

The organization of the health care system in the Russian Federation

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Abstract

This article is a part of the "Road Map ISPOR" and comprehensively describes health care system in the Russian Federation - including its funding, sources of financing, free medical care, and also the rules of mandatory medical insurance. It presents the organization of the health system at both local and national levels including the division of funding for programs and health care provided to specific groups of citizens. Functioning of the departmental health care financed from public funds is also described. Apart from the mandatory insurance, the article also outlines voluntary medical insurance. Finally it describes the decision-making structure and procedures in the health care system as well as organizations carrying out health technology assessment in Russia.

Key words: reimbursement, health economics, Russian Federation, health care system

Introduction

The interest in aspects of the health care, in particular, to the availability of drugs in Russia, primarily is interesting for health professionals: doctors, employees of pharmaceutical companies, but also for the patients themselves. The biggest controversy concerns drug reimbursement (for which, in the Russian language the term *реимберсмент* is used), and decision-making processes, whose aim is to incorporate drug reimbursement into funding from national budgets.

Up to now there has not been developed a unanimous system of reimbursement in the Russian Federation. There are only separate programs, and "subprograms" at both local and national levels, where drugs are included. These programs are implemented independently of one another lacking coordination and having different organizational

forms. The criteria for selecting drugs to be reimbursed by the state budget are not clear. Furthermore, health technology assessment is only a recommended and not a mandatory procedure.

The subject matter is in demand – it is the matter of discussions of the associates of the Interregional Public Organization "The Society for Pharmacoeconomics" (MOOOFI) (the Russian Society of Pharmacoeconomics and Outcomes Research) at numerous conferences and meetings. For an in-depth examination of the specific organization of drug supply in the Russian Federation, MOOOFI became a participant in an international project on creating a worldwide ISPOR road map. Currently, 21 countries including Canada, Australia, the United States and most of the European Union members are involved in this project.

Accordingly to the protocol of ISPOR, the work was carried out in several stages. In January 2012 a first draft of the document was developed, which was then submitted to the review to chairmen of a few subsidiaries of the Russian branch of ISPOR (RSPOR). At this stage the development of the document was attended by:

- A.K. Hadzhidis - Doctor of Medicine, the chief clinical pharmacologist of Sankt Petersburg, the President of the St. Petersburg branch of RSPOR;
- T.L. Moroz - Doctor of Pharmaceutical Sciences, Professor of Pharmacy of Irkutsk State Institute of Improvement of Doctors, the President of Irkutsk branch of RSPOR;
- A. V. Baturin - Doctor of Medical Sciences, professor, Chairman of Clinical Pharmacology

Department of Stavropol State Medical Academy, President of Stavropol branch of RSPOR;

At the final stage the document was put forward to the experts who are the decision-makers in the field of medical insurance in the Russian Federation. In this phase the document have been worked on by:

- N.N. Vezikova - Doctor of Medicine, Head of the department of clinical pharmacology and therapeutic insurance at the Ministry of Health of the Republic of Karelia.
- E.N. Bochanova - Doctor of Medicine, Head of Department of the implementation of standards and quality management of health care and mandatory medical insurance, a clinical pharmacologist at the Ministry of Health of Krasnoyarsk region.

This article contains information about financing medical care as a whole. Aspects of financing the medical insurance for citizens of the Russian Federation were approached in a more detailed manner.

Financing health care

The Russian Federation (RF) consists of 83 federal entities [1]. According to the Federal State Statistics Service (ROSSTAT) for 2009 the total population of the RF amounted to 141.9 million people. Under the Constitution of the Russian Federation (art. 41) every Russian citizen has the right to be the beneficiary of health care and medical aid [2]. Medical care in state and local institutions is provided free of charge to citizens and financed from proper budget, insurance contributions and other sources.

However the declared rights of patients do not correspond to the reality. Patients with some rare diseases included in the “7 Diseases” program receive free treatment, while treatment of other rare diseases is not reimbursed. There are no clear criteria for the selection of a specific disease. The real number of patients with rare diseases has not been established. There is no register of the patients.

The sources of the health care funding are the following: federal budget, budgets of the RF entities, local budgets, mandatory health insurance contributions, funds coming from companies and citizens, funds received from natural and legal persons including charity contributions and other sources of funding which are allowed by the RF law.

Each year the Program of State Guarantees of Free Medical Care provided to Citizens of the Russian Federation (the “Program”), which specifies the types and conditions of providing medical care, standards of its extent and cost per unit of medical care provided, the standard of expenditure per patient, the arrangement of formulation and structure of medical care prices. It also provides criteria, quality and accessibility of medical care, provided within the state, free of charge to citizens of the Russian Federation.

Under the Program the state authorities of the entities of the Russian Federation shall develop and approve of the local programs to provide citizens with state guarantees of free medical care (including local programs of Mandatory Medical Insurance – MMI).

The state budget pays for the activities of state-level medical organizations: research and educational institutes, departmental health care institutions, the “7 Diseases” and the ONLS program, the number of highly specialized types of medical care, the priority national “Health”. Project investment programs addressed to the whole nation (partial construction, repair of medical buildings, purchasing expensive equipment) and others.

Regional budgets pay for activities at the regional medical organizations, local investment programs (construction, repair of medical buildings, purchasing expensive equipment), local special purpose programs in the health care area, contributions to the Mandatory Medical Insurance on behalf of the unemployed, the implementation of local programs of the MMI exceeding the size of subsidies allocated from the State Fund budget to local funds.

The Mandatory Health Insurance System includes Federal Fund of the Mandatory Health Insurance (FFMHI), 84 Regional Mandatory Health Insurance Funds, 100 Insurance Medical Organizations (IMOs) and 261 branches of IMOs. All health insurance organizations provide financial access to health services under the RF Law No 326-FZ of November 29, 2010 “On Mandatory Health Insurance in the Russian Federation”. Insurance premiums amount to 97.6 % of funds. Until 2011 the main sources of revenues had been taxes, including the social tax in the part transferred to the accounts of the Federal Fund and contributions for mandatory health insurance of the

unemployed part of the population. Since 2011 the social tax has been transformed into insurance contributions in the MMI system paid by entities directly to Federal Fund in the amount of 5.1% of the salary [3].

It should be noted that an upper threshold of the annual payment from which the deduction is realized in a given amount is set each year i.e. in 2012 – 512 000 rubles per year - after exceeding this sum the tax on the MMI is not charged. Under the Law No 212-FZ of 24 June 2009 certain amounts are not taxable insurance contributions, in particular unemployment benefits, compensation payments etc. [3].

All organizations offering medical insurance provide medical services under the Law "On mandatory medical insurance in the Russian Federation" No 326-FZ of 29 November 2010.

Departmental Medical Service: some citizens have access to the expanded list of medical services provided in the departmental medical services and funded from federal budget e.g. the Russian Railway Service, the Ministry of Interior Affairs, the Defense Ministry, the Federal Security Service, etc.. In several cases, medical care in departmental health services may be provided not only for the employees but for also their family members.

The System of Voluntary Health Insurance (VHI) includes a number of private insurance companies. Funding of VHI is funded partially from the employer's resources, and partially from the patient's resources. The list of medical services offered within VHI may differ significantly: in some cases it may be medical care only in emergency cases, in other cases certain types of inpatient and/or outpatient treatment are offered. Certain services in dental care may also be included in the VHI program.

At the request of the patient, he could fully fund medical assistance provided to him in state medical facilities (meaning medical care provided to the uninsured within the system of mandatory medical insurance).

Financing of medical insurance, state programs insuring separate groups of citizens

Insurance system consists of a two parts namely inpatient and outpatient.

When medical care is provided in hospitals in the state institutions, medicines should be available free of charge. There is a restricting formulary of medical institution, approved of by the regional program of state guarantees. Formulating Committee of a medical institution reviews the formulary not less frequently than once each year, which is annually approved of by the governing institutions managing such an entity.

Under the Regulation No 110 of the Minister of Health of the Russian Federation of 02.12.2007 "On prescribing medicines, medical devices and products for particular nutritional use" if there is a need to prescribe drugs which are not included in the territorial list of the most important and essential medicines, with adverse prognosis of the disease, presence of complications and/or co-existing diseases, or if there is a need to prescribe hazardous drugs as well as if there is intolerance to medicines which are in the local list of important and essential drugs, prescribing drugs is carried out by a medical committee and the decision is recorded in documents of the patient and medical journals of a medical committee.

Providing medical care in hospital medical insurance is possible:

- 1) With own resources of citizens through a network of retail pharmacies;
- 2) As a discount medical insurance of separate categories of citizens which is implemented by many treatment programs.

The Program of Additional Drug Supply (DLO) was launched in 2005 and 14.3 million people were surveyed, and the following from seven to eight million people continued to receive drugs within the regional programs. The extent of funding in 2005 amounted to 48.3 billion rubles. Since 2008 the Program has been functioning as two sub-programs – ensuring the supply of vital and essential medicines (ONLS) and purchase of expensive drugs for the treatment of seven very expensive diseases ("7 Diseases" Program). Since 2008 funding the Program has been transferred to the regional level.

In 2010 the funding of DLO/ONLS Program amounted to 86.6 billion rubles, but it is almost two times smaller than the real needs. At the same time there was an outflow of patients from the Program for the past 5 years: in 2010 the number of patients decreased to 4.152 thousand people.

Thus about 70% of patients have chosen cash-for-benefits substitution instead of free drugs.

“7 Diseases” Program (Gaucher disease, multiple sclerosis, pituitary dwarfism, cystic fibrosis, hemophilia, chronic myelogenous leukemia and other hemoblastosis as well as state after organ and tissue transplantation) from 2008 to 2009 its funding amounted to 33 billions rubles per year. 44 billion and 45 billion rubles were spent in 2010 and 2011 respectively. 47 billions rubles are planned to be spent in 2012. The source of funding is the regional budget.

Regional programs of drug supply for certain categories of citizens who suffer from some diseases (Government Decree No 890), e.g. drug supply programs for patients with cancer in Moscow, St. Petersburg, the Republic of Tatarstan or the program for patients with psychiatric disorders in St. Petersburg. The total number of regional benefit recipients is 12 million, and the total amount of funding their drug supply from the regional budgets - about 19 billion rubles.

There are free programs for the medical insurance for patients with certain diseases: diabetes, tuberculosis, HIV infection - the so-called program "Prevention and preventing socially significant diseases", the vaccination program (National Immunization Scheme.) Currently, financing is carried out within the framework of public funds, by 2015 the financing obligation is planned to be transferred to the budgets of the entities of the Russian Federation.

Citizens of the Russian Federation have the right their expenses for medical care and drugs included in the list of medical care and expensive treatment in medical institutions to be reimbursed up to the level of the personal income tax i.e. 13%. The reimbursed amount depends on the income of a patient, so when turning to the local tax inspection office a citizen should submit information on annual income i.e. 2-NDFL form. The list of medical services and medicines to be reimbursed was approved by order No 201 of the Government of the Russian Federation of 19 March 2001.

To obtain reimbursement for purchased medicines and medical services a receipt of purchase and medical prescription with an official stamp, and a photocopy of the authorization of the healthcare institution. The reimbursement can be obtained not

only for drugs purchased for the person but also for his or her children, parents and his or her partner.

Decision-makers on drug supply and relevant institutions influencing the process

National level

Duma is the lower house of the Federal Assembly - Parliament of the Russian Federation. The State Duma consists of 450 deputies. It adopts federal laws by a simple majority vote of all deputies unless otherwise provided by the Constitution of the Russian Federation.

Ministry of Health and Social Development is a federal executive authority which is in charge of working out a state policy as well as normative and legal regulations in the field of healthcare, social development, labor and protection of consumer rights.

Regional level

Ministries or Departments of Health coordinate certain regions of their own activities, providing medical and medical assistance to the population [6]. It also monitors the execution of the current legislation relating to the jurisdiction of the Department, public health, pharmacy and other institutions and enterprises, and other legal entities and individuals providing medical care services and access to medicines.

Decisions on programs are made by public officials. There are no transparent criteria of assessment.

Organizations of Health Technology Assessment (HTA)

Currently there is no official government agency for Health Technology Assessment in Russia. Several institutions such as Formulary Committee of the Russian Academy of Medical Sciences conducts clinical and economic analysis. Results are used as non-binding recommendations [7].

The level of medical organizations

Some hospitals conduct HTA and create hospital formularies, for example:

Central Clinical Hospital of the Russian Academy of Sciences, Moscow (multi-profile hospital of 600

beds including 18 therapeutic and surgical departments); Krasnoyarsk Regional Clinical Hospital (1270 beds, 17 therapeutic and surgical departments) and others.

Summary

As the result of the work a document which sets out the expert evaluation of health care financing system, carried out by major experts in this field in the Russian Federation has been prepared. Main provisions of health care financing, as a whole and in detail – ensuring access to medicines to patients are delineated in this article. The full version of the document in the English language will be posted within the international project " ISPOR road map" [9].

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