



## SUMMARY

Health is a fundamental human right. Universal Health Coverage (UHC) means that all individuals and communities receive the health services they need without suffering financial hardship. COVID-19 has demonstrated the importance of modern health systems with ability to respond effectively to health crises and pandemics. People-centred quality health services that ensure financial protection facilitate early case detection, identification of contacts and treatment. Ukraine is in the middle of transformative health financing reforms towards this end.

- The overall reform design is in line with international global evidence on UHC and well-aligned with Ukraine’s development objectives.
- First-phase implementation focusing on financing and health information system at primary care has successfully moved forward, anchored by visible and strong political commitment and good inter-agency relationships based on shared sets of priorities.
- Second-phase reform implementation focusing on modernization of hospital care at secondary and tertiary level and strengthening quality of care at primary care level is more complex and takes place within tight fiscal constraints and epidemic.
- Stakeholders at all levels require capacity building, must further strengthen and institutionalize mechanisms for dialogue, collaboration and policy coherence, and align national health priorities and decentralized roles.
- Successful reform implementation requires continued Government leadership and support, and stable, strategic direction built on evidence-based, system-generated, disaggregated data and vision-setting documents.
- The COVID-19 Pandemic has laid bare the critical importance of a modern hospital network and the need to restructure Ukraine’s hospitals.
- Despite the pandemic’s severe negative economic and fiscal impact, the Government must prioritize the health sector and ensure a stable and predictable mid-term budget envelope.

## OVERVIEW

After decades of continued reliance on outdated financing approaches and service provision, in 2015, the Government of Ukraine initiated transformative reforms of its health system. In October 2017, the key Law on “Government Financial Guarantees of Health Care Services” and a package of related by-laws created a strong legal and political framework to implement new health financing arrangements. The National Health Service of Ukraine (NHSU) was established as central executive body responsible for purchasing health services. This first phase of reform focused on strengthening primary care, providing the population with a free choice of providers together with increased financing and modern information systems. At the same time, the Affordable Medicines Programme significantly increased access to medicines and provided millions of people with subsidized essential drugs mainly for primary care sensitive conditions.

However, sustained implementation of reforms already initiated as well as additional reforms are still very much needed. Measured against GDP, Government spending on health remains below mandated legislative thresholds and below other countries in the region. Ukrainian health indicators considerably trail European averages. Five major noncommunicable diseases contribute to more than 85% of all deaths in Ukraine affecting many in working age. Health-related financial burdens for the population are among the highest in the region and relegate





many to poverty in the event of illness. More than 11 million Ukrainians have yet to sign declarations with a specific PHC provider. Ill health negatively affects economic and social development due to lost labour and productivity. The ongoing conflict in Eastern Ukraine is generating further pressures for those affected, especially in areas along the conflict-line. This concerns in particular the limited access to health services, lack of qualified doctors and nurses, and the destruction of health infrastructure.

### SUSTAINABLE DEVELOPMENT GOALS

UHC is an important expression of the fundamental right to the enjoyment of the highest attainable standard of physical and mental health. UHC means that all people and communities have access to the promotive, preventive, curative, rehabilitative and palliative health services they need, that these services are of sufficient quality to be effective, and their users are not exposed to financial hardship. UHC is thus essential to a wide range of Sustainable Development Goals (SDGs) and the pledge to leave no one behind. UHC promotes healthy lives and well-being for all at all ages (SDG 3). Investment in UHC and systems addressing out-of-pocket health expenditure are important contributors towards the ending of poverty (SDG 1). Adults in poor health are more likely to be unemployed. Improving health outcomes for the entire population fosters economic growth and decent work for all (SDG 8). Children and adolescents with good health have better educational outcomes. UHC plays a critical role in advancing inclusive and equitable education (SDG 4). Women represent the vast majority of health care workers. Investment in UHC is an investment in women and the promotion of gender equality and empowerment of women and girls (SDG 5). And, with the development of a fair, trustworthy and responsive health system, UHC directly contributes to peace, justice and strong institutions (SDG 16).

### POLICY CONSIDERATIONS

- No country can achieve UHC without predominant reliance on general Government revenues. This is particularly true for countries with large informal sectors and during times of crisis. The overall design of Ukraine’s health financing reforms is in line with international good practices and well-aligned with its overall development objectives of job creation and formalization of economic activity.
- Ukraine’s allocation to health as a proportion of its overall consolidated budget has been historically well below the WHO European Region average. This needs to change. Despite COVID-19’s severe negative impact on economic growth and public revenue, the Government must prioritize, to the maximum of its available resources, the health sector. It must ensure a stable and predictable mid-term budget envelope that at the very least maintains the current level of per capita health expenditure in real term.
- The current model of revenue-generation and centralized resource-pooling maximizes the impact of funds and is critical in reducing interregional disparities in entitlements and access to health services. This model needs to be carefully preserved.
- Strong governance arrangements, internal and external auditing and accountability systems, and policies that enable new and independent and accountable institutions, such as the NHSU and SOE Medical Procurement are essential in creating the right incentives to improve outcomes and reduce substantial risks of error, fraud and waste.
- Procurement procedures need to be preserved and strengthened to ensure transparency and timely delivery of affordable life-saving medicines in sufficient quantities.
- The Ministry of Health (MoH) and NHSU, Public Health Centre of Ukraine (PHC) and the SOE Medical Procurement require capacity and institution-building to continue their





key roles in health service transformation. Provider management capacities need to be built.

- Critical to reform success has been visible, highest political support, and strong commitment and inter-agency relationships between the Cabinet of Ministers, MoH, the Ministry of Finance and the NHSU.
- The Government must continue to provide leadership, stable, strategic direction and clear objectives based on evidence-based vision-setting documents, and support and defend difficult reform decisions. All policies should be carefully monitored and assessed against intended outcomes.
- Successful implementation requires concerted joint efforts from stakeholders at all levels. Stakeholder relations must be maintained and strengthened, their roles and responsibilities clearly assigned. Mechanisms for shared understanding of priorities, approaches and solutions must be further developed and institutionalized.
- Reform must be inclusive and involve meaningful engagement of civil society, including patient and professional organizations, the most vulnerable and marginalized, and local communities especially the most severely affected by COVID-19.
- Local governments as facility owners and financing agents play a crucial role. Close policy dialogue is critical to achieve coherent policies and strategies for reform, to align national health priorities with decentralized roles and to build inclusive and distributed reform ownership.
- Second-phase reforms entail far deeper transformation of specialized outpatient and hospital services, the continued development of PHC and a broadening of access to priority medicines at outpatient level. Additional focus needs to be on service delivery, health workforce reforms and the continued implementation of modern contracting and provider payment methods.
- Structures to deliver better and more equitable access to a wider range of cost-effective and better-quality health services must be streamlined and integrated. They must be accessible to the most vulnerable and marginalized groups of society, including elders, women and girls at risk, families with children, persons with disabilities, migrants, homeless, and asylum seekers who have now been excluded in the recent reform.
- Gender sensitive services need to be developed with particular focus on sexual and reproductive health services, women and girls facing multiple forms of discrimination, and victims of gender-based violence taking also into account growing incidences in the context of COVID-19.
- Efficiency gains that are safeguarded and reinvested in health service improvements are key for managing limited resources and continued successful reform implementation. This concerns especially the restructuring of Ukraine's outdated hospital infrastructure towards improved quality of care and better patient outcomes. Ukraine needs a more agile hospital network that is capable of providing safe care and to rapidly respond to health emergencies, such as COVID-19.
- Effective reform requires ongoing use and analysis of data to provide a gender-sensitive and evidence-based framework for reform-design and adequate and sustainable financing. Digitalization, interoperability and the e-health system must be further developed and expanded to monitor, evaluate, and improve and adapt performance and health service transformation.
- The provision of health services in the conflict-affected Eastern Ukraine need constant monitoring to ensure the sufficient allocation of resources required to implement health care reform.

