

Stages and Scenarios of Health Insurance Market Development in Uzbekistan.

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***Abstract**--This paper makes analyses of the research on health insurance. On this case, insurance market development was mentioned by research methodology. Therefore, statistical and theoretical bases were discussed on the research analyses. Conclusion, paper has identified outcomes and shortcomings of the analyses to make further research points.*

***Keywords**---Stages, scenarios, health, insurance, market development, Uzbekistan*

I. Relevance and necessity

Reforming the health care system in the social protection of the population in the country is one of the priorities of the state social policy. The report of the President of the Republic of Uzbekistan Shavkat Mirziyov in the Action Strategy 2017-2021, dedicated to the priorities of socio-economic development of the country, noted that "In 2018, consistent and purposeful work has been done to further reform and develop the healthcare system in the country."

Priority is given to improvement of the health care system and development of the market of medical services for population, creation of organizational, economic and social conditions for access of qualified medical services to the population, as well as improvement of quality of medical services. Especially in the medical services market, access to insurance is not only a necessity but also an objective necessity.

President of the Republic of Uzbekistan Islam Karimov signed a resolution "On Strengthening of Comprehensive Support to the Development of the Private Sector in the Health Care, as well as the creation of the necessary conditions for private medical institutions to provide high-quality medical services," Tourism and medical services development ", PF-2863, which is important for the development of medicine in our country it was hanging.

The resolution "On medical insurance", aimed at regulating relations in the field of health insurance, establishing the legal basis of voluntary and compulsory health insurance, providing guaranteed high-quality health insurance services, providing incentives and benefits for citizens to participate in the system of medical insurance. Development and promotion of the private sector in the field of health care; creation of conditions for provision of high-tech medical services by the basic medical institutions, expansion of attraction of foreign investments and highly qualified specialists in private medical care, including high-quality and affordable free medical care provided by the state with wide introduction of health insurance system. creation of additional opportunities for consulting, diagnostics, treatment, rehabilitation and other types of medical services; It aims to develop I. One of the priorities in addressing the above problems is to reform the health care financing mechanism.

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One of the effective solutions to these problems is the effective use of the potential of health insurance in the country. Voluntary health insurance is currently implemented in our country. The analysis shows that the level of access to health insurance policy among the population is low, including insufficient financial and economic knowledge of health insurance and its use by citizens.

The relevance of the problem, the scientific and practical significance, and the insufficient research in the economic literature led to the selection of this topic as a research object.

The extent of the problem studied. In the far abroad countries the relations of health insurance in the system of social protection of the population are widely studied as independent research objects. Theoretical and practical issues of population health insurance are economists A.S.Preker, R.Zveifil, O.R.Schellekens, J.Jutting, O.Alexander, A.Laffer, S.L.Bru, J.M. Keynes, K.R. McConnell, P.A.Samuelson, A. Smith and W. Nordhaus and other mentioned according to this features.

CIS scholars such as Grigoryeva N.S, Antropov V, O Zabelina, E.I Nikitana, O.G.Krestyaninova, V.G Butova, A.A Reznikov, S.A Ahmedov, M.Yu.Fedorova, P.Z Ivanishin, V.V.cPetukhova, A.Yu. Botyan, L.A. Drobozina, D.A. Dunusova, G.M. Kravchenko, S.A. Lukashov, S. Mamedova, V.P. Raik, D.A. Sokolov, S.G. Khabaev and other mentioned the features and features of health insurance are reflected in the system of social protection of the population.

Some aspects of the practice of financing the social sector in Uzbekistan, including healthcare institutions. Analyzed in the works of Turtaev, D.A Rakhmonov and D.I Babayev.

This issue was addressed by O. Raimberdieva's research work on the order of formation of the structure and sources of financial resources of health care institutions in the social protection of the population, as well as the financing of health insurance in the health care system.

In the case of G.Kosimova, the issues of covering health care expenditures in the process of financing social and cultural events from the state budget were studied.

In her research, A. Sultanova researched international experience on the role of state budget funds in health financing and partially analyzed health insurance. That is, special attention is paid to the introduction of foreign experience in system finance management.

The theoretical aspects of the development of the private sector in the social services sector, including the healthcare system, were studied by U. Rajabov, and the funding for the sector is based on prioritizing the expansion of extra-budgetary sources.

In the research of X.Baev the important aspects of the organization of social insurance that form the system of social protection of the population are justified.

Although the aforementioned studies have made a significant contribution to the study of the legal aspects of the role of social insurance in the social security system, no specific research has been devoted to the essence, types, and types of health insurance in Uzbekistan.

The aim of the research is to develop scientific recommendations and practical recommendations aimed at improving the effectiveness and implementation of health insurance in our country.

Objectives of the research. Development of alternative scenarios for the development of the health insurance market in Uzbekistan in the long term;

Methods of the research were used for comparative analysis, observation, grouping, analysis and synthesis, induction and deduction, economic mathematics, economic and mathematical modeling.

Concept of gradual introduction of compulsory health insurance in the Republic of Uzbekistan "On the development of the health care system of the Republic of Uzbekistan for 2019-2021, approved by the Decree of the President of the Republic of Uzbekistan dated December 7, 2018 N UP-5590" strictly implement the measures envisaged in paragraph 4 of the program tutilganva to regulate activities in the field of health insurance, the President of the Republic of Uzbekistan, decrees and resolutions have been prepared in accordance with the resolutions of the Cabinet of Ministers.

The concept of the Concept is to create a system for regulating the relations in the field of health insurance, which will provide the insured persons with quality medical services within certain programs through compulsory and voluntary health insurance.

The content of the Concept is the relationship arising in the course of interaction between all the participants of the health insurance system, in the course of its functioning, and in the exercise of powers by the state authorities to regulate and control the health insurance.\

Introduction of compulsory health insurance will be carried out in stages: in the short term (2021-2023): Development and adoption of the Law of the Republic of Uzbekistan "On health insurance of citizens" on the introduction of compulsory health insurance to do establishment of specially authorized state structure (National Fund of compulsory medical insurance); introduction of unified per capita financing of health care services in the regions; step-by-step transition to modern methods of payment for cases of inpatient care based on clinical-cost groups by type of illnesses; in the medium term (2022-2023): the introduction of a unified tariff policy on payment for medical services, the provision of insurance coverage (experimental) for certain categories of citizens and limited programs of compulsory health insurance; introduction of additional funding from citizens for motivation programs that promote the rational use of resources and encourage the preservation and strengthening of their health; I work primarily in the field of prevention of diseases and stimulating the development of a new payment system; the introduction of compulsory insurance system step-by-step the rest of the class citizens, then the citizens of the republic with a system of compulsory medical insurance coverage; expanding the scope and scope of private health care providers to provide health care under the mandatory health insurance program.

Systematic measures are being implemented in the country to radically improve the quality of medical services, to radically revise the work of physicians, primarily specialized care in primary health care, as well as emergency and urgent care.

At the same time, the network of private medical organizations has expanded over the last years, expanding the scope and scope of financial support, accelerated development of the paid services market, establishing a quality system for training, retraining and advanced training of medical personnel and further increasing foreign investment in the private health care sector. Favorable conditions for attraction

Currently, preparatory measures for the introduction of the accreditation system of medical institutions, regardless of ownership, are being tested and modern methods for the organization of cost accounting for medical services provided by medical institutions on the basis of internationally recognized clinical cost groups.

Proposals for employers and workers to make compulsory health insurance contributions to form compulsory health insurance starting from 2021 are being considered, with a view to increasing the excise tax on tobacco and alcohol to prevent the reduction of the real income of working citizens.

Introduction of health insurance will provide additional financial support, first of all, in social protection and health care. This, in turn, will improve the quality of the health care services market and ensure that various segments of the population are well-behaved. At the same time, the introduction of health insurance - radically changing the attitude of the public to health care, increasing the personal responsibility of the population to participate in financing the insurance system, ensuring public health insurance, increasing public health insurance, developing a market for medical services and a competitive environment. leading to more opportunities for innovation. Currently, the state finances free medical care in accordance with the Law of the Republic of Uzbekistan "On protection of citizens' health" and other normative acts. The financing of the guaranteed package will be based on the limited budget of the outpatient clinic. Since 2000, other health services have been provided on a fee basis except for the guaranteed package of services. Involvement of compulsory health insurance with the help of competitive procedures by companies that compete with and insurance companies will improve the quality of services in the health care system and improve the management system of state medical institutions. In addition, the system of compulsory health insurance will introduce a mechanism to attract additional financial resources to the population's income and health care. We can look at these scenarios by examining the experience of introducing compulsory health insurance in the context of economic liberalization.

Scenario 1: The basic prognosis of national health education in the national context.

Based on the calculations of the Health System Development Concept, the amount of government funding (15.4%) was taken into account along with public expenditures.

In 2021, the total budget revenues from the state budget will amount to 14,195.72 billion sums, and by 2023 - 16,039, 56 billion sums and 19,632, 70 billion sums (4.0% of GDP) in 2025. By 2025, the amount of health care per capita will be 528,000 soums.

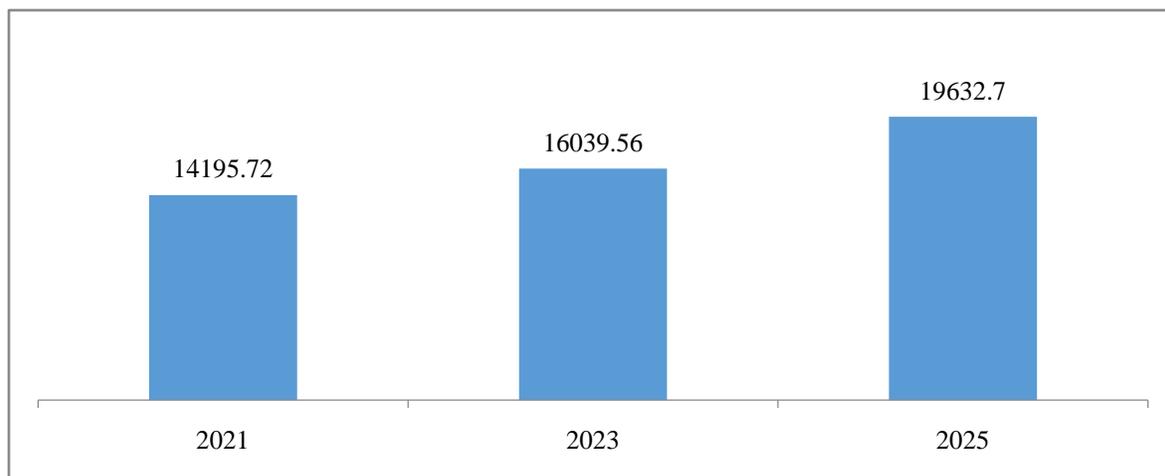


Figure 1. Government financing (billion soums)

Scenario 2: Basic projection of government financing and additional 2% tax on salary fund.

Scenario 2 predicts that the revenues to hired workers in addition to scenario 1 could amount to 1,243 billion sums in 2021, 1,469 billion sums in 2023, and 1,725 billion sums in 2025.

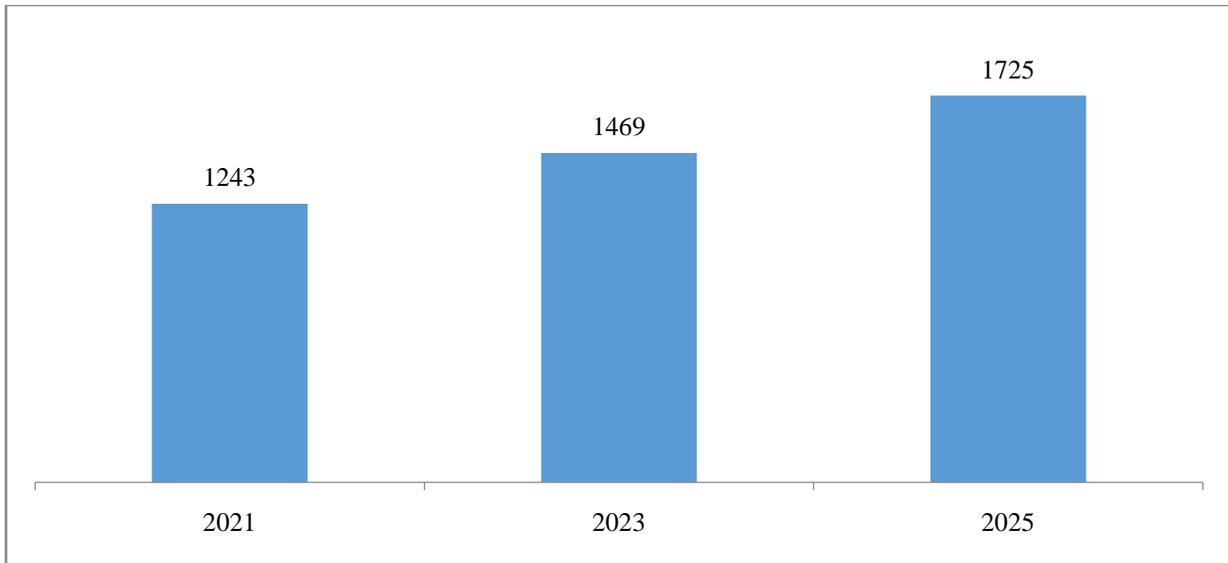


Figure 2. 2% tax on state financing and salary fund (bln. Soums)

In 2025, the additional health benefits will amount to an additional 2% of the payroll tax and 0.5% of the minimum wage - 46,000 sums per person, which is 6.6% of the total budget for healthcare.

Scenario 3 is the baseline forecast for the state financing and an additional 4% tax on payroll.

This scenario is based on the same general tax but with a 4% rate. The labor market participation rate is the same, but the expected tax evasion rate is higher, but that rate gradually declines over time.

Scenario 3 predicts that the revenues raised by the hired workers in addition to the state budget will increase to 2,405 billion sums in 2021, 2,842 billion sums in 2023, and 3,338 billion sums in 2025.

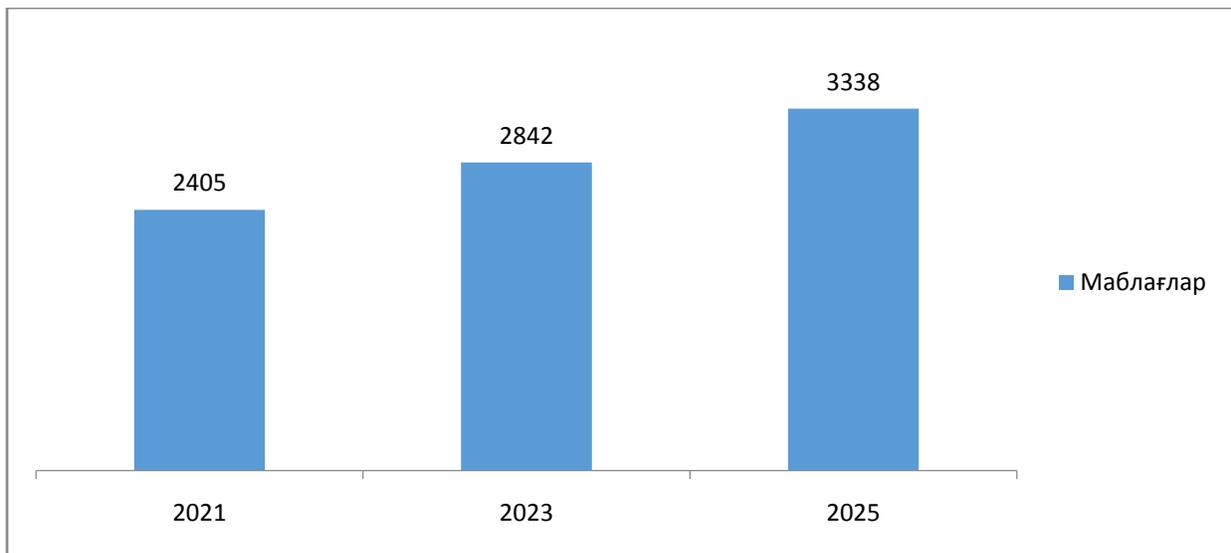


Figure 3. 4% tax on state financing and salary fund (billion soums)

In 2025, the potential income will amount to 93,000 Soums per capita, which is 9.5% of total government budget allocations for healthcare.

Table 1. Health care per capita, UZS thous.

	021	022	023	024	025
Scenario 1. State budget	09	16	46	83	28
Scenario 2. State budget + 2% salary fund	09+36	16+38	46+41	83+44	28+46
Scenario 3. State budget + 4% salary fund	09+72	16+77	46+82	83+87	28+93

Preliminary conclusions were drawn from the analysis of the impact of the above three scenarios:

1. Uzbekistan has expanded the fiscal gap to the health care sector by increasing GDP and changing the share of health care financing within existing public resources: 15.4% of total government budget expenditure is sufficient and basic state guarantees. It is necessary to study the state's additional public health expenditures and additional sources of funding.

2. Expenses for the health care system will continue to grow over time due to the general taxation base, based on economic growth, which provides an optimistic fiscal space for health care reform.

3. Improving the efficiency of the health care system is crucial to ensuring the targeted and effective use of public funds, which will lead to an increase in the quality of services and a reduction in the direct (cash) payments to patients. This is facilitated by the implementation of health financing strategies.

4. Given the current structure of the labor market, it is unlikely that the payroll tax will significantly increase health care revenue in Uzbekistan, and will only increase health spending from 6.6% to 9.5%.

5. The introduction of the payroll tax can have a negative impact on the level of transition of the labor market to the formal sector of the economy. One of the most important goals of the state policy is to create jobs and provide employment in the formal sector of the economy.

In 2019, income and social tax rates were reduced and simplified to optimize tax policy, but the introduction of new health care wage taxes could lead to confrontation effects and mistrust.

Based on the international experience, the above three scenarios for introducing compulsory health insurance in Uzbekistan in the system of social protection of the population and the development of the market for high-quality and affordable medical services have not given the expected results. Therefore, as a source of additional funding from the state budget for the development of medical services market and health care by increasing the excise tax on tobacco, alcohol and other unhealthy products, as well as excise taxes on other sources of state taxes and fees, which are currently affecting public health, it is suggested to choose a scenario.

Scenario "The amount of payments and deductions for compulsory health insurance from tobacco and alcohol products at the expense of 0.5% of the Pension Fund, the size of the minimum wage for individual entrepreneurs"

It is desirable to raise the question of distribution of revenues from alcohol and tobacco production for the implementation of targeted health care programs in the social protection system. The annual revenue forecast for alcohol

and tobacco products to the Fund for the Development of Physical Culture and Sports under the Ministry of Physical Culture and Sports of the Republic of Uzbekistan. About 99.399 billion soums, or \$ 18,205 million (as of 2016).

Note: 1 dal = 10 liters

1000 cigarettes = 20 packs of cigarettes

One bottle of vodka with a capacity of 0.5 liters costs 250 soums, and a bottle of beer costs 100 soums. The cost of 1 pack of cigarettes without filters is 20 soums.

Table 2. Annualized income from alcohol and tobacco products sold to the Compulsory Health Insurance Fund

Amount of grain in retail	Sales volume in 2018, dal	Size of fee, soums	Revenue, som	S dollar exchange rate (01.05.2019)	Revenue, USD	Rev
Vodka and alcohol	5 257 457	,000	6 287 285 000	445.49	032 902	9
Beer	905 060	,000	9 810 120 000	445.49	345 644	2
From total alcohol products			6 097 405 000		378 546	11
Volume of sales from local tobacco sale, 2016	Sales volume of tobacco products in 2016, packages	Collection fee (1000/20 = 50 sum)	Revenue, som	S dollar exchange rate (01.05.2019)	Revenue, USD	Rev
Filtered tobacco products	47 643 835	0	2 382 191 750	445.49	4 258	3 83
Filter-free tobacco products	4 787 266	0	39 363 300	445.49	45	87 5
From total tobacco products			3 121 555 050		1 803	3 92
TO TAL			29 218 960 050		00 350	15 3

If the manufacturer adds this cost to the product cost, it will be borne by the consumer (alcohol or smoker).

In addition, the share of the collection:

Each bottle of 0.5L bottle contains an average of 1.25% of beer and 2.0% of beer.

On average, each cigarette pack contains 0.25% and filter-free cigarettes 0.57%, and the consumer does not feel the price increases due to the new cigarette pack.

Table 3. Excise tax on alcohol and tobacco products%

Alcohol	the amount of harvest for 1 dal, soum	product volume per 1 dal, pcs	collected bottles of 0.5 liters, soum	the average retail price of a 0.5l bottle is in sum	collection fraction of 0.5l glass bottles,%
Vodka in 0.5 liter bottle	,000	0	50	0,000	.25%
Vodka in 0.5 liter bottle	,000	0	00	,000	.00%
Tobacco products	ee for 1000 pieces, UZS	000 units of product in the box	ee for each package, soum	the average retail price of a box, in rubles	hare of collection from each box,%
Filter cigarettes	000	0	0	000	,25%
Cigarettes without filters	000	0	0	500	,57%

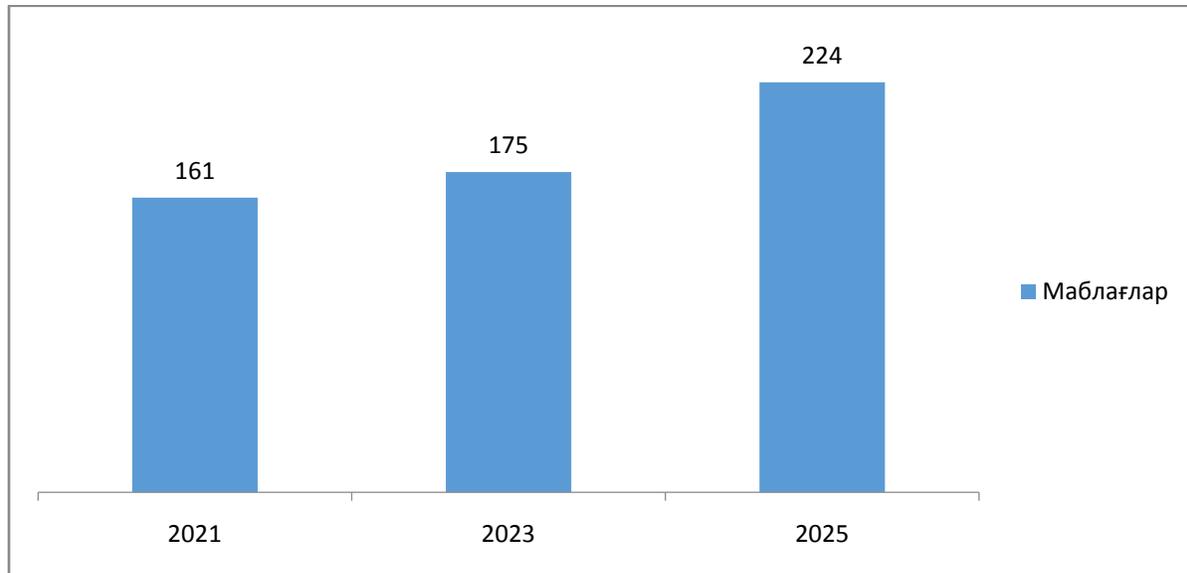
In addition, the average retail price of cigarettes in our country is much cheaper than in other countries. This is due to the low excise tax on cigarettes. The share of excise tax on the retail price of cigarettes in 2016 was 9.4% on average (9.31% for filtered cigarettes and 25.89% for non-filtered cigarettes). The World Health Organization recommends that the share of excise tax on the retail price of tobacco products be at least 75%. This figure was reached in 26 out of 53 European countries. However, tobacco tax policies are not balanced among the European countries, as some smaller regions have made less progress in this area. For example, all 10 countries, where the retail price of tobacco products is less than 50%, are members of the CIS.

At the same time, countries such as the Russian Federation, Turkmenistan, Georgia, Ukraine, Moldova are actively increasing excise taxes and bring significant revenues to the state budget. For example, in 2017, Ukraine began to raise excise taxes on tobacco over the next 7 years until 2024. The inflation rate is expected to increase to 29.7% in 2018 and 20% annually over the next 6 years. As a result, from 2008 to 2017, excise tax increased on average by 20 times, with budget revenues rising from \$ 124 million to \$ 1415 million.

Thus, the allocation of alcohol and tobacco to government revenues for targeted health care programs, following the example of many countries, introducing tax on alcohol and tobacco will increase revenues to the state budget and the share of health care financing. In addition, it will lead to improved health care in the social protection system and the achievement of the goals of the Sustainable Development Concept and the Health System Concept to reduce the prevalence of risk factors and the prevalence of non-communicable diseases by 2030.

The total amount of income received by the Fund from individual entrepreneurs in 2021 will amount to 161 billion soums, by 2022 - 175 billion soums, and by 2025 - 224 billion soums.

Taxes on alcohol and tobacco products sold to the Compulsory Medical Insurance Fund (billion soums)



II. Results

Per capita health care costs will be 511,000 soums in 2021, 524,000 soums in 2022, and 652,000 soums in 2025. Compared to the 2018 level, they are expected to grow 2.9 times in 2025.

According to scenario 4, the share of healthcare expenditures in GDP will be 4.7% in 2021, 4.6% in 2022, and 4.9% in 2025.

This scenario is intended to significantly increase the current excise tax, which will lead to a significant increase in state budget revenues. In addition, it is proposed to include tax on foods with high sugar and trans fat levels, as well as other health-related payments.

III. Conclusion

Increasing the share of health care expenditures in GDP in the social welfare system will have an impact on the growth of the health services market. The development of the health care services market may be linked to economic well-being, which may be explained by the allocation of budgetary funds to health care services per patient.

Improvement of the mechanisms of financing the health care system with the help of international experience and the introduction of compulsory health insurance will increase the average life expectancy of the population and reduce the mortality rate among children and various infectious diseases.

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