

# The Role and Significance of Tools of Decentralization of the Healthcare System in Ukraine and the Republic of Poland: Medical and Legal Analysis

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## ABSTRACT

The aim of the study is medical and legal analysis of the role and importance of instruments for decentralization of the health care system in Ukraine and the Republic of Poland. It was found that the main purpose of most reforms implemented in democracies is to ensure access to certain services, to improve the quality of certain services. An important place among such reforms belongs to the field of health care, medical field. The main stages of reforming the decentralization of the health care system in Ukraine can be compared in some way with the already completed stages of decentralization of the decentralization of the health care system in the Republic of Poland. However, it should be noted at once that the Ukrainian legislation currently provides for three main stages of reform, while in the Republic of Poland, according to official data, there are five such stages. In addition, it is possible to say that although the Republic of Poland has already gone through a full-fledged process of decentralization of the health care system, but as the study shows quite a lot of negative aspects still remain, and in order to reduce such aspects in Ukraine. It was determined that today it is possible to identify the four main priority areas for reforming the decentralization of the health care system, proposed for local governments by the Ministry of Health: autonomy of medical institutions; full implementation of all declared programs ("Affordable Medicines", "Money follows the patient" and a number of others; creation of appropriate infrastructural conditions for the work of primary care physicians; ensuring transportation of patients to the primary care physician.

**Keywords:** Reform, health care system, medical branch, decentralization, medical and legal analysis, health care, patient, doctor, communities, local governments, financing, medical services.

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## INTRODUCTION

An important element of the functioning of any state is the health care system and the provision of affordable medical care to citizens. Article 49 of the Constitution of Ukraine guarantees everyone the right to health care. This right is exercised through the provision of free medical care in state and municipal health care facilities and through state support for the development of medical institutions of all forms of ownership. Ukraine, having ratified the Association Agreement with the European Union, is trying to approach European standards for health care to this end, the health care system is being reformed, aimed at providing citizens with quality and affordable health services [1, 160].

Thus, starting in 2014, Ukraine declared the beginning of full-scale reforms that affected all spheres of public life. The most significant and important for Ukraine was the reform of decentralization, ie change and improvement of the administrative-territorial system and local self-government. When choosing a certain model of decentralization, Ukrainian reformers, given the successful experience of such reforms in developed countries, point out that the Polish model of decentralization is closest to Ukrainian realities, and the experience of Polish reforms can be most useful in reforming Ukraine. Following the signing of a Memorandum of Cooperation between Ukraine and Poland in support of local government reform in Warsaw on 7 December 2014, a team of Polish experts and

prominent reformers was involved in the decentralization process. However, the results of the decentralization reform in 2015-2020 and the prospects for 2021 suggest that the reform is not as successful as declared by the authorities.

## METHODS AND MATERIAL

The main goal of most reforms implemented in democracies is to ensure access to certain services, to improve the quality of certain services. An important place among such reforms belongs to the field of health care, medical field.

It is worth noting that the Republic of Poland has already fully passed all stages of reforming the decentralization of the medical sector, while Ukraine is still on this path. According to experts, "Poland has built the financing of medicine on the principle of joint and several compulsory health insurances. The payer for medical services and medicines is the National Health Fund, which is replenished through individual tax deductions. They are carried out, first of all, by employees and entrepreneurs and even persons receiving unemployment benefits are obliged to make such deductions [2, 140].

In this regard, there is a need and relevance in the comparative analysis of reform processes in Ukraine and the Republic of Poland health care system.

The aim of the study is medical and legal analysis of the role and importance of tools for decentralization of the health care system in Ukraine and the Republic of Poland.

Researchers who paid attention to the study of the decentralization of the health care system in Ukraine and the Republic of Poland were the works of the following scientists: S. Bukovynsky, O. Vasylyk, A. Danylenko, O. Kyrylenko, V. Kravchenko, V. Oparin, K. Pavlyuk, O. Romanenko, V. Fedosov, I. Chugunov and others.

### RESULTS AND DISCUSSION

The strategic documents state that the goal of decentralization policy is to move away from the centralized model of governance in the state, ensure the capacity of local self-government and build an effective system of territorial organization of power in Ukraine. Key issues to be addressed in the process of decentralization of health care reform:

- bringing services closer to consumers.
- improving the quality of services.
- change of financing: introduction of the principle according to which financing should take place.
- “money follows the patient”;
- Autonomization of medical facilities (transformation of a budgetary institution into a municipal non-profit enterprise) [3, 76].

Health care reform is the first issue on the list of concerns of Ukrainian citizens. In the context of decentralization, the Ministry of Health of Ukraine plans to provide quality and affordable medical services that will not lead to an increase in the tax burden per person. In 2017, the medical reform was launched, which provides for the transfer of powers and resources to affluent united territorial communities.

Given that the main purpose of our study is a comparative analysis of health care reform in the Republic of Poland, it should be noted that since 1989 the

level and structure of funding for the health care system in the Republic of Poland have changed significantly. Between 1995 and 2009, health care expenditures increased fivefold (from PLN 18.5 billion to PLN 99 billion). However, GDP growth is observed during this period. Therefore, the share of GDP allocated to health care has consistently increased by only 1.9 points (from 5.5% of GDP in 1995 to 7.4% of GDP in 2009). Informal payments remain common in the country today. However, they are becoming less and less due to serious anti-corruption measures [4].

On January 1, 1999, the reform of the medical sector began. The main goals of the new health care system and methods of reform can be presented in the following table:

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Table 1. The main goals of the new health care system and methods of reform

The main objectives of the reform	Methods of reform
1. Decentralization of the system;	1. Improvement of the information system
2. Introduction of the system of accreditation of hospitals	2. Increase of availability of medical care.
3. Development of family medicine.	3. Improving the organization and funding of the inpatient care sector (for example, initiatives to convert hospitals to a commercial basis);
4. Financing of health care by independent health insurance funds (later the National Health Fund);	4. Fight corruption in the health sector and strengthen patients' rights;
	5. Improving the health care financing system (several attempts to introduce voluntary health insurance have failed)
	6. Improving the quality of medical care (eg, development of medical standards) [4].

Analyzing the above data, it should also be added that the financing of the health care system in the Republic of Poland is provided by several types of revenues to the National Health Insurance Fund. In the structure of the fund's budget, a third are citizens' contributions and 2/3 are state funds. Revenues from alternative sources are also involved. About 98% of the population has compulsory health insurance, which guarantees access to medical services.

Although there is no official mandatory licensing of health care providers, the National Health Fund in the process of concluding contracts gives “additional points” to those providers who have received accreditation and / or ISO9001 certification. The number of points affects the category of the clinic, and the latter – the coefficient for determining the cost of medical services. Standardized mechanisms for assessing patient satisfaction have also been developed. Today, the reform has focused on the quality of services. Various mechanisms are used to

improve the quality of medical services (standardization, certification, latest standards, training of doctors). However, these measures have increased the cost of medical services, which also affected their availability to the population [5, 8].

It should be noted that the reform of the decentralization of the health care system in the Republic of Poland as of 2020 is fully completed, and the main attention of Polish politicians and doctors is focused on the quality of medical services.

Decentralization of the health care system in Ukraine provides for "approximation of the quality of medical services in rural areas". Thus, about 1,900 telemedicine consultations have already been conducted in rural outpatient clinics. In five pilot oblasts, the telemedicine service has operated in 905 outpatient clinics employing 1,400 family physicians. The leaders of this process are Kharkiv, Kirovohrad and Poltava regions.

Joined the introduction of telemedicine Luhansk, Donetsk, Ivano-Frankivsk, Rivne, Mykolaiv, Kyiv regions. Ukraine's reform of the health care system through decentralization is characterized by the fact that all municipal primary care facilities have switched to funding based on the principle of "money follows the patient": they receive funds for services provided to patients. Income depends on the amount of work. In primary care facilities that have joined the transformation, the salaries of health workers have doubled or quadrupled. For many doctors, nurses and "primary" nurses, this is reflected in the salary of more than 10, 15 and 20 thousand UAH [6].

Thus, as V. Palchuk notes, communities are actively involved in the development of primary care, creating their own centers of primary health care. Non-profit community health facilities, equipped with community outpatient clinics, are created to improve health services in the united territorial communities. In addition, the community gets the opportunity to attract additional doctors, expand the patient base and increase revenues to the local budget [7].

Decentralization of power in the field of health care is primarily aimed at creating certain material, organizational, and mainly financial conditions to provide local governments with their own and delegated powers, ie the new system does not provide for the maintenance of budgetary institutions and their funding only state budget. Therefore, local authorities face new challenges: the development of regional policy, the implementation of local programs, and the key is the provision of public health services [6].

The main stages of reforming the health care system in Ukraine can be compared in some way with the already completed stages of decentralization of the medical sector in the Republic of Poland. However, it should be noted at once that the Ukrainian legislation currently provides for three main stages of reform, while in the Republic of Poland, according to official data, there are five such stages.

Thus, the reform of the health care system in Ukraine can be reflected in accordance with the following stages.

The first stage of medical reform in 2017 – until April 2020 – during this period the National Health Service of Ukraine (hereinafter the National Service) was established – the central executive body that implements the basic principle of medical reform "money follows the patient" – pays for the actual medical services. For the first time, Ukrainians were able to freely choose a doctor,

without being tied to the place of "registration". In seven months, almost 20 million Ukrainians have signed declarations on the choice of their doctors. Medical facilities that have a contract with the National Health Service have been granted financial freedom and can manage their own budget, they are not limited by the tariff grid or staffing. The program "Free diagnostics" was implemented. This is 80% of the patient's need for diagnosis by a family doctor, therapist or pediatrician, the most necessary free examinations and tests, consultations with specialized specialists [8].

Therefore, the first stage of medical reform in Ukraine corresponds to the first and second stages of decentralization of the medical sphere in the Republic of Poland. After all, in the first and second stages (1999-2010) in Poland it was achieved: the National Health Fund of the Republic of Poland was created, which distributes money between medical institutions of various forms of ownership. Introduction of compulsory health insurance, according to the system: "You work – the employer pays for you, this is about 9% of income" and others [9].

The second stage of medical reform in Ukraine began not so long ago, namely in April 2020. Thus, almost all municipal medical institutions (district, city, regional hospitals) will receive funds under an agreement with the National Health Service of Ukraine (hereinafter – NHSU). The main key rule, according to which the medical sphere in the Republic of Poland has been operating for a long time, has been implemented, namely "money follows the patient" in polyclinics and specialized institutions. The implemented program of medical guarantees (determines the list and scope of medical services and medicines that patients will pay for the state budget) provides pleasant surprises for patients, almost all medical care is promised to them free of charge [10].

This period may correspond to the third and fourth stages of decentralization of the health care system in the Republic of Poland (in these two periods, which fall on 2010-2014 in Poland, the following goals were achieved:

- introduction of insurance (tax) form of financing.
- reorganization of hospital care (implementation of the "hospital network" project).
- increase in the level of health care expenditures (increase in the share of health care expenditures to 6% of GDP);
- creation of a primary health care unit (development of primary health care capacity, including introduction of elements of health care coordination).
- integration of health services in a new direction – health agencies.
- introduction of the provision on the minimum level of salary of a medical worker.
- implementation of the program – the money follows the patient [9].

The third stage of medical reform in Ukraine is still an unrealized initiative. However, the experience of the fifth stage of decentralization of the health care system in the Republic of Poland is quite possibly the third stage for the reform of the medical sphere in the third stage. The main goals of this stage in the Republic of Poland, which fall on 2015-2019 were:

- improving the organization of services provided by hospitals;
- improving access to health care;
- optimization of the number of doctors employed in treatment;

– improving the coordination of hospital and outpatient care;

– improving the efficiency of hospital management) [9]. In general, it is possible to say about the key tool of decentralization of the health care system, which is so lacking in Ukrainian legislation, namely – the quality of medical services.

However, it should be noted that it is not always appropriate to apply international experience in the operation of certain decentralization instruments.

According to a Polish researcher, if there is no tradition or, say, historical heritage in terms of local governance in a country like Poland, then such decentralization is difficult to implement. And she argues everything as follows:

First, because we do not know this phenomenon and make many mistakes – we multiply tasks, do not share competencies between individual institutions.

The second problem that needs to be addressed is, unfortunately, incompetent staff who implement health policy in a decentralized environment. Admittedly, this is not the employer who is too motivated to work financially. It is better to hire medical specialists at the voivodeship level. In counties, this is often done by people who are completely unprepared to perform tasks in this sector. Unfortunately, the Law of the Republic of Poland “On Health Care Institutions” and other legislative acts do not impose an obligation to hire people with special education, for example, in health care departments responsible for health care [11].

When making a diagnosis, the authors pay attention to several key points. First, the location of local self-government in the modern architecture of the Polish health care system is extremely problematic. Although nominally health care is included in the list of tasks of local self-government at all levels, the real architecture of the existing health care system is built in such a way that de facto deprives it of subjectivity in this area. The local authority is currently only the client, if not the applicant, of the public administration. This has virtually no effect on the form of decisions that determine the method of providing public health care to the population in the area. It is the central authorities that have the vast majority of public funds for health care – about 95% – and also decide on their own distribution. They also have tools for motivating, monitoring and possibly disciplining service providers [11].

Thus, there is no legal framework and tools that would allow local authorities to jointly decide on the form of medical care in their area, which is the second, extremely important issue raised in the report “Poland of local authorities”. This situation means that the potential of local and regional authorities is not used to perform tasks for which they seem particularly suitable, such as basic health care. Even worse, incorrect systemic decisions even push local governments to use their resources, which is not necessarily rational in terms of a broader plan [9].

Thus, it can be said that although the Republic of Poland has already gone through a full-fledged process of decentralization of the health care system, the study shows that many negative aspects still remain and in order to reduce such aspects in Ukraine it is necessary to take into account negative experiences.

## DISCUSSION & CONCLUSIONS

The issue of health care reform needs to be further refined, adequately funded, and community members informed about how health care delivery will change after decentralization. The main purpose of these changes is the modernization of medical infrastructure, as well as the transition to an optimal model of medical services in the country, creating a single medical space where the patient can receive quality service anywhere in the country.

The key task of the government and the legislature of Ukraine, together with the decentralization reform, is to carry out a radical reform of the financing of the health care system, with which Ukraine is two decades behind schedule. During decentralization, public health functions, in their current sense, should not be transferred to the field. Instead, decentralization should be used to create new functions and new institutions in the system of financing and providing health services.

To date, it is possible to identify the four main priority areas for health care reform, proposed for local governments by the Ministry of Health:

- autonomy of medical institutions;
- full implementation of all declared programs (“Affordable Medicines”, “Money follows the patient” and a number of others).
- creation of appropriate infrastructural conditions for the work of primary care physicians.
- ensuring transportation of patients to the primary care physician.

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