

UKRAINE

REVIEW OF HEALTH FINANCING REFORMS

2016–2019

WHO–World Bank Joint Report

In 2015, the Government of Ukraine initiated transformative reforms of its health system with the goal to improve health outcomes of the population and ensure financial protection from excessive out-of-pocket payments through increasing efficiency, modernizing the obsolete service delivery system and improving access to better quality of care. The overarching strategy consisted of focusing on health financing reforms first to catalyse transformation in service delivery (both individual and population), incentivize results and outcomes, and use information solutions as accelerators. Following the development and cabinet approval of the strategy, parliament passed the new health financing Law on “Government Financial Guarantees of Health Care Services”. The National Health Service of Ukraine was established to begin strategic purchasing with health care providers for services stipulated in the benefit package.

A joint WHO–World Bank review was carried out in April–July 2019 with a joint mission to Ukraine from 20 to 24 May 2019 to take stock of and review progress implementing health financing reforms since 2016. The joint review aimed to document the impact of the reforms on the stated objectives (access, quality, efficiency and financial burden), identify good practices from an international perspective, highlight future challenges and provide policy recommendations on how to overcome them.

The joint review covered the following six technical areas: (i) governance challenges in health financing; (ii) assessment of the evolution of fiscal space, revenue collection and pooling arrangements; (iii) evaluation of the introduction of strategic purchasing and catalysing service delivery transformation in primary health care including using digital solutions to accelerate progress; (iv) review of options to gear up for strategic purchasing beyond primary health care with outpatient specialist clinics and hospitals; (v) progress in developing an explicit benefit package both from a process and content perspective; and (vi) identification of lessons learned regarding the reform process so far for the next generation of reformers.

The joint review team of WHO and the World Bank have made the following main conclusions regarding the implementation of the health financing strategy 2016–2019, future challenges and opportunities.

Message

#1

Reform design

The overall design of Ukraine’s health financing reforms is in line with international good practices to improve access, quality and efficiency of health services. If implemented consistently, the reforms can expect to yield tangible benefits in terms of improved health outcomes and reduced financial burden for the population in coming years.

Message

#2

Alignment with development objectives

Health financing reforms are well-aligned with Ukraine’s overall development objectives and if implemented consistently should also yield dividends in terms of improved economic outcomes and ensuring fiscal discipline.

Message

#3

Implementation progress

Implementation of health financing reforms has successfully moved forward. A single purchaser, the National Health Service of Ukraine, has been established. Primary health care-related reforms – including the design of an explicit primary care benefits package, conversion of

primary health care centres to autonomous entities, implementation of capitation-based payment, free enrolment of the population and reimbursement of selected medicines on an e-prescription basis – have progressed well. Passing the 2020 budget law by parliament will enable uninterrupted continuation of the reforms.

Message

#4

Success factors

One key reason for successful implementation of reforms to date has been a strong political commitment and good interagency relationships between the Cabinet of Ministers, Ministry of Health, National Health Service of Ukraine and Ministry of Finance. Looking forward, it is critical that these relations continue to be strengthened and maintained.

Message

#5

Change agents

The National Health Service of Ukraine is now a critical change agent in the system, and continued institutional and capacity development will be necessary in order to enable it to play a key role in furthering Ukraine's health system transformation.

Message

#6

**Fiscal context
and efficiency
gains**

Ukraine's overall macro-fiscal environment remains challenging. As a result, efficiency gains will be key to demonstrate results from the reforms and provide space for the continued support of priority actions; in particular, efficiency gains via hospital restructuring will be essential and will require political support and stamina.

Message

#7

**Stability of the
budget envelope**

Ensuring overall stability of the health budget envelope will be key for continued implementation of health system reforms to safeguard resources from efficiency gains and translate them into better quality coverage and services.

Message

#8

Priority setting

Financing and prioritization for public health (health promotion and disease prevention) and primary health care need to be protected within the budget envelope so that hospital reforms do not take the focus away from financing of frontline services.

Message

#9

**Alignment of
national and local
health policies**

Local governments have an important role to play as facility owners and financing agents, but further policy dialogue is needed on how to align decentralized roles and national health policy priorities.

Message

#10

**Focus on
service delivery**

Strategic purchasing and new financial incentives are well designed, and implementation is going well; however, to achieve changes in clinical practice on the ground, a wider range of instruments, such as institutionalized mechanisms to improve quality, are needed.

Message

#11

**Stakeholder
agreement**

For sustainability, it is important to build distributed ownership for the reforms among key stakeholders including local governments, providers and the population.



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