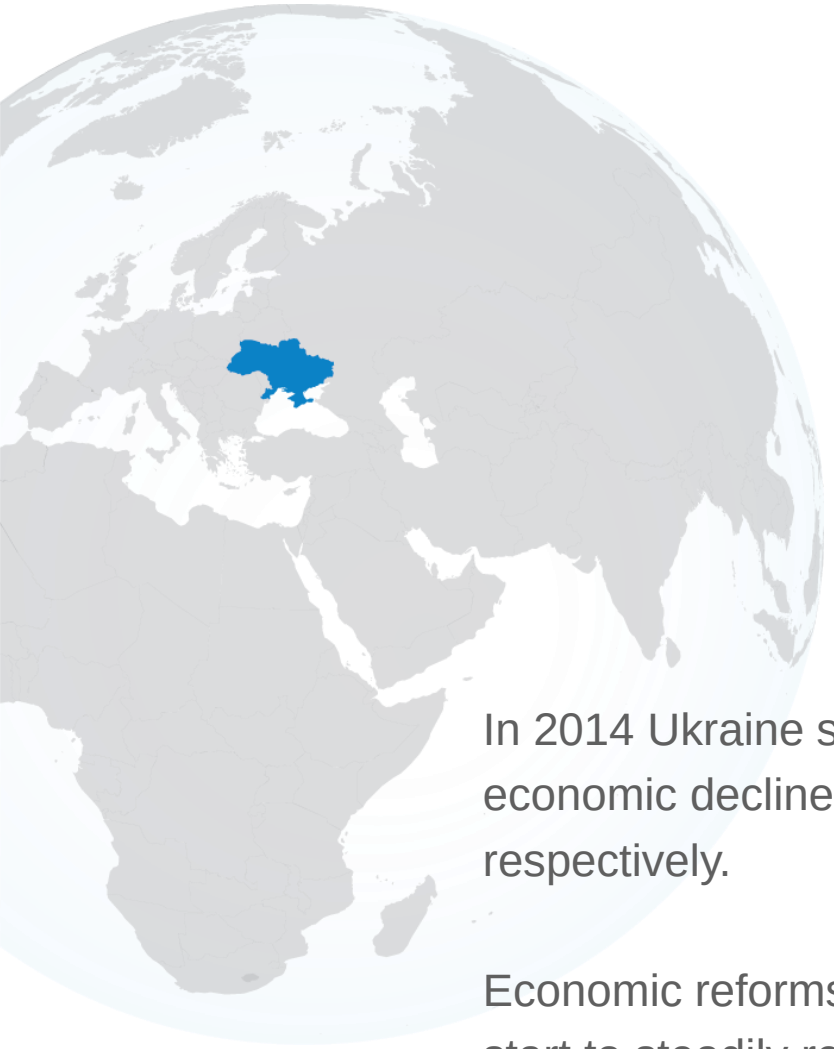
UKRAINE HEALTH REFORM

Leapfrogging to Modern Health System

UKRAINE



42,4 mln of population living on the largest territory in Europe

2 185 USD GDP per capita in 2017 after a significant drop from 4 029 USD in 2013

2,1% GDP growth in 2017, and projected 3,4% in 2018, and 2,9% in 2019

33% of GDP in the shadow economy with the trend of gradual decline of 3-4% a year

2019 is the year of parliamentary and presidential elections

In 2014 Ukraine suffered an annexation of part of its territory and the war in its Eastern part. Severe economic decline followed. During **2014-2015** economy collapsed at the rates of – **6,6%** and - **10%** respectively.

Economic reforms and macro financial aid let the economy stabilize in **2016 (1% GDP growth)** and start to steadily recover. However many challenges remain.

HEALTH SYSTEM AND HEALTH REFORM

Despite of disastrous situation in health sector, it was never attempted to be reformed. In 25 years since independence 21 draft laws on health reform were developed… only for the sake of drafting. There never was a real political will for systemic reform.

There are open-ended unlimited state guarantees for health care declared in the Constitution, though not working in real life. However most governments have chosen to stick to it rather than to change it.

In 2016 health reform was in top 3 priority reforms according to population surveys alongside with anti-corruption and judiciary system. In the fall 2016, the new government took decision to start the systemic reform in the health sector.

71,1 years the life expectancy at birth as of year 2016

7,6% of GDP total health expenditure

45,6% public health expenditure of the total

202 USD health expenditure per capita

16,2% level of catastrophic health spending

92% fear financial catastrophe because of health-related problems

THE POST SEMASHKO LEGACY

With no systemic change, defects of Semashko system Ukraine inherited got chronic and deeper. Health system in underfunded from public sources, and relies on out-of-pocket payments. Workforce in underpaid and poorly qualified.

Scarce resources are spent inefficiently. Excessive hospital infrastructure is maintained on line-item funding basis. The funds are fragmented across more than 1000 local authorities to maintain their facilities, most of which are underutilized and poorly equipped.

Primary care performs poorly, and people try to skip it the specialist care directly. The system relies heavily on hospitals, most of which provide improper non-acute services.

Reporting is paper based and non-reliable.
Data is often a subject for manipulation.

188 USD average monthly salary in health sector

7,3 hospital beds per **1000** population

13 000 feldsher points in rural areas

25,5% of patients seek care in primary level in case of illness

23,1% of patients reported they did not seek care because of financial reasons

NEW SINGLE PAYER ARCHITECTURE

After a year of fierce national debate in October 2017, the new Law "On State financial guarantees in health care" was adopted. It provides the modern single payer tax-based health financing system to launch in 2020. During the preparatory stage in 2018-2020, the gradual rollout of the new system will take place

Single national purchaser – the National Health Service of Ukraine

State Guaranteed Benefit Package paid out of national pool of funds

Purchaser – provider split and health facility managerial autonomy

Strategic purchasing of services to replace input-based funding

New payment mechanisms (capitation, FFS, PFP, case mix)

eHealth as a legal source of financial and health data

THE ROLL OUT PLAN

The reform implementation plan is a rolling out of new mechanisms by levels of care (and complexity). Each stage requires NHSU readiness to operate new financial mechanism and a respective eHealth solution to support it.

Under strict limitations in capacity, funds and time, three key directions were chosen by the reform team: NHSU launch, Primary care, and eHealth.

2018

NHSU launches

Primary care starts to operate by simple capitation model under NHSU

eHealth solution for capitation, medical record for PHC, e-Prescription

2019

PHC fully operates under NHSU, advanced capitation model

Piloting simple case mix model for chosen specialized facilities and hospitals

eHealth solution for case mix payment, advanced medical record, e-Referral

2020

State guaranteed benefit package gets into effect

Most of facilities operate under NHSU

Pharmaceutical reimbursement program is operated by the NHSU

NATIONAL HEALTH SERVICE OF UKRAINE: THE GAME CHANGER

The successful launch of the NHSU is critical for reform. The strategy of reform implies that each new stage of reform is started by the NHSU. E.g., primary care facilities start to work with capitation payment model only under the NHSU contracts. Thus, the NHSU is the main symbol of change.

- Central Public Authority operating stage budget funds
- Operates under the coordination of the Ministry of Health
- Operates the Medical Guarantees Program (Stage guaranteed benefit package)
- Main functions: strategic purchasing, contracting, control
- Contracts both public and private providers

PRIMARY CARE: THE TRIGGER FOR CHANGE

In Ukraine patients don't rely on primary care. The legacy of Soviet times gave primary care physician a ‘dispatcher’ role, who in fact, only provides referrals to other 'real' specialists.

Moreover, there is no choice and thus competition between providers. Not only because of line-item input based funding but also due to "attachment" of patients to territories.

PHC is the most underfunded level of care. As the funds are divided at the level of local authorities, PHC facilities get what is left after hospitals and emergency care receive their budget.

Workforce crisis is a natural consequence. Often a doctor gets into primary care by "negative selection" being unable to fit into other specialty. Significant share of professionals are or retirement or near-retirement age, especially in rural areas.

20%

of people know who their primary care physician is

13 000

of feldsher points are operating in rural areas

125 USD

is the average monthly salary of PHC physician

WHAT WE DO AT PRIMARY CARE IN 2018

Introduce free choice of a PHC physician irrespectively of territory and provider type

Introduce NHS funded, contract based age-adjusted capitation model

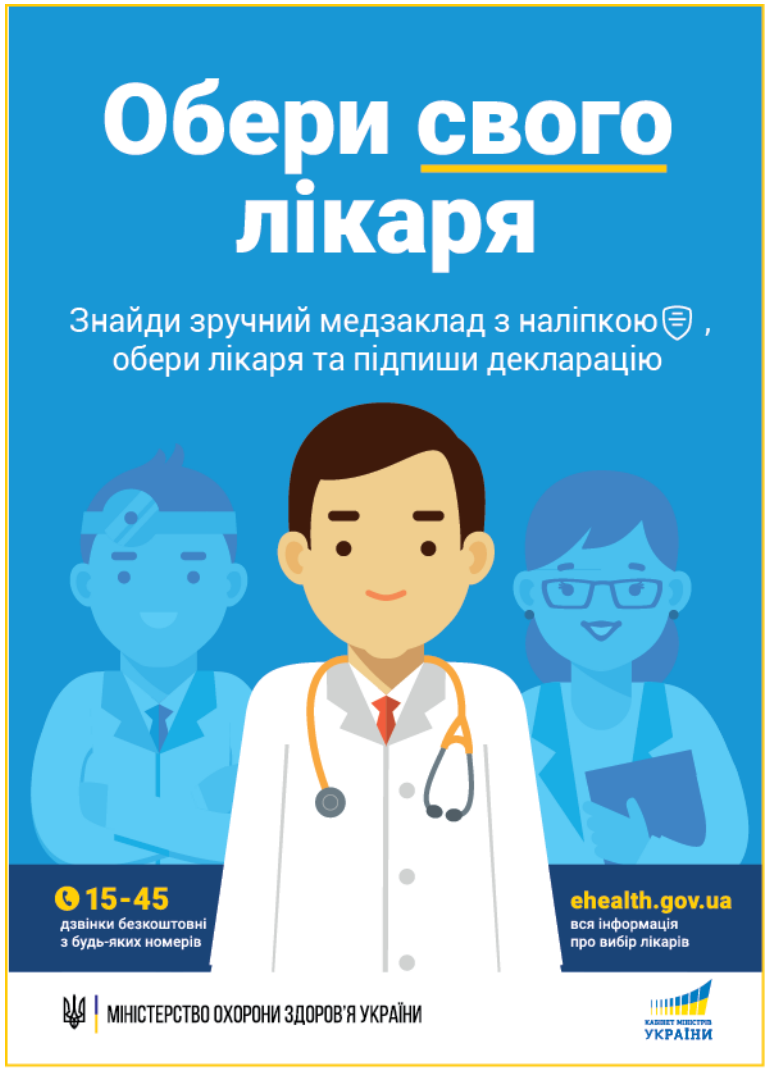
Invite private providers into the system

Introduce eHealth for financing, medical record and prescriptions

Set up service standards for providers

Training of PHC physicians and nurses in neighboring countries

NATIONAL CAMPAIGN "DOCTOR FOR EVERY FAMILY"



In April 2018 the campaign started, where people can choose a family physician, an internist ("therapist") or pediatrician freely. A patient need to sign a "declaration" with a doctor, the data is filled into national e-registry. In July, the NHSU will pay an age-adjusted capitation per declaration at a rate which is significantly higher than in traditional funding model.

More than 600 000 Ukrainians have chosen their primary care doctor in the first **10 days** of the campaign.

eHealth: THE DISRUPTIVE INNOVATION

The only option to work with the NHSU is via national eHealth system. The first MVP was developed in 2017 to serve the capitation payment scheme for the NHSU on primary care level. Registering patients to doctors, contracting and later reporting to NHSU by PHC providers will only be possible through the electronic system.

Ukraine has chosen a unique model, with central database owned and operated by the state, and providers to access the CDB through the certified commercial interfaces. Since April primary care providers choose one out of 10 web based commercial solutions for free to work with NHSU.

63%

of PHC facilities registered in the system in the first **2 weeks.**

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