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MODELS AND METHODS OF FINANCIAL SUPPORT FOR HEALTH CARE

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Many scientists are inclined to believe that during the transformation processes in the health care sector of most countries of the world, the issues of financial support for this sector become a priority, because now even the richest countries in the world do not have the opportunity to fully finance the medical sector from their budgets and are searching for more adequate models. The low standard of living of the population of Ukraine and the small volume of gross domestic product compared to other countries further aggravate this issue and require the search for an ideal financing model using a careful analysis of foreign experience. There is a double problem: on the one hand, the state does not have the opportunity to independently finance the health care sector, and on the other hand, the population is also unable to pay for itself, which is why one of the main problems of the functioning of the medical sector appears in Ukraine today.

We believe that at the current stage of the transformation of the Ukrainian healthcare system, it is necessary to create such a financial mechanism for rational and full-fledged financial support of the medical sector, which would take into account not only the current situation, but also the strategy for the development of the national economy for the coming years.

Having summarized the world experience in classifying healthcare systems contained in modern economic literature, we believe that it is necessary to single out three most important models for building and developing national healthcare systems, which have become basic for certain countries in forming their strategies for socio-economic development:

1. The model proposed by German Chancellor O. Bismarck in 1881 is the first official model of the healthcare sector, the key idea of which was to form funds from contributions of employees and employers to finance the preservation and restoration of employees' working capacity. The idea of the Bismarck model was to preserve the labor potential of employees, which had a positive impact on the socio-economic development of the state. It is based on the principle of solidarity and social justice, under which all responsibility for medical care of individual citizens was placed on the state and taxpayers. The amount of insurance contributions paid depended on the income level of employees and was set at a level acceptable to them.

2. A completely different philosophy was laid down by the English economist W. Beveridge in his own model in 1942, which offered the financing of the medical sector mainly from the state budget. According to this model, all citizens of the state have the right to medical protection, regardless of their income level and employment. The purpose of this model is to increase the level of social protection of the population, which would ultimately have a positive impact on the preservation of human capital. According to the Beveridge model, the use of other sources of financing for the provision of medical services was allowed, however, the key role belonged to the state, which created the national health service.

3. After gaining independence, Ukraine, like most CIS countries, inherited the Semashko model, under which healthcare is financed only from the state budget, state control over this area is established, and private medicine is absent. Usually, the beds in hospitals were financed, which negatively affected the efficiency of financial resources, but, according to many experts, ensured equal access to medical services for all citizens.

However, the Soviet system also has positive features. In particular, during its operation, a large-scale network of medical institutions was built throughout the country (although there were difficulties in its full financing during all those years), individual doctors had a high level of

professionalism, scientific schools and medical institutions of higher education were formed. They trained highly qualified specialists who are valued not only in Ukraine, but also abroad.

There is one problematic aspect of this healthcare system - its overly centralized management and the absolute dependence of the medical sector on state financial support, which are the main destructive factors of chronic underfunding, the lack of opportunities to update morally and physically outdated equipment, as well as the fact that medical personnel are forced to work additionally in private medical institutions in order to receive sufficient income.

The specified models of financing the healthcare system also need to be supplemented with the following:

1. The Private Insurance Model, or market model, consists in the provision of insurance medical services at market prices. Providers of insurance medical services and consumers have direct interaction, and the state exercises general control and regulation in the market of medical insurance services" [2, p. 173]. "The private model of financing the healthcare system in its classical form is characteristic only of the United States of America. Health care is based on private financing, except for two main government programs financed by taxpayers - Medicare and Medicaid [5].

2. The National Health Insurance Model, or the Tommy Douglas model, named after a Canadian politician, combines some aspects of the Bismarck and Beveridge models. Insurance companies, that is, providers of health insurance services, are private, as in the Bismarck model, and the government finances health care through tax revenues, as in the Beveridge model. The classic national model exists in Canada, but some countries have also borrowed this model, for example, South Korea and Taiwan [4; 6, p. 84].

3. The Out-Of-Pocket Model is characteristic of less developed regions of the world, where there is a significant gap between the rich and the poor. Due to the lack of resources for organizing mass medical care, the inability to provide any health care system, patients must pay out of their own pockets for medical services. A characteristic feature of this model is that the rich receive medical care, while the poor remain sick or die. The "out of pocket" model is used in rural areas of Africa, China, India, and South America [4; 6, p. 84].

Most scientists, based on sources of financing, combine all the described systems of financial support for the health care sector into three basic models, among which the following should be distinguished:

- a market model based on a fee-based basis, which is characterized by full payment for medical services by the country's population from their savings. Typically, this model is based on the introduction of private (personal) health insurance and the simultaneous use of a small amount of state aid to support the functioning of the medical industry;
- a budget model, in which only state funds are used to finance the health care sector, i.e. direct budget expenditures;
- a combined model based on the principle of social responsibility, in which, along with the social insurance system, a wide range of financial instruments are used for the activities and development of health care institutions.

In practice, health care institutions use the following methods of financial support in their activities: payment for medical services provided, budgetary, program-targeted, each of which has its own advantages and disadvantages.

The method of payment for medical services demonstrates the greatest efficiency, since it is based on the calculation of prices (tariffs) for medical services and can be implemented using both planned and actual volumes. This method of financial support for the activities of health care institutions acquires particular relevance in connection with the introduction of insurance medicine and the right of these institutions to provide paid medical services.

In addition, since the healthcare system lacks a unified approach to setting prices for medical services, issues regarding the pricing of healthcare institutions still remain open.

Budgetary financing is currently the most widely used method in healthcare institutions in

Ukraine, which is used to forecast expenditures taking into account the standards established by the Ministry of Health of Ukraine and determine the areas of their spending, ensuring control over their targeted use. However, the use of this method does not contribute to the effective redistribution of financial resources by healthcare institutions in order to achieve a higher quality of medical services, in particular by introducing innovative practices, since they are not provided for by certain guidelines. In addition, the use of the budget method of financing deprives healthcare institutions of incentives for any improvement in their work. In particular, budget allocations to healthcare institutions are allocated only because this institution exists, and the salary of its staff is paid for being at the workplace and working time within the framework of individual budget items [3].

The use of the program-target method of financial support for the activities of health care institutions contributes to increasing the efficiency of using financial resources of such institutions throughout the entire period of implementation of the medical budget program [1], since the goals and objects of financing are clearly defined, and the personal responsibility of the management of health care institutions for achieving social results of these programs is established.

A negative aspect in the implementation of the program-target method is that it is applied on a residual basis, and in cases of insufficiency or absence of budgetary resources for financing social programs (including medical ones), its use is suspended or stopped altogether.

A study of the modern experience of organizing health care models by most countries in the world makes it possible to state that they use a significant share of private medicine. Most countries of the European Union are trying to create a universal market for medical services, where both state medical institutions and representatives of private medical practices that are not funded by the state function. It is worth noting that in almost all developed countries of the world, opportunities have been created to finance medical services either through the social insurance system or through a private investment system. In view of this and taking into account the real economic situation of the state and individual citizens, the issue of finding an adequate model of the healthcare sector still remains relevant.

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