INTERNATIONAL EXPERIENCE OF COMPULSORY HEALTH INSURANCE AND THE POSSIBILITY OF ITS APPLICATION IN UZBEKISTAN

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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, the insurance services 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 thesis.

Purpose of financing and managing the health care system is to develop a health insurance system, by optimizing the financial mechanism for allocating public funds and improving the mechanism for providing paid medical services to the public. This research proposes for developing the bases of medical insurance in the Republic of Uzbekistan, regulating the relations arising in connection with the implementation of activities in this area, determining the legal status of the subjects of medical insurance. The main idea of the research is to analyze the legislative framework regulating mutual relations in the field of medical insurance, guaranteed and favorable conditions for obtaining high-quality medical services and establishing legal, financial and organizational bases for conducting medical insurance. Mostly author explores the applicability of compulsory medical insurance in Uzbekistan with regard to international framework. The purpose of the paper is to create a system for regulating relations in the field of health insurance, ensuring the organization of receipt by consumers-insured of high-quality medical care within certain programs through the creation of mandatory and voluntary health insurance systems, as well as financial attractiveness for all participants in this sphere. The subject of legal regulation of the relations arising in the process of interaction of all participants in the health insurance system, and its functioning and development, as well as the exercise of the powers of public authorities to regulate and control health insurance. The effect of the paper extends to insurance and specially created institutions and medical organizations, consumers of medical services, other participants in the health insurance system, as well as public authorities.

During the years of independence, the insurance market of Uzbekistan has radically changed and today it can be confidently asserted that insurance is an integral part of the economy of

the republic. One of the most important achievements is the formation of the insurance market environment, liquidation of the state monopoly and, as a result, the rapid growth of the number of insurance organizations.[1] The main reformer of the insurance market is the state. At the same time, emphasis is placed on development of the legislation of the sphere, creation of legal bases for effective reform of this sector. A reliable foundation in regulating and further developing the insurance market is the Law of the Republic of Uzbekistan "On Insurance Activities"[2], the Decree of the President of the Republic of Uzbekistan "On Measures for Further Liberalization and Development of the Insurance Market"[3], Resolution of the Cabinet of Ministers of the Republic of Uzbekistan "On measures to further develop the insurance services market"[4] and other normative acts. The set of implemented measures to further expand and reform the insurance market of Uzbekistan is aimed at strengthening public confidence in insurance and insurance organizations, as well as improving the quality of services provided, and increasing the level of capitalization of insurance organizations to ensure their financial stability. The insurance market has created a reliable and secure system of reservation and investment of free funds, which in the shortest possible time can be transformed into payment. Thus, thanks to these measures in 2015, insurance companies of Uzbekistan collected more than 551 billion soums of insurance premiums, which is 26% more than the figure in 2014.[5] In general, over the past 5 years, the national insurance market has changed qualitatively and quantitatively, demonstrating an increase of more than 3 times. The increase in the volume of the country's insurance market is due primarily to the stable growth of the country's macroeconomic indicators and the effectiveness of social and economic policies.

Particular attention is paid to increasing the level of capitalization of insurance companies, providing their transformation into a powerful financial institutions and a significant source of investment resources to real economy. Thus, over the past year, the aggregate amount of charter capital of insurers exceeded the indicator of 2014 by 59 billion soums.[6] It should be noted that 31 insurance companies represent the infrastructure of the market of Uzbekistan with more than a thousand territorial units throughout the country. At the same time, the volumes of services rendered by insurance companies are also growing. In particular, over the past 4 years, the volume of provided services has grown 3.4 times - from 201.9 to 680.2 million US dollars in equivalent.[7]

At the same time, as a prime indicator of growth activity of small business and private entrepreneurship in the economy, the volume of services rendered by insurance entities of this sector over the past 5 years has increased 7.5 times, and the share of this sector in export insurance has increased 2.2 times. In 2015, the total volume of insurance payments on all types of insurance amounted to over 111 billion soums, which is almost one and a half times more than in 2014.

The Republic of Uzbekistan, in the process of carrying out deep structural reforms, much attention is paid to the development of the health care system. The profound reform of this

sphere of the economy, led to a significant change in the structure of the state budget expenditures. For the maintenance of the social sphere over the past five years, the state allocates an average of 58-59% of the state budget annually. In general, health care expenditures in recent years remain stable at 2.8-2.9% of GDP and 12.8-14.3% in the country's state budget. In 2016, 5 861.4 billion UZS or 24.3% of all expenditures for the social sphere were allocated for health care.[8] In recent years, considerable attention has been paid to the development of private medicine in the republic. So, on April 2, 2017, President of the Republic of Uzbekistan Shavkat Mirziyoyev signed a decree "On measures to further develop the private sector in healthcare."[9] This normative document aims to "... gain the full cooperation of the private health sector, the creation of conditions for the provision of private medical organizations of quality high-tech medical services, expansion of attracting into the sphere of private medicine in foreign investment and highly skilled foreign specialists, as well as the development of medical tourism and the export of medical services" .In accordance with the adopted Strategy for Development of the Republic of Uzbekistan for the period 2017-2021. It provides "... further reform of health care, especially primary care, ambulance and emergency medical services, aimed at improving the availability and quality of health and socio-medical service, the formation of healthy lifestyles, strengthening the material-technical base of medical institutions."[10] In this regard, the country begins a new stage in the development of health care in which the accelerated development of the market of paid medical services providers, along with the provision of state-guaranteed free medical aid to the population, additional opportunities for high-quality and affordable consultative-diagnostic, medical, health and other types of medical services will be combined with the gradual introduction of the system of compulsory health insurance. Moreover, The Law on Medical Insurance will provide for: regulation of mutual relations in the field of medical insurance, universality and compulsory coverage of each citizen by the system of medical insurance, equal rights of each citizen for medical and preventive services, guaranteed provision of paid high quality medical services in accordance with the insurance policy; the legal basis for voluntary and compulsory medical insurance, the regulation of tariffs for medical and preventive services, mechanisms for regulating the size of insurance obligations, insurance premiums and insurance payments, as well as the management of medical insurance funds, including the creation of the Compulsory Medical Insurance Fund; determination of the sources of the formation of the Compulsory Medical Insurance Fund, as well as the development of incentive benefits and preferences for citizens with participation in the mandatory and voluntary medical insurance system.[11]

The pioneer of voluntary medical insurance in Uzbekistan is the Insurance company "Uzbekinvest", which started its activity in this market yet in 1995. However, the most dynamic sector of VHI began to develop only in the post- early years. This is indicated at least by the fact that in 2005 there was only 3 companies that provided VHI services (at the end of 2008, there are already 15 such). Companies that have recently entered the market actively

rely on the experience of "Uzbekinvest" in the case of medical insurance. Total amount of insurance premiums under voluntary medical agreements insurance in the period from 2003 to 2007 amounted to 1 513.7 million soums, 509.3 million were paid million sum on 11 230 appeals (loss-making rate was 34%).[12] The leaders in collecting insurance premiums under voluntary medical insurance in 2007 were DSC "O'zbekinvest Hayot", JV LLC IC "Asia Inshurans" and NCEEI "Uzbekinvest". At the same time, the share of insurance premiums under voluntary medical insurance contracts in the insurance portfolio of DSC "O'zbekinvest Hayot" in 2007 was 25.8%, CJSC IC "Fotis Sug'urta" - 12.3% and LLC "Transinsurance Plus" - 11.0%. The leaders in terms of the share of insurance payments under voluntary medical In 2007, Transinsurance Plus LLC (52.3%), Uzbekinvest - 48.8% and OJSC Kapital Sug'urta - 48.3%.

The bulk 80-90% according to the expert of the VHI contracts in Uzbekistan are still concluded with enterprises and organizations that insure their employees and, in some cases, their members families.[13] Working with corporate clients is usually more profitable for an insurance company, than with individuals. First, there is economies of scale: shrinkage average costs of attracting customers and their services. Secondly, employees companies are not so actively trying to spend the sum insured, in contrast to people insuring themselves on their own. The fact is that the insurance premium for the workers pays the enterprise, and the individual pays it out independently, and tries to get the maximum benefit from their own money.

The popularity of voluntary medical insurance grows year by year, as now more and more people care about their health and the health of their families. Voluntary medical insurance (VMI) gives the opportunity to always receive only quality medical care without standing in endless queues, without tedious search for the best clinics.

Depending on the chosen program, the ‘Kapital Sug'urta’ insurance company provides the following types of medical assistance in case of illness: emergency call, out-patient and polyclinic care for emergency, diagnostic and therapeutic indications, medical care at home, dental care, hospital treatment, vaccination against influenza, laboratory and instrumental research, coverage of medicinal expenses.

Lastly, voluntary medical insurance is carried out entirely on commercial terms; Secondly, as a rule, it is a supplement to the system of compulsory medical insurance, which provides the possibility for citizens to receive medical services beyond the limits established in compulsory health insurance programs or guaranteed within the framework of state budget medicine; thirdly, voluntary medical insurance is based on the principles of insurance equivalence; Fourth, participation in voluntary health insurance is not regulated by the state and implements the needs and opportunities of each individual citizen or professional team in the volumes and quality of treatment, services, including without direct dependence on medical indications and recommendations of the attending physician.

In conclusion, there are two fundamentally different mechanisms for financing medical services, depending on whether they are a guaranteed state or commercial. The former should be financed primarily directly by the state. or through the system of compulsory health insurance (CHI). Although in some cases, they can partly be directly paid by patients, or financed through voluntary medical insurance (VHI). The second mainly financed by patients and their employers, including number and through various VHI programs. At the same time, Uzbekistan taking into account the social economic importance of human health can indirectly support commercial health and VHI, mainly through the provisions of tax benefits and infrastructure support.

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