



Razumkov
centre



PRIVATE HEALTHCARE: DEVELOPMENT PROSPECTS IN UKRAINE

Survey Results

Kyiv 2023



PRIVATE HEALTHCARE: DEVELOPMENT PROSPECTS IN UKRAINE

RESEARCH OBJECTIVES

Existing knowledge of the private healthcare system in Ukraine is small and fragmented. In fact, it is limited to data on the number of private healthcare organisations, their capacity (beds and visits per shift), number of employees and some marketing research on the market for paid health services. The economy of private health institutions, their social positioning and interaction with the public health sector were rarely subject to analysis.

The Razumkov Centre's study commissioned by the Association of Private Medical Institutions of Ukraine seeks to fill these gaps in empirical knowledge. The survey was conducted face-to-face in all oblast capitals and cities with a 200,000+ population in the government-controlled areas of Ukraine. A total of 2,013 respondents aged 18 and older were interviewed.¹

The main objectives of the study are to evaluate the effectiveness of primary and secondary healthcare programmes considering the participation of private medical institutions; to compare specifics of care provided by public and private health facilities; to assess informal payments; and to study the prospects for public-private partnerships (PPPs) in the health sector.

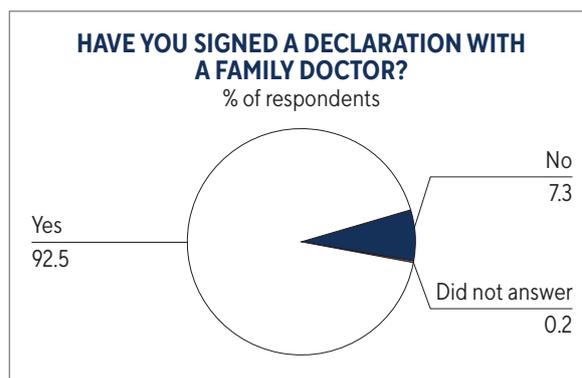
By the way, PPPs have proven successful in the fight against the pandemic. Private clinics have joined the COVID-19 treatment and vaccination. Everyone benefited from this. The PPPs potential in the health sector is enormous. It will help improve the nation's health and ensure that budget funds are used

wisely and carefully. However, the areas of cooperation between the private providers and the NHSU are not yet extensive, and ways to cooperate are sometimes difficult to find. This is primarily due to the private providers' quality standards that do not «fit» within the NHSU tariffs, as private health services are more expensive.

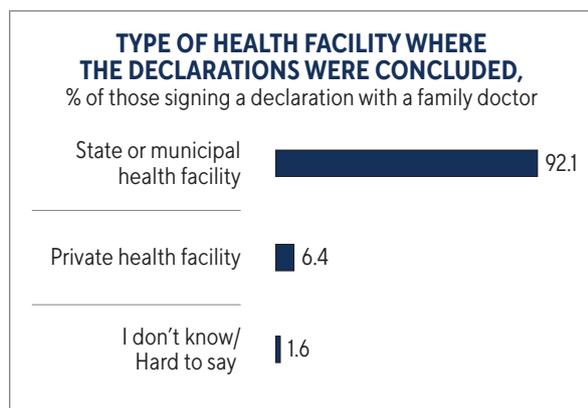
KEY FINDINGS

1. Primary healthcare programmes under the NHSU agreements

The first set of research questions assessed the primary healthcare programme under the NHSU agreement. The survey shows that 93% of Ukrainians have signed declarations with family doctors. However, declarations concluded with private health facilities are still insignificant, as only 6% of respondents reported signing a declaration with doctors working in private clinics. This is despite the fact that patients in Ukraine are free to choose the facility for receiving medical care, and the NHSU will finance the provision of this service, regardless of the facility's ownership.



¹ The survey was based on a stratified multi-stage sampling method with random selection at the earliest stages of sampling and a quota method of selecting respondents at the final stage (when respondents were selected according to gender and age quotas). The sample structure reflects the demographic structure of the adult population of the surveyed areas as of the beginning of 2022 by age, gender, type of settlement.



For private health facilities, there is certainly an economic case to cooperate with the NHSU, as this means additional funding that otherwise would never «enter» the facility. However, it is also obvious that the recommended optimal number of declarations per family doctor – 1,800 adults or 900 children – is too high a burden, while the NHSU tariffs are not sufficient.

The advantage for business may be that patients with declarations trust their family doctors and therefore will be loyal to the clinic and will sincerely recommend its services to their friends and family.

REASONS FOR NOT HAVING A DECLARATION WITH A DOCTOR,
% of respondents

I don't see the need in it	27.4
I had no time for that	20.5
I don't know who to go to	6.8
I don't get sick	6.8
I visit private doctors	5.5
I am an IDP	4.8
I choose my own doctors and facilities	3.4
I visit different doctors	2.7
I prefer self-treatment	2.7
I don't trust	2.7
I don't want to share passport information and the reason for visiting a doctor	2.7
My doctor quit	1.4
I am with the military	0.7
I don't support family medicine and the reform in general	0.7
Doctor's lacking qualification	0.7
It is difficult to get to the facility	0.7
Hard to say / Did not answer	9.6

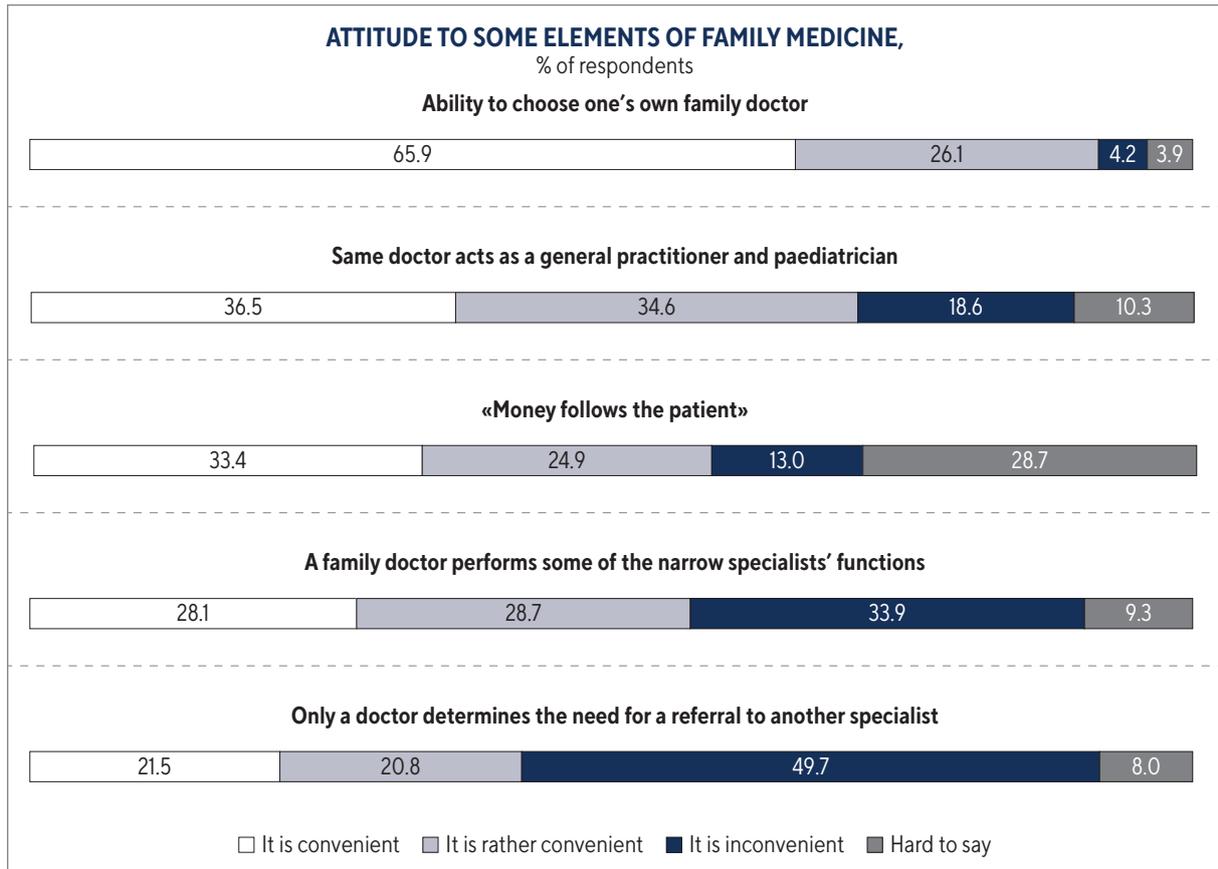
On the other hand, 7.3% of Ukrainians do not have declarations with a doctor. The reasons for not having a declaration include no need to have it and no time to sign it, as well as the use of private doctors' services and the lack of information about the doctor.

Patient satisfaction with either the health system or medical care is often considered a subjective assessment that is largely ignored when developing healthcare policy. However, identifying the share of patients who are satisfied with their care is one of the guides that stimulate the responsiveness of the health system to the patients' needs. Why is it so important that patients are satisfied? There are many answers to this question, including:

- ✓ with a positive previous experience and attitude to visiting a doctor, patients no longer have the psychological barrier and therefore are not afraid to visit a doctor when symptoms appear, and continue their visits during long-term treatment;
- ✓ satisfied patients demonstrate adherence to treatment and, in case of unusual reactions to medicines, do not interrupt their intake but seek advice from a specialist;
- ✓ patients maintain relations with their healthcare providers and recommend them to others.

Patients' satisfaction with health services is largely affected by their convenience. For almost 92% of respondents, convenience is about the ability of choosing one's own family doctor. Much less convenient is the principle when only a doctor determines the need to refer a patient to another narrow specialist, or when a family doctor performs some of such specialists' functions.





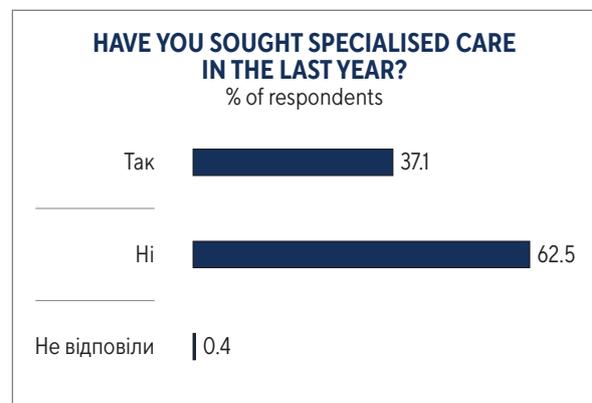
2. Specialised care

Specialised (secondary) medical care involves specialised health services that are provided routinely and in urgent (emergency) cases in outpatient settings and in hospitals, and that may offer more extensive counselling, diagnosis, prevention and treatment than general practitioners – family doctors. A hospital must complete a number of requirements that are the same for all «secondary» health facilities – to choose the services it can provide and to sign an agreement with the NHSU. After that, the hospital starts providing services under the Medical Guarantees Programme, which is a list of health services that patients are guaranteed to receive free of charge.

In Ukraine, secondary care is associated with general hospitals, usually at the rayon or city level. And it is hospitals that patients usually place the highest expectations on the provision of quality care. At the same time, this type of care that is the costliest, which, therefore, entails major attention to the

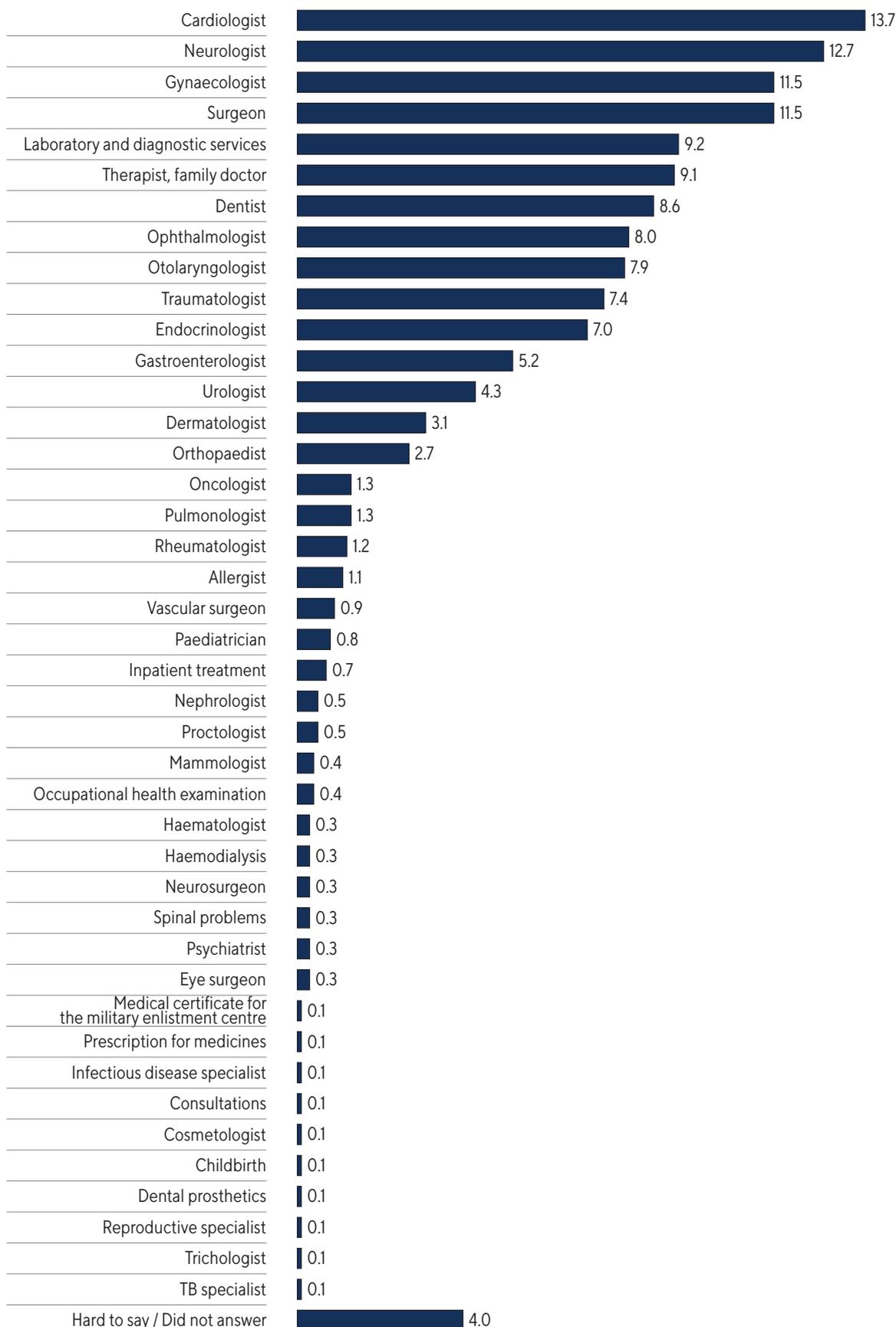
targeted use of resources – financial, human, material and technical.

Secondary/specialised health services are not as widespread as those of family doctors. More than one-third of respondents (37%) sought specialised medical care. The most common types of such care requested by respondents include cardiologist (14%), neurologist (13%), gynaecologist (12%), surgeon (12%), and laboratory and diagnostic services (9.2%).

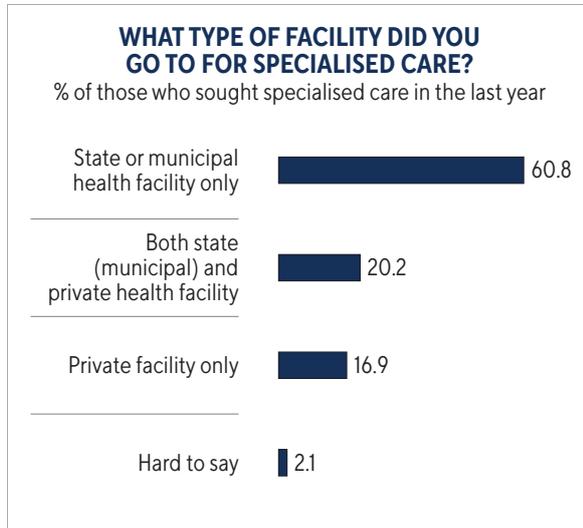


WHAT TYPE OF SPECIALISED CARE DID YOU SEEK?

% of those who sought specialised care in the last year



The overwhelming majority of respondents (61%) sought specialised health services at a state/municipal facility, and only 17% went to a private facility.

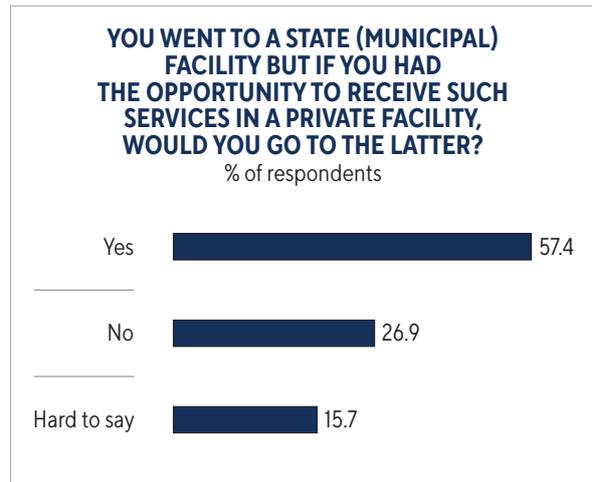


The fact is that the number of private facilities providing specialised medical care under the NHSU agreements is very small. In 2023, agreements were signed with 1,458 facilities for the specialised care, including just 82 private hospitals and 11 physicians – entrepreneurs. The list of services to be provided by a private health facility for free depends on the packages of services that are included in its NHSU agreement. Most private providers have concluded agreements in the following areas:

- ✓ outpatient care for adults and children – 57 facilities;
- ✓ priority outpatient services for the early detection of cancer – 55 facilities;
- ✓ vaccination against COVID-19 – 51 facilities and 14 private practitioners;
- ✓ surgical operations – 14 facilities.

Interestingly, if it was possible to receive specialised care in a private facility for those who attended the state or municipal facility, 57.4% of such respondents said they would choose private providers.

This requires some explanation. For a private clinic to cooperate with the NHSU, several conditions must be met:



- ✓ First, the willingness of the medical facility itself.
- ✓ Second, the organisation’s meeting the NHSU criteria.
- ✓ Third, consideration of regional peculiarities.

In addition, there needs to be a clear understanding of the clinic’s concept and development strategy. As a rule, the founders and chief physicians of health facilities consciously decide whether they want to provide health services within the NHSU or they expect patients to privately finance their treatment.

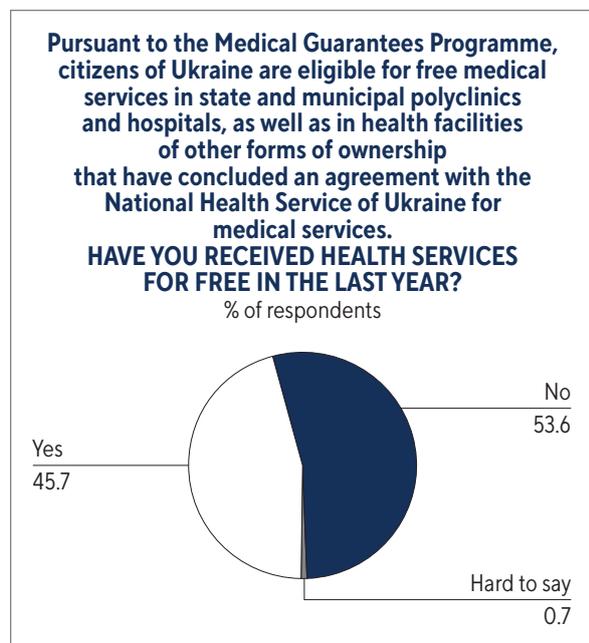
Currently, in most private clinics that cooperate with the NHSU, free services are available only from a family doctor with whom a patient has signed a declaration. Private clinics are in no hurry to sign up for the NHSU packages of services for the provision of secondary care, as it is not yet financially profitable for them. However, it is becoming increasingly possible to sign an agreement with a family doctor in private clinics, as it is financially feasible for the facility.

3. Medical Guarantees Programme «money follows the patient»

Changes in the health system’s financing manifest themselves in the fact that budget funds are no longer used to finance health facilities according to the estimate but pay for the provision of a health service to a particular person. The introduced system of medical guarantees should guarantee free medical

care of a certain scope or a set (basic standard) to the population. Nominally, this set is sufficient, but how is it actually implemented?

Only 45.7% of respondents answered yes to the question «Have you received health services for free in the last year», while 54% did not receive free services.



The main areas where patients mostly receive free services are family doctors or paediatricians (79%), consultations of specialised doctors (ENT, neurologist, gynaecologist, urologist, gastroenterologist, etc.) (47.4%), laboratory tests (29%) and laboratory diagnostic services (ultrasound, CT, MRI, endoscopy, etc.) (12%).

The survey has shown that respondents do not yet have a strong sense of how the principle «money follows the patient» works. More specifically, as many as 28% of respondents

IF YOU HAVE RECEIVED MEDICAL SERVICES FOR FREE IN THE LAST YEAR, IN WHAT AREAS?
% of respondents

Family doctor, paediatrician	79.3
Consultations of specialised doctors (ENT, neurologist, gynaecologist, urologist, gastroenterologist, etc.)	47.4
Laboratory tests	29.2
Laboratory diagnostic services (ultrasound, CT, MRI, endoscopy, etc.)	12.9
Traumatologist's services	5.9
Dental services	4.0
Ophthalmology: diagnostics and operations	4.0
Surgeries	3.6
Dermatological services	1.5
Pregnancy and childbirth	1.4
Cardiac (heart) operations	1.3
Cancer treatment	0.9
Reproductive health improvement, infertility treatment	0.8
Haemodialysis	0.5
Other health services	7.0
Hard to say	1.0

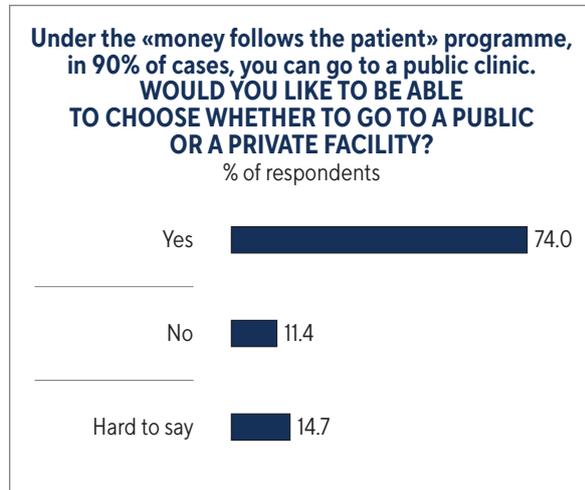
find it difficult to assess the convenience of this principle. However, almost 60% consider this principle to be generally convenient.

From the respondents' viewpoint, the most fair and correct approach to «money follows the patient» is the principle when the state pays for health services in any facility chosen by the patient – either public or private – within a defined tariff. The patient then pays the difference between the state tariff and the cost of service in a private clinic.

WHICH OF THE TWO APPROACHES TO IMPLEMENTING THE «MONEY FOLLOWS THE PATIENT» PRINCIPLE DO YOU CONSIDER MORE CORRECT?
% of respondents

The state pays for health services in any health facility chosen by the patient – either public or private – within a defined tariff. The patient covers the difference between the state tariff and the cost of the service in a private clinic	55.1
The state covers health services only provided in state and municipal health facilities	28.4
Hard to say	16.4

Private health facilities are more attractive to Ukrainians than public ones. The overwhelming majority of respondents (74%) would prefer a private clinic if they could choose. That is, citizens are clearly willing to be able to choose whether to go to a public or private facility.



Unfortunately, everything suggests that private health facilities' participation in the medical guarantees programme is also limited. According to the NHSU, as of the end of 2019, only 168 private clinics agreed to provide free medical care under the state guarantees programme, and at the end of 2020, their number increased to 270. In 2021, the number of those who signed the agreement dropped to 255. Although the number of private providers in the programme is growing, pointing at businesses' interest in such cooperation, their cooperation with the government on healthcare is likely to be limited by unfavourable tariffs under the state programme. This is almost 25% of healthcare providers working with the NHSU. But this number of facilities is clearly insufficient. Perhaps business would be more willing to cooperate on healthcare issues, but it still does not consider the tariffs favourable. In other words, NHSU's tariffs for medical care are too low for businesses to seriously consider participation in the state guarantees programme.

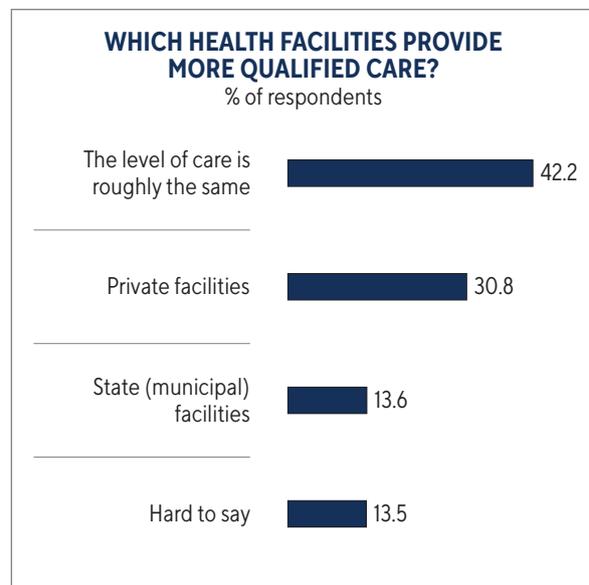
4. Advantages of private and public healthcare

The study has clearly documented a much greater attractiveness of private health facilities to patients compared to public ones.



If given a free choice between a private and a state (municipal) facility, almost half of the respondents would prefer the former.

According to study findings, the thesis that most patients don't really care whether they are treated in a public or private clinic is not entirely correct. Of course, the patient's personal preferences, financial capabilities, and the specifics of treatment in each case are important, but from the viewpoint of most respondents, it is private clinics that provide more qualified medical care. And only 13% of those surveyed believe that state (municipal) facilities offer better care.



According to respondents, the main advantages of private healthcare include the availability of more modern equipment, good facilities and efficiency of reception, politeness and attention of staff.

Private healthcare is primarily about modern medical equipment and highly skilled health professionals. The use of expensive drugs and anaesthetics costs a lot of money that the state cannot provide. The introduction of paid services allows clinics to address their material issues, hire outstanding specialists, conduct state-of-the-art research, and consult with Western colleagues.

For example, in a private clinic, everyone comes strictly by appointment at a certain time. Instead in the state facility, patients often come without any appointment, explaining that they just need to ask something and so on, and thus create a waiting line.

Private facilities are recognised for a higher level of client service and comfort. Visitors get more time than is possible within the NHSU appointment. Of course, a competent, diligent doctor wants to pay maximum attention to every patient. However, working under the NHSU imposes certain restrictions, including on the duration of a visit, e.g., no more than 12 to 15 minutes. This aspect also needs to be taken into account.

When in private clinic, an individual is more likely to understand what he or she is paying for and receive quality services along with caring attitude. Then everyone will be able to choose whom to entrust the most valuable thing – one's own health.

The assessment of characteristics inherent in private and public healthcare shows that private facilities win in all respects. Although this is not surprising, but more interesting is the fact that non-medical characteristics of services, namely greater attention to patient needs and better service, were ranked first and second among the private providers' advantages. This also means that the private sector's positioning in the health system is largely «substitutional».

Second, private healthcare builds on totally open price lists. This allows people to plan their expenses. Receipts issued by private clinics are the evidence of a person being treated there, and doctors are responsible for the services provided. Therefore, financial documents are also a possibility of insurance compensation.

ADVANTAGES OF PRIVATE HEALTHCARE OVER PUBLIC HEALTHCARE, ACCORDING TO RESPONDENTS,	
% of respondents	
More modern equipment	53.8
Good technical facilities	46.5
Efficiency of reception (by appointment)	40.1
Politeness and attention of staff	36.8
Better diagnosis and treatment due to the presence of almost all necessary doctors in the team (both staff and consultants)	36.5
Convenient and nice interior	31.5
Sufficient visit time	27.1
Responsibility and better organised attitude to treatment	25.4
Transparent payment to the facility's cash desk	23.6
More qualified and competent doctors	20.9
Additional services	17.3
Better accessibility	12.8
Links with leading treatment facilities	8.4
Positioning in the medical services market	3.5
Fair cost of treatment	2.3
No advantages	5.1
Hard to say	8.6

In modern healthcare, delivering a service in a high-quality manner, such as performing a surgery, is not enough. It is also important to ensure decent servicing. And, of course, private clinics offer several times better servicing than ordinary city clinics. The interior plays an important role, making patients in most private clinics feel comfortable and cosy. Wards there are designed for one patient, and everything is done to make him or her feel as comfortable as possible.

Another mandatory component of high-quality private healthcare is providing a client with everything he or she may need during an examination, including equipment and materials. There is no need to buy anything, while maximum safety and sterility are guaranteed to every patient.

The only area where state-owned health facilities outstrip the private ones is much

more extensive network, both in the number of facilities and activity areas. It must be admitted, however, that their numbers have been steadily declining in recent years.

Private clinics are far ahead of public ones in terms of the quality of diagnostics (48% vs. 12%), the quality of medical care (58% vs. 9%), and the provision of medicines and consumables (52% vs. 8%), not to mention the living conditions in hospitals (73% vs. 4%). While public medical centres used to be the main players in the field of high-tech medicine, the number of private multi-disciplinary centres has increased significantly in recent years. Of course, commercial medicine tends to actively develop in highly specialised areas, successfully competing with state-funded care.

Despite the perceived narrow range of types of care provided by private healthcare, the

WHAT CHARACTERISTICS ARE TYPICAL FOR PRIVATE HEALTHCARE AND FOR STATE AND MUNICIPAL HEALTHCARE?		
% of respondents		
	Private	State and municipal
Official fees for services provided and an open price list	50.9	10.5
Fair and reasonable cost of services that does not include unnecessary, unagreed expenses	14.1	8.9
Possibility to plan one's financial capabilities and be confident without asking who and how to pay for the service	35.9	11.1
Possibility of insurance compensation in case of medical error	17.5	11.0
Possibility to independently choose a specialist who will take care of one's health	36.9	28.3
Provision of all necessary materials (equipment) with no need to buy additional medicines	39.0	6.3
Guarantees of maximum safety and sterility	25.1	15.1
Comfortable stay	49.3	5.5
Doctor's sincere willingness to help the patient	13.7	13.4
Prompt issuance of medical certificates and certified sick leave notes	17.9	13.8
Extensive network of health facilities, both in the number and activity areas	10.0	23.4
None of the above characteristics is typical	3.3	14.7
Hard to say	11.6	18.1

IF WE TALK ABOUT HAVING SURGERY IN A PUBLIC OR PRIVATE HOSPITAL, WHERE WILL VARIOUS COMPONENTS OF MEDICAL CARE BE BETTER?				
% of respondents				
	In a public hospital	In a private hospital	Same	Hard to say
Quality of operation itself	20.9	28.0	33.2	17.8
Quality of diagnostics	12.2	47.7	27.9	12.2
Quality of medical care	8.9	58.0	20.0	13.2
Provision of medicines and consumables	8.2	51.8	22.0	18.1
Living conditions	4.4	72.6	11.1	11.9

survey data shows otherwise. Moreover, the number of specialties providing medical care in private clinics is growing dynamically.

cancer treatment – 35% of respondents vs. 22% of those, for whom this service is better in private clinics.

According to 42% respondents, it is better to go to state / municipal facilities if one needs to see a family doctor, a paediatrician, or a general practitioner – specialists consulted with the most common health complaints. Public hospitals are also more trusted for

In some areas of healthcare, private clinics are consistently preferred over public ones. This primarily concerns dentistry (67%), cosmetology (59%), laboratory tests (48%), laser vision correction (41%), dermatological services (36%), and many others.

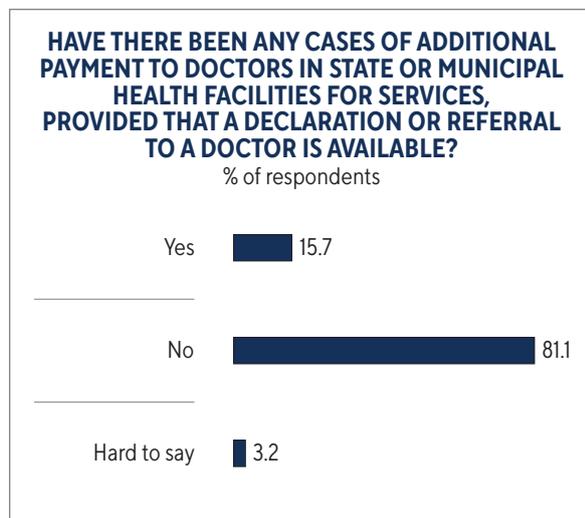
IN WHICH HEALTH FACILITIES DO YOU THINK IT IS BETTER TO RECEIVE EACH OF THE FOLLOWING SERVICES?				
% of respondents				
	State/ municipal	Private	Same	Hard to say
Family doctor, paediatrician	48.8	14.9	27.8	8.5
Care a patient receives from a family doctor, general practitioner, or paediatrician (doctors who are consulted with the most common health complaints)	41.9	18.0	32.4	7.7
Traumatologist’s services	36.2	21.3	28.2	14.4
Surgeries	34.7	24.9	23.5	16.8
Cardiac (heart) operations	32.8	27.6	18.9	20.7
Cancer treatment	32.1	21.7	19.8	26.4
Hospital care where treatment is provided on an outpatient or inpatient basis by doctors of relevant specialisation	28.7	31.1	28.3	11.8
Consultations of specialised doctors (ENT, neurologist, gynaecologist, urologist, gastroenterologist, etc.)	28.3	31.4	30.2	10.2
Haemodialysis	26.3	19.7	19.4	34.6
Pregnancy and childbirth	24.9	25.9	19.5	29.7
Highly specialised care that is provided for complex or serious illnesses and requires particularly sophisticated diagnostic and treatment methods (cardiac surgery, highly specialised surgery, oncological care, etc.)	24.4	37.1	22.7	15.7
Dermatological services	19.4	35.8	22.3	22.6
Ophthalmology: diagnostics and operations	17.6	41.0	23.1	18.3
Laboratory diagnostic services (ultrasound, CT, MRI, endoscopy, etc.)	17.4	50.5	24.0	8.0
Laboratory tests	17.0	48.0	25.1	9.9
Reproductive health improvement, infertility treatment	11.8	39.2	12.4	36.6
Dental services	8.3	67.1	16.3	8.3
Cosmetology services	4.8	59.4	8.7	27.1

5. ADDITIONAL AND INFORMAL PAYMENTS

Informal payments are defined as voluntary and involuntary charitable contributions to health facilities, unofficial payments to health workers for providing health services.

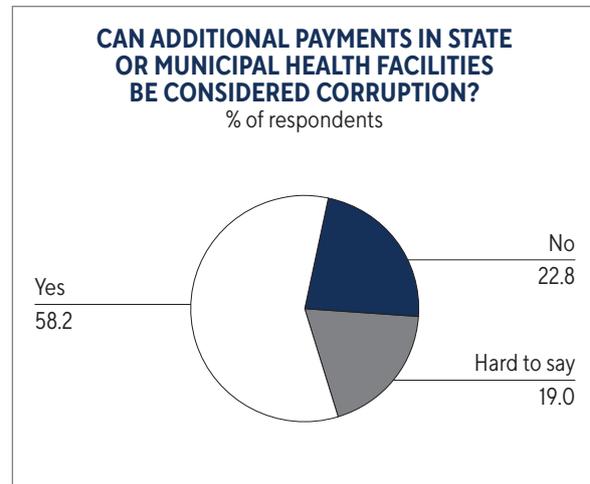
«Almost every one of our compatriots has faced the need to ‘thank’ a doctor for the work he or she has done or to ‘encourage’ him or her to do the job well» is the most common statement when assessing informal payments in the health sector. State-owned facilities and institutions are the notorious «leaders» in this area. In cities, doctors are given money, and in villages – natural products. The bigger and more popular a health facility is, the higher the value of gifts from the public is likely to be. With the arrival of commercial medicine, informal payments were supposed to disappear, but the problem persists.

Despite the general belief that informal/ under-the-counter payments are widespread in the health sector, the vast majority of respondents (81%) reported no instances of additional payments to doctors in state or municipal facilities for services, provided that a declaration or a referral. Only 16% reported cases of additional payments.

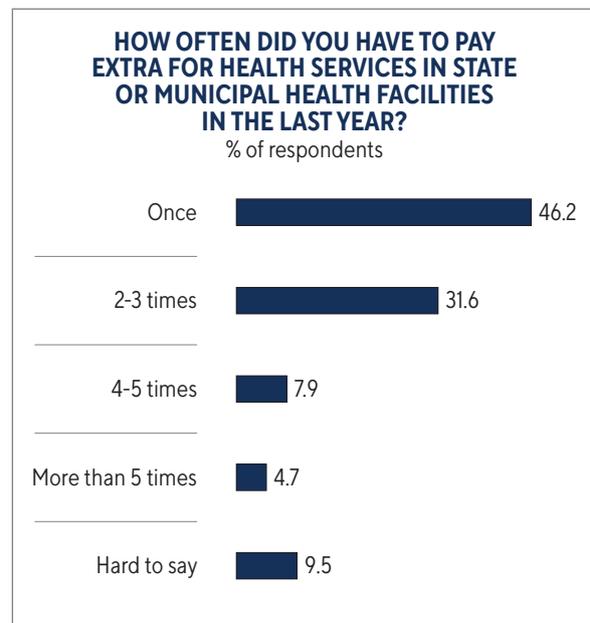


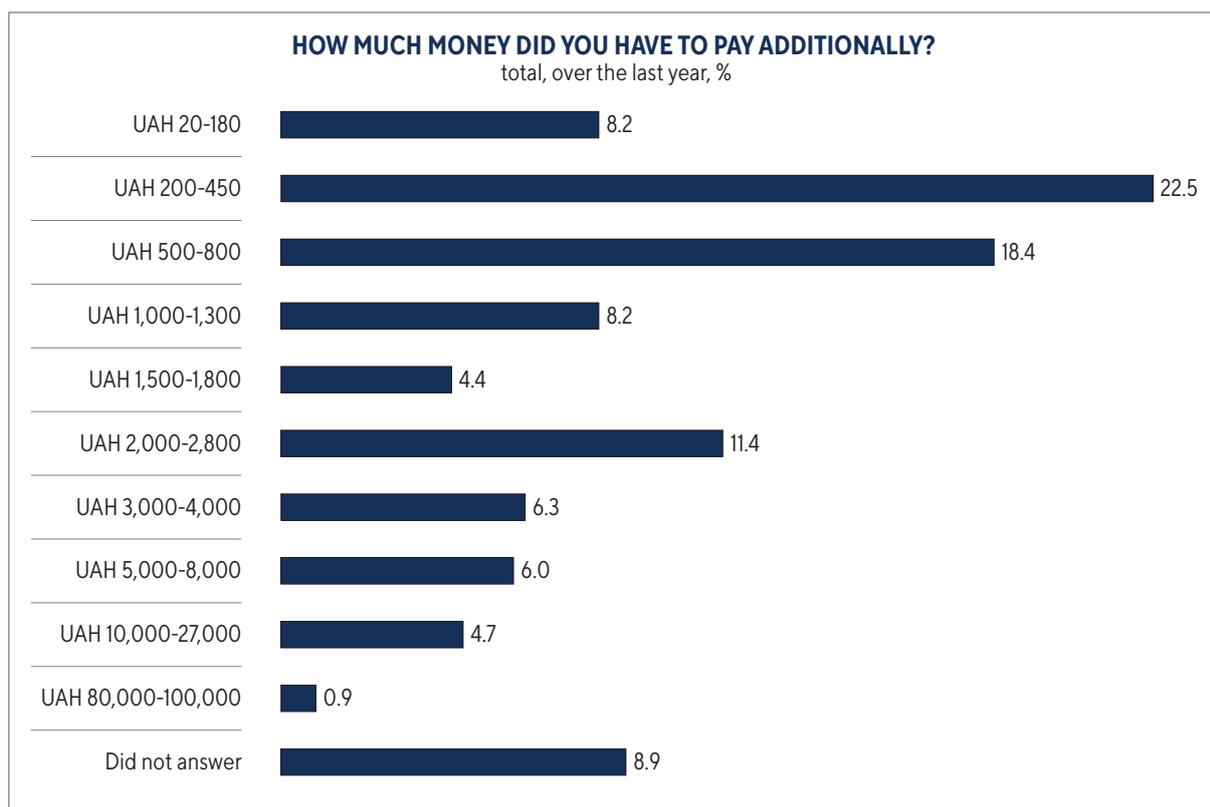
It should be stated immediately that mass surveys do little to reveal the existing mechanisms of informal payments. The problem is

that in most cases the respondent needs to «save face», and sometimes it can be difficult for a person to admit that he or she voluntarily pays a bribe, especially when 58% of respondents answered affirmatively to the question «Can additional payments in state and municipal health facilities be considered corruption?»



In the respondents' reality, additional payments to doctors were infrequent – just once for 46%, and 2-3 times for 32% of respondents. The average size of payment varies from UAH 200 to 2,000, and despite being acceptable for most respondents, this sum was still costly for their budgets.





HOW WOULD YOU DESCRIBE THE AMOUNT OF PAYMENT?

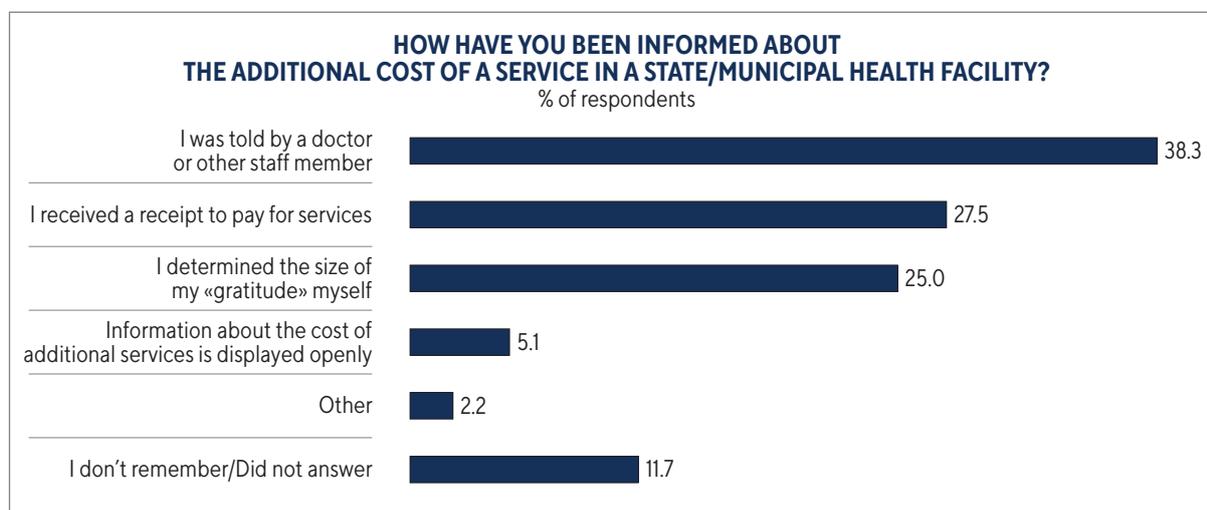
% of respondents

Substantial, but acceptable to me	41.5
Small, quite acceptable to me	25.9
Very costly, unacceptable to me	25.9
Hard to say	6.6

«gratitude» to a doctor. It is safe to say that the corruption model is a legacy of the past, which is why there has to be a paradigm shift in the doctor-patient relations. Although many (38%) reported that they were informed about the cost of an additional service by a doctor or other staff member, 27% of respondents received a receipt to pay for the service.

Regrettably, informal payments in health-care are still perceived as some kind of normal, as evidenced by the fact that 25% of those who made additional payments said that they themselves had determined the size of their

Respondents paid extra mostly for laboratory and diagnostic services (26.6%) and surgical operations (11%). Additional doctor consultations also implied additional payments (8.2%).

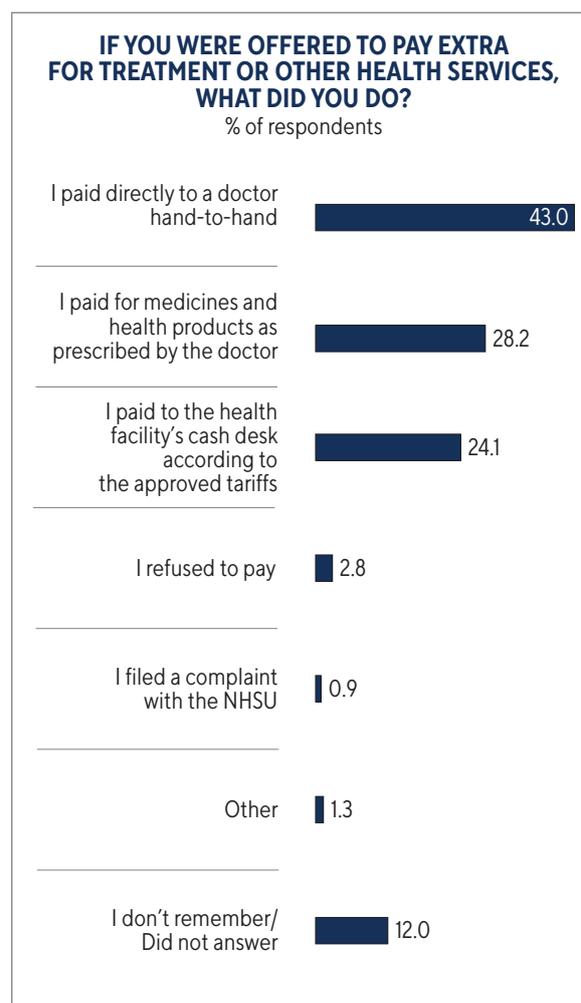


WHAT TYPE OF HEALTH CARE DID YOU PAY EXTRA FOR IN A STATE/MUNICIPAL HEALTH FACILITY?	
% of respondents	
Laboratory diagnostic services	26.6
Surgeries	11.1
Consultation	8.2
Gynaecology	6.0
Traumatology	4.4
Dental treatment, dentistry	4.1
Neurology	4.1
Primary care	4.1
Cardiology	3.5
Urology	2.8
Inpatient / hospital care	2.2
Endocrinology	2.2
Otolaryngology	2.2
Ophthalmology	2.2
Medical procedures	2.2
Therapy	2.2
Visit to a narrow specialist	1.9
Secondary care	1.6
Gastroenterology	1.6
Medicines	1.6
Dermatology	0.9
Childbirth assistance	0.9
Orthopedy	0.9
Oncology	0.6
Haemodialysis	0.3
Emergency care	0.3
Medical rehabilitation	0.3
Wound care	0.3
Comprehensive health check-up	0.3
Blood pressure issues	0.3
Rheumatology	0.3
Hard to say/Did not answer	13.9

According to respondents, the most common strategy when asked to pay extra for treatment or other health services was to pay

directly to a doctor hand-to-hand. This was done by 43% of respondents; 28% said they paid for medicines and health products as prescribed by the doctor; 24% paid to the health facility's cash desk according to the approved tariffs. And only less than 1% filed a complaint with the NHSU for having to pay extra for services that have already been paid for by the state.

The need to pay extra for drugs is also due to the fact that in 2023, the state reimbursement for pharmacies under the Affordable Medicines programme was significantly reduced. Already in 2022, 23% fewer packs of medicines were reimbursed compared to 2021. Another problem is that in 2022 the Affordable Medicines programme covered only 7% of the total market of prescription drugs, which patients can receive free of charge or with a partial co-payment. According to a WHO study, one in five Ukrainians could not get the medicines they needed.



6. CO-FINANCING («VOLUNTARY CO-PAYMENT»)

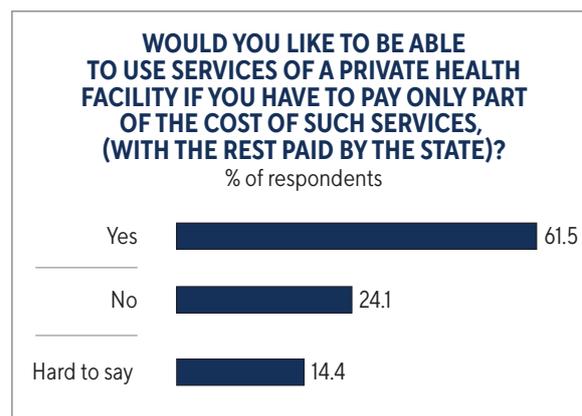
The term «voluntary co-payment» means covering the difference between the tariffs set by the state and the actual cost of care in the facility that provides it. This mechanism is actively used in many countries, and in this case, the money really «follows the patient». As a result, millions of Ukrainians would be able to enjoy their social guarantees in the location which they see fit and convenient for them.

Nonetheless, co-financing or «voluntary co-payment» is practically banned in the country, or at least made extremely difficult. The treatment process, including surgical interventions, must be carried out either entirely free of charge (at the expense of the NHSU or other state sources) or entirely on a commercial basis. But what if a patient wants to receive services for free, but at the same time pay extra for a separate ward? Or what if a person wants to have free microsurgical treatment of cataracts (phacoemulsification), but install a premium lens, whereas the NHSU provides for only economy class lenses.

The survey confirmed the very positive attitude of Ukrainians towards the introduction of additional payments for quality medical care. 61.5% would like to be able to use the private clinics' services if they had to pay part of the cost and the state would cover the rest. These findings were not surprising, but only confirmed the hypothesis that people want clear rules and predictable costs. They objectively assess the situation and do not demand anything impossible from the state, supporting clear and, in their opinion, correct steps.

If one analyses the average cost of some services provided by private clinics and compare it with the NHSU tariff, it becomes clear that the government-approved tariff covers roughly 60-70% of the cost of services in the private sector. An average Ukrainian understands the reality and expects pragmatic, rather than ephemeral, steps by the state to satisfy rights guaranteed to citizens.

Using the example of cardiac stenting, the researchers asked respondents to choose between two options, namely Option 1: «To



have the operation performed in a public hospital for free and officially pay for some medicines. Only one type of stent is available for the surgery. Unofficial payments to the doctor and medical staff are possible. Hospital stay entails sharing a ward with several other patients», and Option 2: «To have the operation in a private hospital and pay the difference of UAH 12,000 between the state tariff and the commercial cost of service. No other additional payments are envisaged. There are several types of stents for a patient to choose from, as well as a separate (individual) ward». Interestingly, 58% of respondents preferred the second option, that is, the opportunity to receive a quality service in a private clinic, only paying the difference between the tariffs.

It should also be added that the introduction of the «voluntary co-payment» mechanism is facilitated by the formation and rapid development of the middle class – people who are well off enough to choose and pay for qualified and professional medical care. In Ukraine, the social base of private healthcare is growing, especially in large cities. These are primarily administrators, managers, directors and other employees of companies, enterprises, and so on.

The study has shown that despite some financial difficulties, there is still some solvent demand for quality medical care, with 9% of respondents saying they are well-off and 1.5% can afford anything. Therefore, a certain share of the country's population still plays a major role in the development of private healthcare. At the same time, a much larger part of the population, especially amidst a full-scale war, has rather limited financial

resources (one-third has enough money to buy food and some necessary inexpensive items, while 13% barely make ends meet and even lack money to buy the necessary products), but needs urgent and high-quality medical care. And private health facilities are ready to provide such assistance, but on the basis of a fair partnership with the state.

OVERALL CONCLUSIONS

The need for new solutions

1. Ukraine's health sector today is facing a serious challenge. A huge number of people was forced to move, with about 6.5 million becoming internally displaced, and another 4 million leaving the country altogether. This means that people who have moved to other regions of Ukraine are now looking for health services there. Not only patients, but also doctors have moved elsewhere because of the war, affecting the entire health system. First of all, this led to a redistribution of specialists within the country, with a large number of IDP health workers finding jobs in other cities. Demand for health services fell by almost 70% at the beginning of the war. Today, however, there is some positive dynamics with indicators beginning to level off as people try to return to their routines and continue to devote time to their health.
2. The Ukrainian health system was far from exemplary even in peacetime. The war had every chance to completely destroy it, but instead it prompted the search for effective solutions, which helped the country's health system not only to survive but to continue its development.
3. Ukraine is not unique in having its health system devastated by armed conflict, and there is a growing understanding of how to reform and finance healthcare in war in order to make it stronger, improving its accessibility and resilience. An important role in reforming the system may and should be played by private, paid healthcare, in particular the development of public-private partnerships, which manifests itself not only in attracting funds from private investors to develop state and municipal health facilities, but also vice versa, in providing assistance to private clinics by the state.
4. The collected data indicate that private healthcare is already competing with the public healthcare market, drawing attention not only from the solvent middle class, but also from other significant parts of the country's population. One can observe many Ukrainians' willingness to «invest» in preserving and improving their health, even though their overall incomes are falling and their ability to pay for expensive treatment is also declining.
5. For most Ukrainians, the state health system is still the central and often the only structure providing health services. At the same time, citizens prefer private clinics, and people's relations with the private sector are gaining momentum, which may become one of the factors in the private healthcare development. The public health system is financed by taxes paid by all citizens residing in the country, including those who exclusively use private clinics. At the same time, no one ever gets compensated for even a part of the costs if treated in a private clinic. Therefore, it would be logical if patients who have a declaration with a doctor could pay for additional services at their own expense. Then there will be no problems with paying for an individual ward or using premium lenses for eye surgeries.
6. Currently, there are no government support programmes to promote the private sector's development. The market for private health services is developing mostly outside the public health financing system and with little integration with the public services market. The lack of state support for private healthcare has negative implications for the market. It is clear that the decision to introduce a «voluntary co-payment» mechanism is long overdue, and its implementation should start with private healthcare. Therefore, further development of private healthcare and its role in the

overall health system will be largely determined by the state policy in the field of healthcare development.

7. In order to expand the range of private business participation in the health sector development, it is necessary to reform regulatory instruments and mechanisms. To do so, it is only necessary to amend the Law of Ukraine «On State Financial Guarantees of Medical Care for the Population» and draft relevant Cabinet of Ministers resolution.
8. Healthcare development is most successful in countries where money follows the patient, where the private sector flourishes, and where doctors are paid based on their performance. That is why doctors migrate from Eastern to

Western Europe, as they want to work in better conditions, including in terms of remuneration. Then, many colleagues in Western Europe want to go to the United States.

9. Private and public healthcare already make two components of the country's health system. Both private and public facilities are in demand. It is worth recalling that the Constitution guarantees equality of all forms of ownership. The state and society are equally interested in their development, in supporting entrepreneurship and private initiative, including in the health sector. At the same time, the principles of a welfare state require that every patient has the opportunity to receive the necessary and affordable amount of medical care.

