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Relevance and Application of Compulsory Health Insurance in Republic of Uzbekistan

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Abstract
The main features of the health sector - its colossal social significance and availability of guaranteed legislative norms of the state for number of basic health services to population of particular country. The enormous social importance of the healthcare sector and active state regulations completed the medical services market, need for professional intermediaries capable of qualitatively defend the rights of patients. Such, as a rule, are insurance organizations. As the world experience demonstrates, medical insurance (both voluntary and compulsory) is able to play a very positive role in improving the quality of medical services, by attracting additional resources to the health sector, protecting interests and rights of wide sections of the population. In Uzbekistan, this insurance industry is still at its initial stage development. There are a number of problems that prevent a wider dissemination of this type of insurance services. Studying the problems and features of the market and appropriate recommendations with innovative ideas for development is the main purpose of this paper.

Keywords: compulsory and voluntary health insurance, healthcare, international experience.

Introduction

National health insurance (NHI) is a system of health insurance that insures a national population against the costs of health care. It may be administered by the public sector, the private sector, or a combination of both. Funding mechanisms vary with the particular program and country. National or Statutory health insurance does not equate to government-run or government-financed health care, but is usually established by national legislation. In some countries, such as Australia's Medicare system, the UK's National Health Service, and the South Korea's National Health Insurance Corporation contributions to the system are made via general taxation and therefore are not optional even though use of the health system it finances.[1] In practice, most people paying for NHI will join it. Where the NHI involves a choice of multiple insurance funds, the rates of contributions may vary and the person has to choose which insurance fund to belong.

Compulsory health insurance (CHI) is one of the most important elements of social protection of the population in terms of health protection and obtaining necessary any medical care in case of illness. As a rule, the CHI is called upon to provide all citizens have equal guaranteed opportunities for obtaining medical, and preventive care in the amounts established by state programs. Thus, CHI is a type of social insurance that performs important functions of social protection of the population. If, however, the term "insurance" in the broadest sense of the word, as a mechanism to protect against risks, then the system state social health insurance other than CHI includes and

provision of free medical care, financed directly from the state budget.[2] Therefore, if CHI is working on based on the principle of collective solidarity and aimed at social equal, to comparison, VHI operates on the basis of the principle of equivalence, that is, under the VHI contract, the insured person receives those types of medical services and in the amounts for which the insurance premium was paid.

VHI, as a rule, acts as a supplement to the system of guaranteed medical services, by providing citizens with an opportunity to receive medical services in excess of guaranteed within the framework of state budgetary medicine or established in programs.[3]

Perespectives of development of medical insurance in Uzbekistan

However, for several years now there has been a discussion about the need and the introduction of a compulsory health insurance (CHI) system for basic free of charge and state guaranteed medic care. For today, in accordance with the Law of the Republic of Uzbekistan "On Protection of Health" and other normative acts, the state provides free medical care within the framework of the guaranteed volume of health care services. Financing of the guaranteed package is based on a fixed budget of an outpatient clinic. Medical- services, in excess of the guaranteed package, since 2000, are being phased in on a paid basis. The introduction of CHI due to the development of competition and the strengthening of external control can improve the system of public and improve the quality of basic health services. In addition, the CHI system is an effective mechanism for attracting financial resources in the industry. However, there are certain risks of introducing CHI.

1. The risk of formal introduction of insurance institutions without creating effective mechanisms of competition between medical institutions, the active role of the population and insurance companies in the choice of medical institutions and services provided.[4] Exactly such a model of compulsory medical insurance in the 90s. was introduced in Russia. This model covered basic meadows paid from a single social tax from enterprises. In this case, the system funding of medical facilities remained largely old.

So-called budgetary part of health financing (which is 60% of the funds) was transferred based on the normative calculations of the load of the medical network - the number of medical staff, the number of beds.[5]

Only the remaining 35-40% were redistributed through CHI between medical institutions based on the volume and quality of services provided. Moreover, these plans do not provide for participation of insurance companies (as unnecessary), and insurance deals with special state fund. Such an insurance model will in fact be in effect, the same system of state funding, only under a new signboard. Such an anti-market, bureaucratic model of CHI in the best case will only attract additional resources to the industry, but by strengthening the actual tax burden on the business. However, such a model will not promote the implementation of other tasks in the field of health care reform. At the same time, it will deal with a powerful blow to the voluntary health insurance sector, and the prospects for reforming the entire health sector. Reform of the state it is perfectly possible to continue medical institutions without a mandatory medical insurance. If, however, a decision is made to switch to CHI, it is very important to ensure the introduction of a model of compulsory medical insurance that operates on market principles. In this case, private insurers. The state pays for insurance of socially vulnerable groups of the population. Patients choose their own insurance company, form of insurance, medical institutions. For the workers pays the

enterprise a certain minimum, but can pay more, the worker himself can also pay extra. Insurance companies, based on the proposed amount, offer policy options. Insured may be both individuals and labor collectives. The state determines the minimum a set of services that must include an insurance policy. Such an CHI model will allow to compete in the sphere of medical services, as well as to develop the VHI sector.[6]

2. Another very possible danger: the state, regulating tariffs and conditions for delivery of compulsory medical insurance will not be able to balance the amounts of CHI guaranteed services and the amount of insurance premiums paid.[7] In other words, the state's obligations under real financial resources providing free medical care. In this case, as in today's health system, unsecured guarantees will result in low guaranteed services and the widespread use of informal payments.

3. The next danger: the rules governing CHI can not adequately to take into account and to resist such phenomena as moral hazard, asymmetric information of the widespread use of informal payments in the healthcare including the private sector, the weak development of competition in the market of medical services (especially in the regions).[8] All this can lead to the fact that the CHI programs will either become beneficial for insurance companies, or formal and, accordingly, not effective. From the point of view of patients' interests. Another difficulty in implementing CHI is associated with significant non-formal employment characteristic of Uzbekistan. Accordingly, one should answer the ways, how will people who are at working age be insured and not being official unemployed, but not employed in the formal sector.

In connection with the aforesaid, it is possible to present the following recommendations on the strategy further development of the health insurance sector in Uzbekistan:

1. The state needs to more clearly define the set of basic services, where free medical care is guaranteed. First, it is necessary to determine a full set of services that patients can get for free or at a reduced price, and the circumstances of their provision. Secondly, it is necessary to decide on which categories the population has the right to certain benefits.[9] For example, pensioners, invalids, children, pregnant women and women in the decree are entitled to access to full- free basic package. The rest have limited access to free basic services: when receiving part of these services, they, required for payment.

These decisions should take into account the possibilities of the state budget. If compulsory insurance of basic services is introduced, their premiums on them should be compensated by a reduction in the tax burden.

2. It is necessary to continue the reforming the system of management and financing of state medical institutions. In particular, it is very important to expand such organizations for making decisions on the commercialization of their activities. Subsequently,use of financial resources, the implementation of personnel policy, and so on.[10]

3. In order to develop competition in the medical services market and improve their quality, It is necessary to provide an opportunity for non-governmental medical institutions to apply for a budget for financing basic services, and also the opportunity for patients to choose a medical institution (with appropriate redistribution of budgetary funds).[11]

4. It is necessary to determine the strategy for implementing the CHI. The following are possible options:

4.1. Improvement within the framework of the existing system (refusal to introduce CHI). Public financing of basic medical services (services are paid or free of charge for socially vulnerable

groups and at certain rates for others), other services are paid. Accordingly, the main emphasis is on voluntary insurance, including when paying for the services of state institutions, which are on a paid basis.[12] It is possible to strengthen the competition for providing free of charge, changing the funding mechanism: the budget is divided by number customers and the volume of services provided. In this case, polyclinics are depending on the number of attached customers at the end of the previous year. For example, people themselves choose a polyclinic, for which they will be fixed: regardless from the territory and the form of ownership.

To private clinics that will have the right to receive state funding, it must be set additional requirements. Hospitals receive funding depending on the number of patients treated. The key issue is to clearly define a guaranteed free set of services. The rest services are transferred to a paid basis, including using VHI.[13]

4.2. CHI is introduced for part of the basic services. Other basic services, for example, obstetric care, emergency medical care, treatment of socially significant diseases, vaccination of children, continue to be provided free of charge by specialized state medical institutions. B. The CHI is introduced for all or most of the basic services.[14]

If decision on its introduction will be taken, it is necessary, first, to provide for significant time period for the preparation of conditions for the establishment of a CHI system;

- secondly, developing programs that includes a set of measures aimed at improving the principles of funding medical institutions in board of transition from funding to staffing or quantity beds in favor of paying for actually performed services;
- changing the management of public health institutions in the benefits of decentralization of management and commercialization of their activities;
- creation of the infrastructure of the mandatory medical insurance system, insurance companies that provide related services, availability and access to statistics, allowing to calculate risks, etc.);
- development and approval of rules for compulsory health insurance; development and approval of criteria for monitoring the level, volume and quality of health insurance;
- development, adoption, implementation and monitoring of the application program of compulsory health insurance;
- legislative support for the functioning of the CHI system, in particular protection of rights and determination of rights and duties of patients, medical institutions, insurance companies, as well as the state.

In conclusion, at the level of legislation, it is necessary to work out the main parameters of the implemented CHI:

- which services are included in the compulsory health insurance;
- which categories of citizens are subject to compulsory health insurance;
- when an insured event occurs and to what extent compensation for treatment;
- what is the mechanism of compensation?
- how the amount of the insurance premium (contribution) is calculated, from which sources it is paid, who and in what proportion pays the contributions for employees and unemployed (self-insured, employer, state);
- whether and under what conditions a franchise is applied (part ofsubject to reimbursement by the insurer, is used to free up fears from the need to pay the insurer for small expenses), limits on payment services, partial payment for services to the insured, transfer of unused for the next

period, the possibility of withdrawing from the CHI system to the voluntary health insurance programs.

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