LOCAL SELF-GOVERNMENT IN THE FOCUS OF THE MEDICAL REFORM IN UKRAINE: ANALYSIS OF POWERS

Iryna KHOZHYLO

Dnipropetrovsk Regional Institute for Public Administration, National Academy for Public Administration under the President of Ukraine, Ukraine dneprzdrav1@ukr.net

Zinoviy NADYUK

Lviv Regional Institute for Public Administration, National Academy for Public Administration under the President of Ukraine, Ukraine zenadiuk@gmail.com

Olga ANTONOVA

Dnipropetrovsk Regional Institute for Public Administration, National Academy for Public Administration under the President of Ukraine, Ukraine o.v.antonova@vidr.dp.ua

Tetiana TARASENKO

Dnipropetrovsk Regional Institute for Public Administration, National Academy for Public Administration under the President of Ukraine, Ukraine tatianatarasenko@ukr.net

Tetiana SEROHINA

Dnipropetrovsk Regional Institute for Public Administration, National Academy for Public Administration under the President of Ukraine, Ukraine seregina.dridu@gmail.com

Abstract

This article considers power distribution issues in scientific discourse and searches for available solutions to implement by local authorities in the field of healthcare in the conditions of authority decentralization. Importance of solving this scientific issue lies in the fact that not all communities have financial capacity to maintain on their own a network of medical institutions, since most of Ukrainian regions are financially depressed, and before the reform the network of social facilities (schools, houses of culture, clinics) had been funded through subsidies from the budget of a higher level. The network of financial institutions that are subject to reformation and are owned by local communities at present totals around 10,000 all over Ukraine, which demands for an incremental implementation of structural and functional changes (pilot start of reforms, active phase, reformation completion). Desk research method and secondary analysis of literary, research and analytical sources and regulatory methods have been selected as methodological tools for the conducted research. The research period covers years 1991 through 2019. The object of the research is power of local self-governments (their own as well as delegated),

since almost 80% of medical services are provided on the territorial community level. The article presents results of empirical analysis regarding distribution of financial power in the new model of healthcare management, which proves that in its essence it remained budget-funded, as it had been before the reform. The research empirically confirms and theoretically proves that the course of reforms, in general, has been chosen correctly, and the first conclusions of international experts also give positive assessment of the reform management. Results of the conducted research can be useful to local authorities, who directly represent the interests of territorial communities, and local executive authorities involved in implementation of these reforms and declaring their interest in Ukraine's commitment to the course towards European integration changes.

Keywords: local self-government, medical reform, powers, Ukraine.

1. INTRODUCTION

In the conditions of implementation by the state of Ukraine of the selected course towards European integration changes, the healthcare reform is one of the most complicated as its implementation does not include transformation of the archaic healthcare management model dating back to the USSR, but envisages its complete destruction and construction of a new model of social relations in the field of healthcare. The management model currently under development in Ukraine is based on foundations of a new European policy in the field of healthcare, with implementation of completely new public management subjects on all levels (Khozhylo, I. 2015; Seminar Proceedings, 2018). Moreover, implementation of this sectoral reform is taking place together with implementation of the local selfgovernment reform. This is what complicates implementation of double reformation that includes local self-government and medical reforms. This process requires a detailed analysis, examination of successful reformation expertise in EU countries, development of the state change strategy, and efficient managerial decisions. When transferring powers in the field of healthcare from the national level to the local self-government level, a number of economic, property, social, and legal issues arise that require to be immediately addressed by the local self-governments. Delay with solving them threatens to slow down the reformation process and limit the citizen's access to quality medical services.

2. LITERATURE REVIEW

Issues in healthcare field have been addressed in a large number of scholarly works by Ukrainian researchers (M. Bilynska, D. Karamyshev, V. Lekhan, Z. Nadiuk, I. Rozhkova, Ya. Radysh, I. Solonenko). However, taking into account the fact that the healthcare reform in the history of independent Ukraine is taking place for the first time, research work on management issues in reformation itself of the medical field in Ukraine is extremely limited. In particular, O. Vinohradov and N. Ringach believe that for the countries that used to be USSR republics and are at the stage of transitional economy (Ukraine used to be part of the USSR until 1991), the most efficient approach in

Khozhylo I., Nadyuk Z., Antonova O., Tarasenko T. & Serohina T. LOCAL SELF-GOVERNMENT IN THE FOCUS OF THE MEDICAL REFORM IN UKRAINE: ANALYSIS OF POWERS

reformation of the national healthcare system would be a state and insurance healthcare model with priority for the development of primary medical care institutions (Vinohradov, O. et al., 2013). In terms of socio-political structure of society conditionally distinguishes 5 types of health care systems (Field, M. 1980):

- classic (unordered);
- pluralistic;
- insurance;
- national;
- socialist.

No model of healthcare system operating in foreign countries, ideally, can be acceptable under the current conditions for Ukraine. Looking at the works of international scholars, it is necessary to say that when implementing medical reforms, national governments of Estonia, Latvia, and Lithuania also put most emphasis on reformation of the primary level of medical care. They initiated providing it on the conditions of private insurance policies (Murauskiene, L. et al., 2013). It's worthwhile saying that reformation of national healthcare systems in most highly developed countries began at the end of the XXth century. Reform scenarios aimed to limit the increasing expenses for the medical sphere, and did have certain differences in implementation of the reformation organizational policy. For instance, Germany and Great Britain had officially approved healthcare reformation programs; other countries implemented limited reform strategies for solving specific tasks (Blank, R. 2004).

Researchers Richard B. Saltman and Josep Figueras having conducted a thorough research on reformation strategies for national healthcare systems in Eastern and Western European countries, came to the conclusion that, in its essence, a medical reform is a coordinated set of government's activities providing changes in legislative, economic, and organizational securement of providing medical services to the population (Saltman R. et al., 1998). As the researchers note, the most successful step of governmental programs in medical services sector reformation in EU countries was decentralization of responsibility for state healthcare facilities, when their management was passed on to regional and municipal authorities. This also included implementing autonomous hospital management during decentralization process through self-governing foundations and civic companies.

Researchers Robert Baldwin and Martin Cave, considering theories and practices for state regulation in various spheres of social life, note that in the field of social policy, which includes healthcare, state decentralization regulation can be most successful and can ensure positive outcome of the changes provided it follows the following scenarios:

replacement of state control with audit by state authorities (inspections, services, agencies);

- introduction of "self-regulating" activity format;
- introduction of stimulating tools for financial regulation (taxes, subsidies);
- implementation of market mechanisms for regulation of subjects' activities (legislation, contracts, etc.);
- implementation of measures to ensure openness and transparency;
- direct activities of the government;
- legal rights and responsibilities;
- programs of state compensation and welfare insurance (Baldwin, R. et al., 1999).

Analyzing successful healthcare reformation practices in foreign countries, it is possible to note that reforms took place according to both, the revolutionary scenario (short-term changes) and evolutionary scenario (gradual changes). Evolutionary development of the healthcare reform is inherent to most national healthcare systems in EU countries. This scenario is characterized by gradual attenuation of state functions in providing medical services and emergence of social institutions that carry out organization and management of medical services consumption (Chernikhovskyi D., 1995). Thus, the evolutionary way of the medical field reformation is implemented within public transformation and transfer of the state management to public governance, which stipulates extension of powers for local self-government in organization of providing medical aid. Taking into account everything mentioned above, we come to the conclusion that it is vital to examine more thoroughly management issues and perspectives for healthcare decentralization on the local self-government level.

The aim of this work is to define powers of local self-governments in the field of healthcare on the basic, district and regional levels, and their compliance with the tasks of power decentralization and healthcare system decentralization.

3. METHODOLOGY

The methodological basis of the study was the scientific works of domestic and foreign scientists and leading experts, statistical and analytical materials of state authorities, orders of the Ministry of Health. The theoretical basis of the study is the toolkit of interdisciplinary synthesis - social and philosophical methods, methodological approaches, concepts and hypotheses of classical science. The other methodological approach applied in this study included a compari-son of statutory regulations. The total number of regulatory documents for analysis is the 10 orders of the Ministry of Health and 10 the government decrees, 5 main the laws of Ukraine on medical reform:

The Law № 3612 of 7 July 2011 Oon the Procedure for Reforming the Health Care System in Vinnytsia, Dnipropetrovsk, Donetsk Regions and in the City of Kiev;

Khozhylo I., Nadyuk Z., Antonova O., Tarasenko T. & Serohina T. LOCAL SELF-GOVERNMENT IN THE FOCUS OF THE MEDICAL REFORM IN UKRAINE: ANALYSIS OF POWERS

- The Law № 2002- Autonomization of Medical Institutions came into force on November 6, 2017;
- The Law № 2168 of October 19, 2017 On State Financial Guarantees of Health Services for the Population;
- The Law № 2206 of 14.11.2017 On improving the availability and quality of health care in rural areas:
- The Law № 2233 of December 7, 2017, On amendments to the Budget Code shall enter into force on January 1, 2018.

Results are obtained using methods such as abstract-logical - for theoretical generalization and formulation of conclusions, for identifying key areas of interaction between local government and government in the field of medicine. Content analysis - for studying and comparing new functions of local government in providing medical services. SWOTanalysis - to identify strengths and weaknesses, opportunities and threats of medical reform and decentralization of power for Ukraine. To achieve the objectives of the study a desk research was conducted, during which information on managerial functions local self-government in the field of health service in Ukraine in time medical reform was analyzed. The scope of the study covers in Ukraine over a period of 2010 – 2019. The search was made using most frequently used words associated with the topic: managerial functions, local self-government, medical reform, power, decentralization, state. To analyze the issues on the research subject, we used dialectic analysis and synthesis, generalization, comparative, complex and system analysis in order to find out characteristics of providing medical services on various management levels (the basic, district and regional). We comprehensive research magement aspect as of exercising powers by local self-governments during the administrative and sectoral reforms. Graphical presentation method is used to illustrate the main contents of the research and conclusion preparation.

4. RESULTS OF THE RESEARCH AND DISCUSSION.

The reform in the field of healthcare that has around 2,000,000 workers and 18,000 medical institutions, can not happen overnight in Ukraine (Healthcare facilities 2017, 2018). This reformation is done in stages – from pilot as of 2011 and preparatory changes for the active phase (2015 – 2019), to its development and completion (The Law of Ukraine 2168, 2002, 2206, 2233, 3612). The pilot medical reform project was successfully implemented in 4 the regions of Ukraine (Slabkiy, G. 2015). Breaking the medical reform in the conditions of power decentralization into steps means creating a basic level of providing medical assistance on the unified territorial communities level (1st stage), formation of a specialized network of healthcare facilities of the second level on the basis of creating hospital districts

Issue 2 / May 2020

Khozhylo I., Nadyuk Z., Antonova O., Tarasenko T. & Serohina T. LOCAL SELF-GOVERNMENT IN THE FOCUS OF THE MEDICAL REFORM IN UKRAINE: ANALYSIS OF POWERS

on the level of future enlarged localities (2nd stage), creation of a unified medical space on the state level, where medical services will be provided in any city of Ukraine (3rd stage). As we see, the structural and functional organization of each level of providing medical services requires that local authorities that implement their power in the healthcare field clearly divide and solidify specific powers and management functions on each level.

Therefore, certain regulatory, organizational, financial and property issues arise at all stages. Moreover, along with systemic issues in healthcare management, Ukraine is implementing an administrative-territorial reform, which objectively engenders new challenges and problems that actualize their consideration and solution for the local self-governments. Everything mentioned above proves the relevance of research on this subject.

According to the Ukrainian legislation, the most powers of local self-governments in the healthcare field lie on executive authorities of village, town, and city councils (The Law 280 of Ukraine). They are represented by councils' own and delegated authorities. Thus, within their own power, executive city councils can manage healthcare institutions and wellness institutions that belong to the territorial communities or have been transferred to them; organize their material and financial infrastructure; assist non-governmental and non-profit organizations that operate in the field of healthcare. The delegated powers include submitting proposals to relevant authorities regarding licensing individual entrepreneurial activities in the field of healthcare. In addition, delegated powers of executive authorities of local councils in the field of population welfare include providing benefits stipulated by Ukrainian laws, additional funding, and housing and transportation to healthcare professionals living in rural areas (The Law 280 of Ukraine). Thus, communal healthcare facilities management is a key issue of the basic level of local self-government when it comes to efficiency of various functions and power implementation in managing communal property objects. Respectively, this issue sets an important measure of social responsibility of local self-government authorities as owners of healthcare institutions for their closing down, optimization, and repurposing.

According to the Constitution of Ukraine, territorial communities, directly or through bodies of local self-government established by them:

- manage communal property;
- reorganize and close down communal enterprises;
- organizations and establishments as well as monitor their activities.

They can also unite, on contractual terms, these communal facilities as well as budget funding for implementing joint projects, joint funding (maintenance) of communal enterprises, create respective bodies and services for these purposes. Also, an important component are objects jointly owned by

Khozhylo I., Nadyuk Z., Antonova O., Tarasenko T. & Serohina T. LOCAL SELF-GOVERNMENT IN THE FOCUS OF THE MEDICAL REFORM IN UKRAINE: ANALYSIS OF POWERS

territorial communities, which are managed by district and regional councils (The Constitution of Ukraine, 1996).

According to the latest data from the State Committee of Statistics of Ukraine, in 2017 the network of healthcare institutions in Ukraine counted 9,000 hospitals and 10,400 outpatient clinics (excluding temporarily occupied territory of Autonomous Republic of Crimea, city of Sevastopol, and temporarily occupied territories in Donetsk and Luhansk regions). The key moment here is the financial capacity to support such a tremendous network of healthcare institutions (Healthcare facilities, 2018).

As of October 2019, 975 united territorial communities have been formed in Ukraine (Monitoring, 2019). According to the Ukrainian legislation (The Law 1508 of Ukraine), a territorial community is the main bearer of functions and powers of local self-government. In this way, on the territorial community level, considerable changes in providing medical services to citizens are taking place.

To ensure providing primary healthcare, united territorial communities receive direct medical subsidies from the state budget. Recency of this experience does not allow for a definitive answer whether this is the most efficient approach to providing financial decentralization for the national practice. Analysis of state funding of healthcare in other countries allows experts to recommend to provide such support on the subnational level (Report NISD, 2016). In general, expertise of other countries shows widely different approaches to distribution of power in healthcare: transfer of powers and responsibilities to regional and municipal authorities, delegation of self-regulating powers to private organizations (licensing, insurance), creation of national bodies independent from the government (Bilynska, M. et al., 2018). Regarding this issue, some Ukrainian researchers believe that there is a need to create a special executive body at unified territorial communities, which will be authorized to manage funding, and it is these executive bodies and not the UTC that should manage medical subsidies as well (lanchuk, A. et al., 2018). Thus, the issue is the variation of administrative decentralization that to a certain extent contradicts the contents of the local self-government reform and territorial authorities organization reform.

Along with this, experts express concern regarding contradiction between decentralization of such a step as centralized funding transfer of healthcare personnel labor and medical establishments with employed physicians to the Agency of National Healthcare Service of Ukraine as a unified financial institution that is structurally and functionally subordinate to the Ministry of Health of Ukraine (The Law 2168 of Ukraine). They emphasize the complicacy of funding medical institutions by local budgets, since many territorial communities are not financially viable. Also, experts see another contradiction in centralization of medical institutions, where all dispensaries and paramedic and obstetric points are

Issue 2 / May 2020

Volume 15

Khozhylo I., Nadyuk Z., Antonova O., Tarasenko T. & Serohina T. LOCAL SELF-GOVERNMENT IN THE FOCUS OF THE MEDICAL REFORM IN UKRAINE: ANALYSIS OF POWERS

completely subordinate to district primary healthcare centers (DPHC), and, correspondingly, are not autonomous (Zhalilo, Ya. 2019).). Besides, there are risks regarding changes in the status of the DPHC from a budget-funded institution into a communal enterprise, and centralization of its funding through the National Healthcare Service of Ukraine (NHSU). Therefore, the new national management model gets NHSU as a new management entity that also manages funding on the primary, secondary and tertiary level. It looks as though with all introduced changes in organizational and legal fields, the flow of funds remained within the old centralized model; in other words, funding is accumulated and distributed by the state through an authorized entity based at the Ministry of Health Protection of Ukraine (MHP of Ukraine). Under such conditions, we can state that one characteristic of the new national healthcare management model is dichotomy of management functions between the subjects, which causes local self-government authorities to lose their influence over DPHC centers they have on their balance sheets. And the latter come under full influence of the central authorities, in particular, MHP of Ukraine and Ministry of Finance of Ukraine. This is why local authorities face new tasks regarding funding development and support programs for communal healthcare institutions (not-for-profit enterprises) in terms of infrastructure renovation, computerization and informatization, major repairs or reconstruction, stimulation of wages for medical personnel ("local stimuli" program) as well as local civic healthcare and other relevant programs (Zhalilo, Ya., 2019). This indicated characteristic of the national model makes it significantly different from models of other EU countries (table 1).

Thus, the new Ukrainian model of healthcare management (table 1) does not have such a structural subject of public management as independent insurance funds that act as a key link in development of medical reforms in European countries (Healthcare facilities, 2018). After all, insurance funds as independent players on the medical services market that only accumulate funds and contract service providers without owning their property (Zakhidna, O. et al., 2017). Such an approach ensures transparency, management democratization and minimization of corruption risks when concluding agreements with medical service providers.

Cooperation of territorial communities can be an important mechanism that will allow citizens to strengthen their abilities to fund communal healthcare institutions (Tarasenko, T. et al., 2015). However, this mechanism has not been in significant use in healthcare.

For example, out of 485 agreements on cooperation between territorial communities as of October 17, 2019, only 4 dealt with cooperation of communities in the field of healthcare in the form of delegating individual healthcare tasks, and 2 agreements involved a joint project implementation on children's wellness and recreation (Register of agreements on cooperation of territorial communities, 2019).

TABLE 1- STRUCTURAL AND FUNCTIONAL DIFFERENCES BETWEEN THE UKRAINIAN AND
POLISH MANAGEMENT MODELS IN HEALTHCARE FIELD

Criterion for comparison	Poland		Ukraine	
/ management level	Budget-funded	Insurance- funded	Budget-funded	Insurance- funded
Accumulation of funds for healthcare needs	Central budget (Ministry of Health)	Insurance fund (National Health Fund)	Central budget (Ministry of Health + NHSU) Local budgets	no
Contracts with providers of medical services and funding (who orders medical services)	Central budget (Ministry of Health) - Direct funding of 3rd level clinics	Insurance fund (National Health Fund) – medical assistance on 1st and 2nd level	•	no
Ownership situation of providers of 2 nd level of medical services	no	regions, districts	central, regional, city, district, village, or unified territorial community	no
Ownership situation of providers of 1st level of medical services	no	districts	cities, districts	no

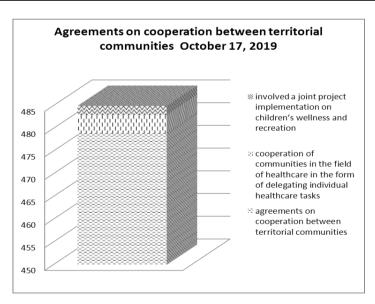


FIGURE 1 - AGREEMENTS ON COOPERTION BETWEEN TERITORIAL COMMUNITIES

Such forms of agreements as joint funding of infrastructural communal property objects, creating joint infrastructural communal property objects, creating a joint management authority by the cooperation subjects for joint implementation of powers stipulated by legislation, remain neglected.

It is necessary to emphasize that along with innovations in organization and operation of local self-government in unified territorial communities, the communities that have not gone through with unification process retain the old system of operation and funding for basic local self-government authorities. This is viewed as non-compliance between decentralization and the medical reform, when unified territorial communities have received direct budget subsidies from the state budget, which led to disproportion in funding distribution between them and those communities that have not been unified (lanchuk, A. et al., 2018). Formation of city agglomerations can serve as a joint interaction mechanism for both territorial communities and unified territorial communities (The draft Law 6743 of Ukraine).

A special feature of local self-government on the district and regional level is the fact that district and regional councils do not have their own executive authorities. Councils delegate these powers to relevant local state administrations. The list of such delegated powers includes development of healthcare and assistance to civic and non-profit organizations acting in the field of education and healthcare (The Law 280 of Ukraine).

Unlike the basic level of local self-government, where exceptional authorities of village and city councils include approval of social and economical development programs for relevant administrative and territorial units, and targeted programs on other local self-government issues, on the district and regional level these powers are delegated to local state administrations. These include such delegated powers as preparation and submission for council's consideration of district and regional social and economical development programs, targeted programs on other issues, preparation of proposals for regional social and economical development programs, nationwide social development programs, and enforcement of the council's decisions (The Law 280 of Ukraine).

Thus, complexities of the power distribution between state executive authorities and local self-government authorities in total are fully reflected in their powers in the field of healthcare. Weakness of local self-government on the district and regional level is predetermined by absence of proper executive authorities in district and regional councils, which is vividly demonstrated by the low level of the local self-government's ability to provide healthcare development in respective area. Solution of this complex systemic issue is one of the tasks for the local self-government and territorial power organization reform on the basis of creating executive authorities of district and regional councils (Resolution 333-p , 2014). Simultaneously, results of this reform brought to light new problematic issues, and one of the most urgent of them is covering districts by unified territorial communities, which caused overlay of management levels and derogation of the district self-government due to uncertainty and inconsistency of power decentralization implementation.

Khozhylo I., Nadyuk Z., Antonova O., Tarasenko T. & Serohina T. LOCAL SELF-GOVERNMENT IN THE FOCUS OF THE MEDICAL REFORM IN UKRAINE: ANALYSIS OF POWERS

Besides, today it is emphasized that intensification of hospital district introduction under conditions of administrative – territorial level uncertainty threatens to render them inadequate to the final variant of the administrative structure, which will complicate designation of the central district hospital (lanchuk, A. et al., 2018). To illustrate, one of the main steps of the medical reform implemented together with the process of creating unified communities was a proposal dated 2017 to create around 100 hospital districts in Ukraine. The hospital district itself is defined as a functional association of healthcare institutions located on the respective territory, which ensures providing a secondary (specialized) assistance for the population of such a territory (Resolution 932, 2016). They are created by the government within confines of a region. Such a district includes at least one multipurpose hospital with intensive care of the first and / or second level as well as other healthcare institutions. When creating hospital districts, institutional ability for making managerial decisions is considered; these decisions are aimed to increase efficiency of using resources of the healthcare system including repurposing of existing healthcare institutions or their further specialization (Resolution 932, 2016).

According to the contents of the local self-government reform, there are plans to establish the following distribution of powers in the healthcare field on various levels of local self-government. On the basic level such powers of local self-government authorities include providing emergency services, primary healthcare, and prevention of diseases. Powers of district self-government include providing secondary medical services. On the regional self-government level such powers cover providing highly specialized medical aid (Resolution 333-p, 2014).

According to the concept of the healthcare funding reform, on the beginner and middle reform level current chief managers of budget funding, i.e. respective state authorities and local –self-government authorities remain the general contractor for medical services. And procurement of such services through a single national contractor has to be the final result of the reform (Order 1013-p, 2016). Hence, the new management system does not hold legal basics for budget funding (by category) for healthcare institutions. The draft changes to the Budget Code of Ukraine propose the following model (table 2) of funding distribution in healthcare system (The Law 233 of Ukraine).

The report by WHO and World Bank on Ukraine's experience regarding the financial reform in healthcare in 2016-2019 states that the general contents of the medical reform implementation comply with international experience in improving access, quality, and efficiency of services in this field (WHO, Full report, 2019).

The joint review covered the following six technical areas:

governance challenges in health financing;

- assessment of the evolution of fiscal space, revenue collection and pooling arrangements;
- evaluation of the introduction of strategic purchasing and catalysing service delivery transformation in primary health care including using digital solutions to accelerate progress;
- review of options to gear up for strategic purchasing beyond primary health care with outpatient specialist clinics and hospitals;

TABLE 2 - EXPENSES DISTRIBUTION FOR FUNDING VARIOUS TYPES OF MEDICAL ASSISTANCE

State budget (State guaranteed package)	Local budgets	Patient (co-payment or payment without a doctor's referral)
Primary, secondary (specialized), tertiary (highly specialized), emergency and palliative medial aid	Communal services and energy carriers for healthcare institutions	Secondary (specialized), tertiary (highly specialized) medical assistance
Sanatorium and rehabilitation assistance	Local development programs for healthcare institutions (infrastructure renovation, overhauls, reconstructions)	Medical services beyond state- guaranteed package
State programs for development and support of public healthcare institutions	Local programs for providing medical services beyond state-guaranteed package to the population	
State programs for public health	Local programs for public health Computerization and informatization of healthcare institutions	

- progress in developing an explicit benefit package both from a process and content perspective;
- identification of lessons learned regarding the reform process so far for the next generation of reformers.

Based on the WHO experts' opinion, we conducted an analysis of the opportunities, risks, weaknesses and strengths of medical reform in Ukraine (figure 2).

According to experts WHO, changes on the level of healthcare institutions and their restructurization are of utmost importance for implementation of this reform; local self-government authorities have to play an important role as owners of healthcare institutions and funding agents, however, for further policy it is essential to have a dialogue on balancing decentralized roles and priorities of the national policy in healthcare field; to provide continuation of the reform, it is important to distribute participation and roles among interested parties, including local self-government authorities, service providers and population (WHO, Full report, 2019).

Strengths

The overall design of healthcare financing reforms in Ukraine is consistent international best practices to improve access, quality and efficiency medical services.

A single purchaser, the National Health Service of Ukraine, has been established.

Strong political commitment and good interagency relationships between the Cabinet of Ministers, Ministry of Health, National Health Service of Ukraine and Ministry of Finance

Weaknesses

Ukraine's overall macro-fi scal environment remains challenging

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.

For achieve changes in clinical practice on the ground, a wider range of instruments, such as institutionalized mechanisms to improve quality, are needed.

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

Swot analyses

Opportunities

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.

The National Health Service of Ukraine will be play a key role in furthering Ukraine's health system transformation.

Passing the 2020 budget law by parliament will enable uninterrupted continuation of the reforms.

Threats

Efficiency gains via hospital restructuring will be essential and will require political support and stamina.

Ensuring overall stability of the health budget envelope will be key for continued <u>implementation of health system reforms</u>

Further policy dialogue is needed on how to align decentralized roles and national health policy priorities

FIGURE 2 - THE SWOT ANALYSIS OF MEDICAL REFORM IN UKRAINE, 2016-2019

CONCLUSIONS

The conducted research allows to make the following conclusions.

1. Ukraine still faces a number of challenges and inconsistencies between the local self-government reform and medical reform. This is related to decentralization of funding for the basic level of local self-government and inconsistencies in the process of creating hospital districts and changes in administrative territorial division on the district level.

- 2. The new model of healthcare management remains state-funded in its form, as it was during the USSR times. This is the fundamental difference between the Ukrainian model and European models involving state and insurance funding.
- 3. The Ukrainian government implements the medical reform according to the evolutionary scenario, which can be broken into three stages: pilot planning (2010-2014), active reforms (2015-2918), and integration into the unified national model (2019-2020).
- 4. Local authorities play an important role as facility owners and funding agents; however, a further political dialogue is required to reconcile decentralized roles and priorities of the national policy in the field of healthcare.
- To stabilize the transformation of the healthcare system, it is important to create a divided ownership for reform implementation among the key parties involved, including local selfgovernments, service providers, and citizens.

United territorial communities have the opportunity to improve the quality of medical services through the conclusion of cooperation agreements. This process is developing very slowly in Ukraine. This is a loss of opportunity to raise the standard of living of local communities.

REFERENCES

- Baldwin, R., & Cave M. (1999). Understanding Regulation: Theory, Strategy and Practice. Oxford: Oxford University Press, 1999.
- Bilynska, M.M. et al. (2018) Medyko-sotsialni zasady publichnoho vriaduvannia u sferi okhorony zdorovia [Medical and social principles of public governance in health]. Kyiv: NADU.
- Blank, R. H., & Burau, V. (2004). Comparative health policy. Houndmills, Basingstoke, Hampshier: Palgrave Macmillan.
- Chernichovsky, D. (1995). Health System Reform in Industrialized Democracies: An Emerging Paradigm. The Milbank Quarterly, 73(3), 339-372.
- Derzhavnyi komitet statystyky Ukrainy (2018). Zaklady okhorony zdorovia (1990–2017) [State Committee of Statistics of Ukraine (2018). Healthcare facilities (1990-2017)]. Retrieved from http://www.ukrstat.gov.ua/druk/publicat/kat_u/2018/zb/11/zb_ru1ch2018.pdf.
- Field, M.G. (1980). The Health System and Policy: a Contemporary American Dialectic. Social Science and Medicine, 14a(5), 401.
- Golinowska, S., Sowada, C., Tambor, M., Domagała, Al., et al. (2018). What's next for healthcare in Poland: diagnosis and prognosis. Seminar Proceedings mBank-CASE, 156. Retrieved from https://case-research.eu/files/?id_plik=5756.
- Government Ukraine. (2019). Detsentralizatsiia v tsyfrakh: novi dani Monitorynhu reformy vid Minrehionu [Monitoring Decentralization in numbers: new data from the Minregion Reform Monitoring]. Retrieved from https://decentralization.gov.ua.

- lanchuk, A. O., Kuznichenko, S. O., & Okolovych, M. Ye. (2018). Do problem upravlinnia okhoronoiu zdorovia v konteksti detsentralizatsii vlady ta prostorovoho planuvannia v obiednanykh terytorialnykh hromadakh [To the problems of health care management in the context of decentralization of power and spatial planning in the united territorial communities]. 20, Zaporizkyi medychnyi zhurnal, 5(110), 717–722.
- Khozhylo, I. (2015). Mechanisms of state management in health reform: Polish experience for Ukraine. [Electronic version]. Nauki Społeczne. Zeszyty Naukowe Towarzystwa Doktorantów Uniwersytetu Jagiellońskiego, 11 (2/2015), 21-24. Retrieved from http://www.doktoranci.uj.edu.pl/documents/1167150/ 5184220c-78bc-4761-8aee-50f6ced18239#page=21
- Konstytutsiia Ukrainy (1996) pryiniata na piatii sesii Verkhovnoi Rady Ukrainy 28 chervnia 1996 r.: iz zminamy [The Constitution of Ukraine (1996)]. Retrieved from https://zakon.rada.gov.ua/laws/show/254%D0%BA/96-%D0%B2%D1%80
- Law 2168 (2017). Pro derzhavni finansovi harantii medychnoho obsluhovuvannia naselennia: zakon Ukrainy vid 19 zhovtnia 2017 r. № 2168-VIII [The Law 2168 of Ukraine of October 19, 2017 on state financial guarantees of health services for the population]. Retrieved from https://moz.gov.ua/article/news/nabuv-chinnosti-zakon-pro-medreformu.
- Ministry of Development of Communities and Territories of Ukraine (2019) Reiestr dohovoriv pro spivrobitnytstvo terytorialnykh hromad (stanom na 17.10.2019). Ministerstvo rozvytku hromad ta terytorii Ukrainy [Register of agreements on cooperation of territorial communities (as of 10/17/2019]. Retrieved from http:// www.minregion.gov.ua/napryamki-diyalnosti/regional-dev/rozvytok-mistsevoho-samovryaduvannya/reyestr/
- Murauskiene, L., Janoniene, R., Veniute, M., van Ginneken, E., et al. (2013). Lithuania: health system review. Health Systems in Transition. World Health Organization. Regional Office for Europe. Retrieved from https://apps.who.int/iris/handle/10665/330306
- Porter D., & Porter, R. (1988). What was social medicine? An historiographical essay. Journal of Historical Sociology, 1(1), 90–106.
- Law 280 (1997). Pro mistseve samovriaduvannia v Ukraini: zakon Ukrainy vid 21 travnia 1997 r. № 280 iz zminamy [The Law 280 of Ukraine of 21 May, 1997 on local self-government in Ukraine]. Retrieved from https://zakon.rada.gov.ua/laws/show/280/97-%D0%B2%D1%80.
- Law 1508 (2014). Pro spivrobitnytstvo terytorialnykh hromad: zakon Ukrainy vid 17 chervnia 2014 r. № 1508 [The Law 1508 of Ukraine of June 17, 2014 on cooperation of territorial communities]. Retrieved from https://zakon.rada.gov.ua/laws/show/1508-18.
- Law 2002 (2017). Pro vnesennia zmin do deiakykh zakonodavchykh aktiv Ukrainy shchodo udoskonalennia zakonodavstva z pytan diialnosti zakladiv okhorony zdorovia: zakon Ukrainy vid 6 kvitnia 2017 r. № 2002 [The Law 2002 of Ukraine of April 6, 2017 on amendments to some legislative acts of Ukraine on improvement of legislation on the activities of health care institutions]. Retrieved from https://zakon.rada.gov.ua/laws/show/2002-19?find=1&text=%EC%B3%F1%F6%E5%E2.
- Law 2206 (2017). Pro pidvyshchennia dostupnosti ta yakosti medychnoho obsluhovuvannia u silskii mistsevosti: zakon Ukrainy vid 14 lystopada 2017 roku № 2206-VIII [The Law 2206 of Ukraine of 14 November, 2017 on improving the availability and quality of health care in rural areas]. Retrieved from https://zakon3.rada.gov.ua/laws/show/2206-19.

LOCAL SELF-GOVERNMENT IN THE FOCUS OF THE MEDICAL REFORM IN UKRAINE: ANALYSIS OF POWERS

- Law 2233 (2017). Pro vnesennia zmin do Biudzhetnoho kodeksu Ukrainy: : zakon Ukrainy vid 7 hrudnia 2017 roku № 2233-VIII [The Law 2233 of Ukraine of December 7, 2017 on amendments to the Budget Code entered into force on January 1, 2018]. Retrieved from https://zakon.rada.gov.ua/laws/show/ru/2233-19/paran60.
- Law 3612 (2011). Pro poriadok provedennia reformuvannia systemy okhorony zdorovia u Vinnytskii, Dnipropetrovskii, Donetskii oblastiakh ta misti Kyievi : zakon Ukrainy vid 7 lypnia 2011 r. № 3612-VI [The Law 3612 of Ukraine of July 7, 2011 on the procedure of reforming the health care system in Vinnytsia, Dnipropetrovsk, Donetsk Regions and the City of Kiev]. Retrieved from http://www.zakon.rada.gov.ua
- Law 6329-1 (2017). Pro vnesennia zmin do Biudzhetnoho kodeksu Ukrainy shchodo udoskonalennia zakonodavstva Ukrainy z finansuvannia okhorony zdorovia: proekt Zakonu Ukrainy vid 25 kvitnia 2017 r. № 6329-1 [Draft Law 6329-1 of Ukraine of April 25, 2017 on Amendments to the Budget Code of Ukraine on Improvement of the Legislation of Ukraine on Health Financing]. Retrieved from http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=61689
- Law 6743 (2017). Pro miski ahlomeratsii: proekt zakonu Ukrainy vid 17 lypnia 2017 r. № 6743 [Draft Law 6743 of Ukraine of July 17, 2017 on urban agglomerations]. Retrieved from http://w1.c1.rada.gov.ua/pls/zweb2/webproc4_1?pf3511=62318
- Order 1013-p (2016). Pro skhvalennia Kontseptsii reformy finansuvannia systemy okhorony zdorovia: rozporiadzhennia Kabinetu Ministriv Ukrainy vid 30 lystopada 2016 r. № 1013-r. [Order 1013-p of the Cabinet of Ministers of Ukraine of November 30, 2016 on approval of the Health Care Financing Reform Concept]. Retrieved from http://zakon3.rada.gov.ua/laws/show/1013-2016-%D1%80
- Report NISD (2016). Terytorialna hromada yak bazova lanka administratyvno-terytorialnoho ustroiu Ukrainy: problemy ta perspektyvy reformuvannia [Territorial community as a basic element of the administrative and territorial structure of Ukraine: problems and prospects for reform]. Kyiv: NISD. Retrieved from http://old2.niss.gov.ua/content/articles/files/AD-Teritor_alna-gromada-103fe.pdf
- Resolution 333 (2014) Kontseptsiia reformuvannia mistsevoho samovriaduvannia ta terytorialnoi orhanizatsii vlady v Ukraini : rozporiadzhennia Kabinetu Ministriv Ukrainy vid 1 kvitnia 2014 r. № 333-r [Resolution 333-p of the Cabinet of Ministers of April 1, 2014 the concept of reforming local self-government and territorial organization of government in Ukraine]. Retrieved from http://zakon2.rada.gov.ua/laws/show/333-2014-r.
- Resolution 932 (2016) Pro zatverdzhennia Poriadku stvorennia hospitalnykh okruhiv: postanovoiu Kabinetu Ministriv Ukrainy vid 30 lystopada 2016 r. № 932 [Resolution 932 of the Cabinet of Ministers of November 30, 2016 on approval of the order of establishment of hospital districts]. Retrieved from http://zakon.rada.gov.ua/laws/show/932-2016-%D0%BF.
- Saltman, R., & Figueras, J. (1998). Analyzing the Evidence on European Health Care Reforms. Health Affairs, 17(2). Retrieved from https://doi.org/10.1377/hlthaff.17.2.85
- Slabkyi, H.O., & Haborets Yu. Yu. (2015). Pidsumky realizatsii Zakonu Ukrainy "Pro poriadok provedennia reformuvannia systemy okhorony zdorovia u Vinnytskii, Dnipropetrovskii, Donetskii oblastiakh ta misti Kyievi" [Results of implementation of the Law of Ukraine "On the Procedure of Reforming the Health Care System in Vinnytsia, Dnipropetrovsk, Donetsk Regions and Kyiv"]. Ukraine. The nation's health, 3, 104–108.
- Tarasenko, T., Borodin., E., Sorokina, N., et al. (2016). Management of the social and humanitarian sphere of the territorial communities within the context of the human development: foreign experience for Ukraine. Humanitas Universitys Research Papers Management, 17(1): 195–204.

- Vynohradov, O.V., & Rynhach, N.O. (2007) Porivnialnyi analiz rozvytku system okhorony zdorovia deiakykh krain kolyshnoho SRSR yak metod otsinky napriamiv derzhavnoho upravlinnia okhoronoiu zdorovia Ukrainy [Analysis of development of systems of health care some former countries of USSR is compared, as method of estimation of efficiency of state administration resources by health care] [Eletronic version]. Derzhavne upravlinnia: teoriia ta praktyka, 2007/2 (6). Retrieved from http://academy.gov.ua/ej/ej6/txts/07vovurz.html
- WHO (2019) Ukraine: review of health financing reforms 2016–2019. Retrieved from http://www.euro.who.int/en/countries/ukraine/publications/ukraine-review-of-health-financing-reforms-2016-2019.-summary
- WHO (1996). The Ljubljana Charter on Reforming Health Care (1996, June 18). Retrieved from https://apps.who.int/iris/handle/10665/267765
- Zakhidna, O. R., & Mydlyk, Yu. I. (2017). Medychna reforma v umovakh detsentralizatsii vlady v Ukraini [Medical reform in conditions of decentralization of power in Ukraine]. Young Scientist, 11 (51), 1155-1158.
- Zhalilo, Ya.A., Shevchenko, O. V., Romanova, V. V. et al. (2019). Detsentralizatsiia vlady: poriadok dennyi na serednostrokovu perspektyvu [Decentralization of power: the agenda for the medium term analytical report]. Kyiv: NISD.