



Interaction between State and Private Healthcare in Russia

F.Kadyrov – Deputy Director of the Central Public Health Research Institute, prof., Russia

Constitution of the Russian Federation



grants equal rights of state and private healthcare





- has made great progress for 20 years;
- provides 10-15% of the volumes of medical care;
- and still, private healthcare remains weak.

Main reasons:

- Low starting position.
- There was practically no privatization in healthcare.
- Low paying capacity of the population.
- Insufficient development of the voluntary health insurance (VHI).
- Limited possibilities of participation of private clinics in the system of mandatory health insurance (MHI).
- Absence of access to budgetary funds.
- Competition on the market of paid services provided by state clinics.
- Bureaucracy and corruption.

Reasons for insufficient development of voluntary health insurance (VHI):



- Economic weakness of the country;
- Large guarantees of free medical care;
- Legislative limitations.

What is being done to eliminate these reasons?



- a number of legislative limitations in the field of VHI were lifted;
- amounts of costs on VHI free of tax were increased.

Situation with the limited participation of private clinics in the system of MHI:



- The priority of state clinics over private ones;
- Fears of social conflicts in closing private clinics;
- Fears of reducing guarantees in the field of healthcare and etc.

However, main reasons of poor participation of private clinics in the system of MHI



lie in the economic area.

The system of MHI is unprofitable for private clinics themselves.





a) multi-channel financing

Measures of counteraction:

- since 2013 the majority of expenditure items will be included in the rate in the system of MHI.





b) Low level of compensation of expenditure.

Measures of counteraction:

- The amount of payments to the system of MHI has been sharply increased since this year (from 3,1% from the payroll fund to 5,1%).
- State payments into the funds of MHI will be increased.



The Government of Russia

is interested in attracting private clinics into the system of MHI.

The new law about MHI demonstrates it.

Competition in the market of commercial services



State clinics use dumping prices.

Reason:

- Unequal conditions of competition: state clinics don't include all costs into their prices.

Result:

- Deformation of normal market relations;
- Controlling the growth of private healthcare.



Strategy

Forcing out commercial activity from state clinics





- Governmental programs in fighting corruption;
- Legislative limitations of groundless checks.





prevents private healthcare.

But it helps as well.

Benefits of private healthcare from state healthcare:



- combining work in state and private clinics for doctors;
- attracting patients from state clinics into private ones;
- getting qualified specialists without additional costs;
- State healthcare is a security.

Does private healthcare provide better quality?



- not always;
- real advantages of private clinics are organization and service.

Advantages of state clinics over private ones:



- possibility of combining work in a private clinic;
- interaction in the commercial activity.



Public-private partnership (PPP)

- traditional schemes of PPP in Russia are usually difficult to implement;
- the perspectives of PPP are optimistic.

New legislation in the field of healthcare



is aimed at supporting private healthcare.

Recent tendencies in the field of private healthcare:



- the whole range of diversified large private clinics is being built;
- increasing investments into private healthcare from foreign European capital;
- new benefits in taxation are being introduced;
- restructuring of institutions network is taking place.

What is necessary for a successful development of private healthcare in Russia?



- Improved legislation;
- Full rates;
- Restructuring of the network of state clinics;
- Dumping elimination from state clinics;
- Market purchasing of medical services;
- Public-private partnership.



Thank you for your attention!

kadyrov-fn@yandex.ru

kadyrov@mednet.ru