

# Improving the Financing of the Health Care System from the State Budget

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**Abstract:** This article presents the theoretical and methodological aspects of the state's participation in the financing of the health care system, the analysis of the reforms implemented in the health care sector today, and ways to improve the financing of the health care system from the state budget. Also, in the new Uzbekistan conditions, based on theoretical and practical information, the improvement of the efficiency of financing the health care system, the current state and analysis of the use of financial resources are shown.

**Key words:** Health care, financing, state, reform.



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## INTRODUCTION

The state of the health care system is of great social and economic importance for every country. Today, the problem of human health is one of the most important scientific and social problems, that is, global problems. The level of human health is taken into account in the national income, as well as in indicators such as labor potential and resources. As a result, human health appears as an integral indicator describing the efficiency of the entire system of production relations. The currently achieved macroeconomic stability makes it possible to improve the efficiency of the use of resources in the budget sector, including in the health sector.

Today, the development of the social sphere has become an important link in the stability of the countries of the world. In particular, in many countries, social sector expenditures make up a significant part of budget expenditures. However, a number of works are being carried out to introduce new methods of financing social spheres, including medical institutions in our republic. In particular, stabilization of population health indicators, extension of average life expectancy and development of standards for final results have become urgent issues of the day.

It should be said that the issue of financing the storage system in our country from the state budget is under the attention and constant discussion of the entire government. Therefore, as we mentioned at the beginning of our work, the issue of financing the health care system or its improvement is distinguished by its delicacy compared to other areas. In other words, during the years of independence, many sectors and industries in our republic were privatized and taken out of control. As a result of this, market relations are developing and our economy is growing rapidly. But in the field of medicine, the result of ensuring competition in the field at the expense of the private sector's excessive increase or loosening the reins is completely opposite, that is, the cost of medical services and equipment will chronically increase as a result of the increase of excessive competition in the field. This situation is considered in science as a shortcoming of the market economy and leads to the stratification of the population's income. As a result, a certain segment of the population becomes unable to provide for the greatest blessing, their health. In addition, the purpose of the activity of medical institutions is changing from social support to commercial activity and income generation. This will lead to the growth of people's discontent.

### Main part

In general, the economic reform of the health care sector today includes solving the following problems in addition to the above-mentioned issues:

- the effect of the dynamics of health indicators of the population on the volume of industrial production, in particular, the economic effect of preventing certain diseases;

- the economic effect of preventive measures, the level of satisfaction of the population's need for medical services and its economic and social importance;
- determining the amount of labor resources necessary for health care, taking into account labor costs;
- assessment of the effectiveness of capital investments that ensure the increase of the main savings in the health care system, the analysis of the factors determining the dynamics of capital investments in health care;
- determining the size of material costs necessary for the normal functioning of health care;
- offering medical services to the population and placing a network of medical institutions, choosing the most effective forms of medical services;
- determining the value of individual diagnostic and treatment measures;
- analysis of internal health reserves and their use.

By solving these issues, the destination and effectiveness of the funds directed to the sector will be ensured. Of course, all of the above will be different depending on the method of financing the network. At this point, let's briefly touch on the financing mechanism of the health care system in our republic. In particular, the existing financing system in our country is based on the decision of the Cabinet of Ministers of the Republic of Uzbekistan "On further improvement of the system of financing and management of healthcare institutions of the Republic of Uzbekistan" dated September 28, 2005 No. transferred to financing based on the conditions of their financing. This method is one of the most widely used systems in world practice. After all, according to it, the cost estimate is planned. If we explain in a broader sense, how many doctors based on the population (for example, 0.3 neuropathologists, 0.6 obstetricians-gynecologists, 0.5 pediatric gynecologists, etc.) , requires that expenses be made based on indicators such as how many drugs are needed and how many seats. The unique advantage of this method is that it requires that they actually exist when planning costs. However, in the 21st century, all areas are rapidly growing and being updated. In particular, most of the countries that have the practice of financing the medical sector according to the above method are now implementing a new method. This new method is based on the current number of patients in hospitals, not the total population. This, in turn, makes it possible to effectively use the funds allocated for financing hospitals and improve the quality of treatment. Because in this method, funds are allocated to a specific patient, taking into account his needs. This method is important in solving the following problems.

As we noted, there are a number of problems in the financing of the health sector, its implementation and control. In particular, the Honorable President Shavkat Mirziyoyev touched on their importance in his book "Critical analysis, strict discipline and personal responsibility - should be the daily rule of every leader's activity". We also want to continue our dissertation work on financial organizational problems in the healthcare system in the sequence presented in this book.

"As you know, in the social sphere, we attach special importance to the issues of public health, protection of motherhood and childhood, reliable supply of medicines, raising a physically strong and spiritually healthy generation. What are the problems in these important areas?" In his book, the honorable President gave certain tasks to the officials of the sector regarding the problems they faced and how to solve these problems.

We decided to find a solution to these same problems in our thesis work. They are:

The first issue. "Why was the effectiveness of the reform of the primary link of the health care system, first of all, rural medical centers, not ensured during the past many years? Today, they lack 2,500 doctors, the level of equipping these facilities with modern equipment and providing medicines is very low";

In fact, the effectiveness of funds financed today in primary medical and sanitary institutions is at a low level. Therefore, as mentioned above, no patient is satisfied with the service provided in many rural medical centers due to the old equipment, old treatment method and lack of treatment means. On this issue, on March 29 of this year, our honorable president signed the decision No. PQ-2857 "On measures to further improve the organization of primary medical and sanitary facilities in the Republic of Uzbekistan." The resolution approved a set of measures to improve the organization of activities of primary medical and sanitary care institutions until 2017-2021 in order to solve existing problems.

In particular, as we mentioned above, from June 1 of this year, the number of QVPs in our republic was reduced from 2,986 to 1,612. It seems that the situation in QVPs was quite serious. Therefore, almost all of the shortened 1374 QVPs were based on inadequate buildings or uninsured medical facilities.

The second issue. As a result of the low level of diagnosis and the insufficient qualification of doctors, more than 30 thousand of our compatriots are forced to go to foreign countries for treatment and spend a lot of money from the family budget. Of course, this issue has a great impact on the financial aspect. That's why, in our republic, a lot of money is allocated for the development of the industry, for the purpose of training specialists in the industry. In connection with this issue, the President emphasized the need to develop comprehensive measures aimed at creating an effective system for improving the qualifications of doctors and medical workers both in our country and in leading foreign clinics. "If necessary, proposals should be made for their financial incentives," he added. At the moment, a clear legal basis for solving these issues has been created. In particular, a point system for financial incentives was introduced, and October 1 of this year was set as its initial summary. That is, QVP and QOPs are the first testing ground in this regard, and their financial incentives are determined by law based on the scores they receive on the quality and efficiency of services to the population.

In addition, in order to solve the personnel issue mentioned in both of the above problems, the decision of the President of the Republic of Uzbekistan "On measures to further reform the medical education system in the Republic of Uzbekistan" dated May 5, 2017 No. PQ-2956 accepted. In accordance with the implementation of this decision, special emphasis was placed on the training of personnel in the field of medicine based on regional needs.

The third issue. The President listed the existing problems in the ambulance service as the next problem. In particular, Shavkat Mirziyoyev severely criticized the quality of service in regional districts and ambulances that were insufficiently provided with medical equipment. Of course, this issue is considered one of the urgent issues of today. Therefore, the population expects quick and efficient help from this medical service. The high waiting period due to the lack of available vehicles or the non-availability of the necessary medical equipment and drugs indicate the dissatisfaction of the people and their dissatisfaction with the health care system.

We can happily say that this problem is currently being solved. In particular, as we mentioned above, it was decided to provide the sector with 1,200 ambulances in accordance with the "Year of Communication with the People and Human Benefits" state budget. In addition, 441 of the shrinking QVPs mentioned above started their work as ambulances.

The fourth problem. Another problem is the high cost of medicines. In this regard, our respected president expressed his opinion that "... 45% of the expensive drugs in this field are imported drugs, and on top of that, overpriced drugs." Specific duties regarding this problem are defined by law. After all, in accordance with the implementation of the decision of the President of the Republic of Uzbekistan "On measures to further improve the provision of medicines and medical supplies to the population" in our republic, the prices of medicines (mainly local medicines) are 8% from to 44% was achieved.

Of course, from the point of view of the object of the above-mentioned problems, all of them are aimed at providing social support to the population and providing high-quality medical services. It is natural to ask questions about whether the part related to financing is relatively abstract. However, it should not be forgotten that health care is a social sphere, and state budget funds are among the first to come into play when implementing any renewal and development in this sphere. In addition, the improvement of the financing of the sensitive sector mentioned in our above opinions will be carried out first of all through the issues presented by the President.

Also, let's once again dwell on the method of financing, which was described at the beginning of our plan as increasing the efficiency of spending funds in the implementation of the above tasks or helping to solve problems more easily. After all, the financing system based on the number of patients in Uzbekistan is being implemented with the financial support of the World Bank and the International Development Association with the decision of the first President of Uzbekistan "On measures to improve the financing of the health care system ("Health-3"). At present, experiments on the introduction of this system are being conducted in Beshariq, Altariq, Koshtepa district central hospitals. It should be said that this method of financing is completely appropriate for today. Because it is no longer the number of attached population, but the number of existing patients that matters. As a result, internal competition between budget organizations will increase and the quality of service will increase.

Here, it is worth noting that increasing the efficiency of spending of budget funds alone cannot provide financial support for the sector. In this regard, it is important to develop the medical insurance market, following the experience of foreign countries. We are happy to say that this system has not escaped the attention of our government in this year, which is rich in renewal and reform. In particular, it was mentioned that by the end of the year, the concept of the draft law "on medical insurance" will be developed in the country, which, in turn, will be a starting point in the new stage of the development of the medical service system for the population. The draft document will be developed within the framework of the President of Uzbekistan's "Measures for further development of the private sector in health care. It is noted in the document that the medical insurance system of every citizen should include the equal rights of every citizen to medical and preventive services, the guarantee of high-quality paid medical services in accordance with the insurance policy. The law regulates the definitions of voluntary and mandatory medical insurance, medical and preventive services, mechanisms for regulating insurance contributions and payments, as well as the legal basis for managing medical insurance funds. Finds the opposite of z. A mandatory medical insurance fund is expected to be established for the development of the new system. In addition, it is planned to organize a system of incentives and preferences for citizens to participate in the mandatory and voluntary health insurance system in the country. Increasing the volume of paid services is another important system in ensuring the stability of sources of financing of the healthcare sector. According to the information of the official website "Uzbekistan Today", the Ministry of Health of Uzbekistan continues to increase the carrying capacity of medical facilities and the funds of the funds collected from the provision of paid services. By 2025, some medical institutions will be fully self-financing. The increase in the volume of paid services will help to hire additional specialists and increase the salary of certain categories of employees.

### Conclusion

In addition to this brief conclusion, some opinions were formed regarding the financing of the industry, and we found it appropriate to state them as follows.

1. In our opinion, it is appropriate to switch to a financing system based on the number of current patients who are currently in the experiment. After all, according to the current system, the number of beds in hospitals does not always correspond to the number of patients treated in them, and sometimes there are cases of shortage or excess of funds. When financing according to the number of current patients, the targeting of budget funds will increase and the quality of service will also increase. Therefore, funds are directed based on the needs of the patient.
2. Our second proposal is to increase the number of paid medical services, which are used in practice at least partially and have been increasing since 2011. Of course, looking at it from this point of view, it seems inappropriate to give too much explanation and too many suggestions to this method of ensuring the stability of financing sources. Therefore, the Minister of Health has specific goals for this until 2020. However, it is desirable to develop the volume of these services more rapidly in our country compared to private healthcare institutions. After all, taking into account the importance of the network, leaving its commercial part under the control of the state would fully protect the interests of the population.

3. As a third suggestion, we suggest speeding up health insurance. Therefore, as we have seen during the study of foreign experience, this method of financing leads to the reduction of public spending as well as the elimination of risks related to the health of the population. Of course, through this opinion, we are not in favor of making this type of insurance mandatory for everyone, as in Japan or in many European countries.

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