

THE FORMS OF ORGANIZATION AND FINANCING OF THE HEALTH SYSTEM: EXPERIENCES AND OPPORTUNITIES

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INTRODUCTION

At the present stage the developed countries attach great importance to social issues, the key of which is the organization of medical care. The issues of organization of the health system is facing not only a single country, but also the international community as a whole. Health care is a rapidly evolving industry: constantly developing new drugs and therapies, it is possible to treat previously incurable diseases. However, all this leads to a rise in the cost of medical services.

Demographic shifts are occurring in modern society in most developed countries and are characterized by increasing life expectancy and lower mortality and fertility. The result of these processes is the aging population and rising dependency ratio, which, in turn, leads to additional burden on the budget of the State, because it requires an annual increase in resources allocated to social security and, in particular, to health care. In this situation, the issues related to improving the efficiency of health care financing system are of the utmost importance.

1. THE FORMS OF ORGANIZATION AND FINANCING OF HEALTH SYSTEMS THAT WERE DEVELOPED IN THE GERMANY, UK AND THE US

Governments in most developed countries are aware of the impossibility of an infinite increase in public spending on health care, because the resources of even the richest and most economically developed countries are limited. However, developed countries cannot also reduce government guarantees in this sphere, because a certain level of medical care has become an integral part of social life and might cause deterioration of an outcry from the public. The result of the processes described above is that developed countries are faced with the necessity of reforming the health financing system, aimed primarily at improving the effectiveness of spending and reduce overall costs. Such a reform is

happening in the major Western countries in recent decades.

Despite the fact, that the extent of providing the population with health care differs from country to country, which is associated not only with different models of organization of the health care system, but, above all, with the level of economic development, in varying degrees, every state provides public health services. To a lesser extent, this is one of the most backward countries, where health care is mainly provided by the efforts of international public organizations like the UN and its member institutions, its structure, "Red Cross" and "Doctors Without Borders."

Different states have different approaches to the formation of the healthcare system. In some countries, such as the UK, medical services are free for all citizens, paid for from the state budget from general tax revenues. In other countries such as Germany, had developed the practice of allocation of a special tax, which is paid by health care. This model is called a compulsory health insurance. In addition, different countries set different order of contribution to health insurance. For example, in Germany, the obligation to pay contributions is divided between the employee and the employer, in others, such as Russia, the fees are fully paid by the employer.

Of particular interest is the consideration of the three most common forms of organization and financing of health systems, which in its purest form, were developed in the UK, Germany and USA, respectively, and to some extent they are inherent in other countries. The choice of author for the study of these countries is due to several reasons.

First, they are characterized by fundamentally different forms of financing health care: in the UK the main source of funding is a general taxation, there is no target allocation of tax on health care in Germany, funding is provided through the Institute of public health insurance, contributions to which list the employees and employers in the U.S., in principle, there is no single state system of financing health care through government programs paid for medical services for the elderly and the

poor and other categories of citizens receive health insurance through an employer or at their own expense, or do not have access to health services.

Second, all three countries under study are included in the Group of Seven major industrialized countries. In this case, the volume of GDP in the U.S. ranked first, Germany - the fourth and the UK - the fifth. Moreover, Germany among European countries ranked second (behind Switzerland) on health spending as a share of GDP (11.1%) [1], and the U.S., despite the peculiarities of health care financing for this indicator is the world's largest (15 %) [2].

In most developed countries, the state guarantees its citizens access to health care. However, this does not apply to the U.S. because there are virtually no government guarantees concerning the provision of medical care. The common thing for them is that at this stage, many countries, including Western powers have encountered serious difficulties in financing the health system.

At the present stage the medical science is developing rapidly. Constantly there appear new medications, treatments of various diseases, high-tech medical equipment. Research and development in medicine, as well as the use of new therapies require significant expenditure of funds. Trends in increased cost of health care are compounded by the fact that in most developed countries there is a process of population aging, which continue in the future, and, as you know, older people are major consumers of medical services. All this leads to the fact that the steady level of funding for health care no longer meet the needs of the population's health. Thus, many countries need to reform their brewing systems.

2. THE NEED FOR REFORM OF THE MOLDOVAN HEALTH SYSTEM

The above problems are familiar to the Republic of Moldova. The need of reforming the Moldovan health care system at the moment is obvious. The demographic situation in the country has reached a critical point - reduced life expectancy, rising mortality and declining fertility, declining population, respectively. Moreover, improving the image of the country in the world community, which seeks Republic of Moldova, is impossible without compliance with international standards of social conditions in the country, largely due to the reform of the health care system.

According to the authors, the experience of Western countries in managing and reforming the health care system is of interest to the Republic of Moldova in the industry development strategy. This is particularly important due to the fact that the Republic of Moldova is facing some of the same problems that developed Western countries, in particular, with the rising costs of health care and increasing population pressure.

Providing public health services has become an integral part of any modern state. Despite the fact that in some countries, different levels and scope of government guarantees of health prevail, in varying degrees, the state regulates the health of the citizens. The problems of health and public health services have become a mandatory part of election campaigns in all developed countries.

The health system is a complex structure consisting of organizations with different objectives, forms of ownership and types of organization. The experience of developed countries shows that the efficiency of the system depends largely on how it can avoid duplication of different structures, since their presence does not only aggravates the system and makes it less flexible, but also requires the expenditure of additional resources, which leads to inefficient use of resources and a deficit in funding.

In addition, there is a constant increase in health costs associated with both rising costs of medical services and the need to invest in costly research, and changes in demographics, in particular, with increasing dependency ratio.

World experience shows the significant role of the state in regulating the market of medical services. The need for this regulation is due to the presence of so-called market failures. Without government intervention the market of medical services and health insurance in some cases is unable to ensure its effective operation. However, the extent and form of government regulation in this market are different in different countries, which led to the development of different models of organization and financing of health systems. According to the authors in the world at this time the three basic systems were developed, particularly in the UK, USA and Germany, respectively, which are more or less inherent in other states.

Interest in the study of these three models is caused primarily by the fact that fundamentally different approaches are used in financing them. In the UK - it is completely free health care, paid from the state budget from general tax revenues. In Germany, health care is mainly financed by public health insurance system, created in the late XIX

century. Therein contributions for health insurance are divided equally between employer and employee. The U.S. government does not provide guarantees for citizens to health care, except for senior citizens and Americans living below the poverty line. At the same time the U.S. government is struggling to shift the burden of financial responsibility for the provision of medical care on employers by requiring them to pay for health insurance for all categories of workers and their families. This, in turn, leads to a significant weighting of the tax burden and the reluctance of employers to hire additional workers.

At the same time in Germany and the UK governments are encouraging the development of voluntary health insurance, thus striving to relieve the pressure on the budget of the health care system.

It should be noted that the present stage of evolution of systems for public health services in Western countries examined is characterized by a tendency of convergence.

3. THE OPPORTUNITIES OF ORGANIZING AND FINANCING THE HEALTH SYSTEM IN MOLDOVA

The current stage of development of health care is characterized by constant growth of medical expenses caused by both an increase in treatment costs and a substantial rise in prices of medicines, and with the growth of wages in the industry.

This trend, as well as current demographic processes associated primarily with the constant aging of the population, led to the fact that developed countries are faced with the need to reform the industry. The main changes in the area of health financing in developed countries are characterized by increasing value for money and improved quality control.

Investigation of the basic stages of epidemiological transition has made it possible to offer the most rational from the perspective of the authors approach to evaluating the effectiveness of health care financing system, based on a comparison of the dynamics of mortality, life expectancy, mortality by main causes of death and the level of spending on health care.

The transition of the Republic of Moldova in the 90s of last century in the form of funding for health insurance does not produce the expected positive results - the amount of public health funding has decreased, and the main indicators of health status and mortality rate achieved in recent years, a critical level.

Possible ways of addressing the pressing in the system of compulsory health insurance based on the experience of Western countries, are:

- ✚ revision of state guarantees in the amount of free services and the persons receiving them;
- ✚ revision of the administrative principles of organization of the system of compulsory health insurance;
- ✚ development of voluntary health insurance and its combination with mandatory;
- ✚ providing greater autonomy to health facilities in the system of compulsory health insurance.

In further developing the strategy for reforming the health care system in the RM is necessary in order to ease the burden on the state budget in the financing of the health care system and it is appropriate to use the experience of Western countries in stimulating the development of voluntary health insurance, primarily by providing tax benefits to companies and individuals who purchase insurance policies.

At the same time to expand the practice of voluntary health insurance, which involves the development of the so-called classical insurance, carries the risky component of health insurance, not just the practice of attaching the insured person to a particular medical facility. It seems that in the short term, there will be an increase in the budget financing of the sector. While in the long term, according to the authors, should be selected an insurance model of financing health care, which involves a substantial increase in insurance premiums while reducing the share of budget financing. It certainly is possible only in terms of fixing the amount of these contributions at a level adequate to the actual costs of care for the population, and their high degree of collection. This process should be gradual and consistent with the general course of reforming the country's economic system.

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