



Can people afford to pay for health care?

New evidence on financial protection in Ukraine

This report assesses the extent to which people in Ukraine experience financial hardship when they use health services, including medicines, and unmet need caused by financial barriers to access. It updates a report on financial protection in Ukraine published in 2018. The report draws on data from household budget surveys conducted between 2009 and 2021 and information on coverage policy (population coverage, service coverage and user charges) up to the end of 2022.

The current analysis covers the period after the introduction of the new Law on State Financial Guarantees of Health in 2017 and assesses the state of financial protection before the Russian Federation's invasion of Ukraine in February 2022.

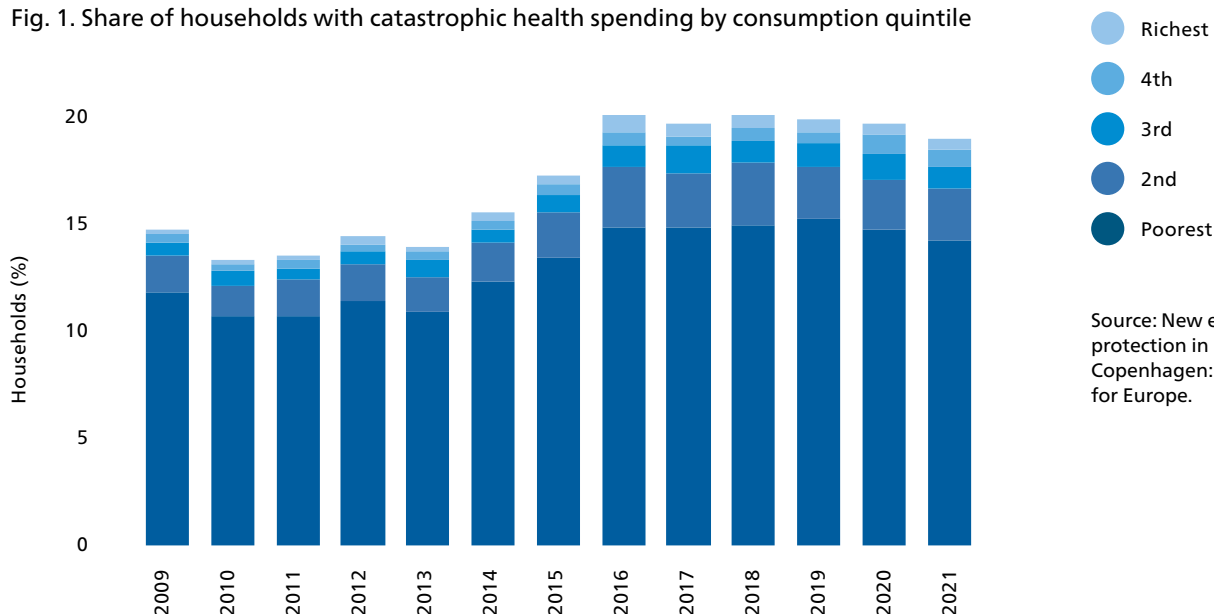
In 2021, 11 % of households were impoverished or further impoverished after out-of-pocket payments and 17% of households (nearly 2.5 million households) experienced catastrophic out-of-pocket payments.

Catastrophic health spending is heavily concentrated among households with low incomes, households headed by older people or pensioners and households in rural areas.

The incidence of catastrophic spending increased between 2010 and 2016, reached its highest level in 2018 and has decreased slightly since then, driven by small decreases in all consumption quintiles (Fig.1). This trend is promising but progress should be accelerated.

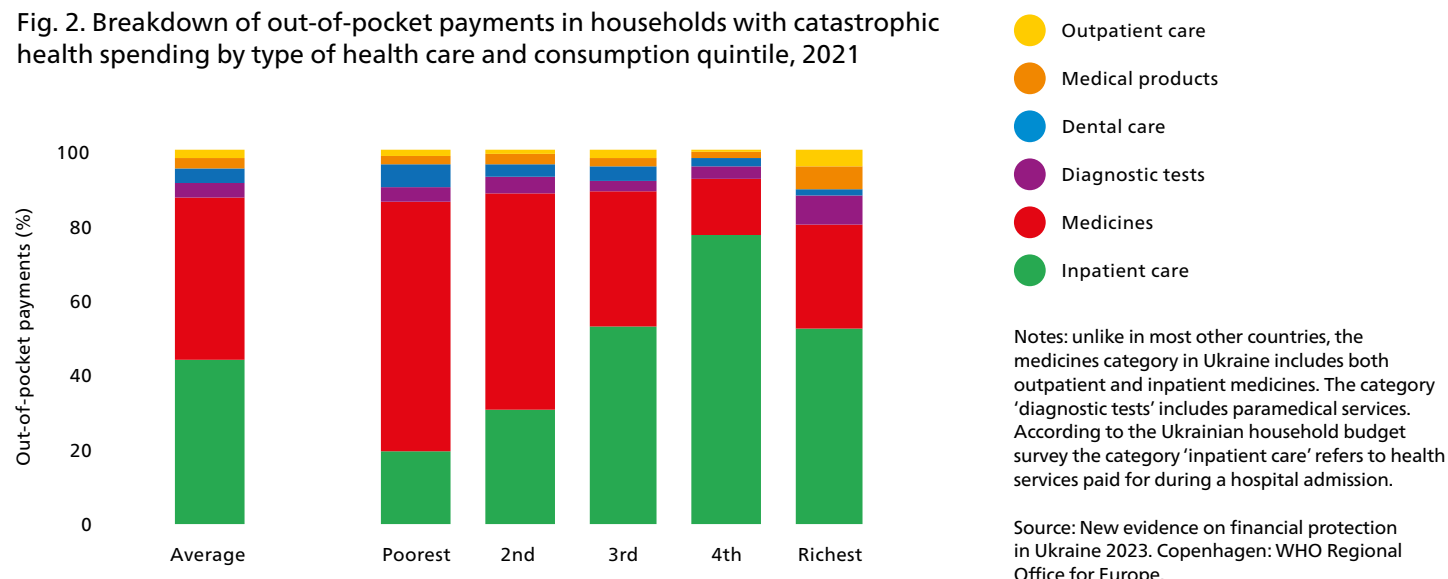
On average, financial hardship is almost entirely driven by spending on medicines and inpatient care. Medicines are the main driver of catastrophic health spending in the two poorest quintiles and inpatient care is the main driver in the three richer quintiles (Fig. 2).

Fig. 1. Share of households with catastrophic health spending by consumption quintile



Source: New evidence on financial protection in Ukraine 2023.
Copenhagen: WHO Regional Office for Europe.

Fig. 2. Breakdown of out-of-pocket payments in households with catastrophic health spending by type of health care and consumption quintile, 2021



How does Ukraine compare to other countries?

The incidence of catastrophic out-of-pocket payments in Ukraine is one of the highest in Europe (Fig. 3) and ranks high in comparison to many European Union candidate countries.

Catastrophic health spending in Ukraine is heavily driven by household spending on outpatient and inpatient medicines. Inpatient care plays a much larger role in driving financial hardship in Ukraine than in most other countries in Europe (Fig. 4).

What strengthens and undermines financial protection in Ukraine?

Coverage policy in Ukraine has three features that are associated with stronger financial protection. First, entitlement to publicly financed health services is based on residence, ensuring that most of the population is covered; second, the introduction of the Affordable Medicines Program (AMP) in 2017 and the Program of Medical Guarantees (PMG) in 2018 (with further expansion in 2020) was an important attempt to explicitly link publicly financed health benefits to health needs and available resources; and third, user charges (co-payments) are kept to a minimum, especially in primary care.

Despite near universal population coverage and the limited presence of user charges, informal payments and other out-of-pocket payments are widespread in the health system. This reflects gaps in the service dimension of health coverage, low levels of public spending on health (persistent underfunding of the PMG) and other inefficiencies.

- People frequently pay out-of-pocket for outpatient medicines because the AMP introduced in 2017 still only covers a relatively small number of conditions and is accessed by a small share of the population.
- Although the law requires outpatient medicines to be prescribed by international non-proprietary name, in practice this is not the norm.
- There is geographical inequity in access to AMP benefits.
- People are generally expected to provide their own medicines and other supplies in hospital due to persistent underfunding of the PMG relative to the range of services it covers, the limited scope of the Ukrainian essential medicines list (UEML, which defines covered inpatient medicines), failures in procuring or distributing centrally procured medicines and medical products and low levels of provider accountability.

How can Ukraine improve access and financial protection?

To strengthen financial protection, the health system needs to continue to reduce out-of-pocket payments for medicines and inpatient care. Options for achieving this include the following.

Prioritize public spending on comprehensive primary care, which includes funding for better access to medicines and diagnostic tests, and strengthen the prescribing, dispensing, price regulation and availability of medicines.

- Continue to expand the AMP, so that it better meets the health needs of the population, and ensure that the medicines it covers are cost-effective, aligned with clinical guidelines and target the needs of households with low incomes.

Fig. 3. Households with catastrophic health spending and out-of-pocket payments as a share of current spending on health, 2019 or latest available year before COVID-19

Notes: data on catastrophic health spending and out-of-pocket payments are for the same year. The colour of the dots reflects the incidence of catastrophic health spending. Green (0–5%); orange (5.1–10%); red (10.1–15%); dark red (above 15%). For catastrophic health spending, data from the Netherlands (Kingdom of) are not comparable.

Source: New evidence on financial protection in Ukraine 2023. Copenhagen: WHO Regional Office for Europe.

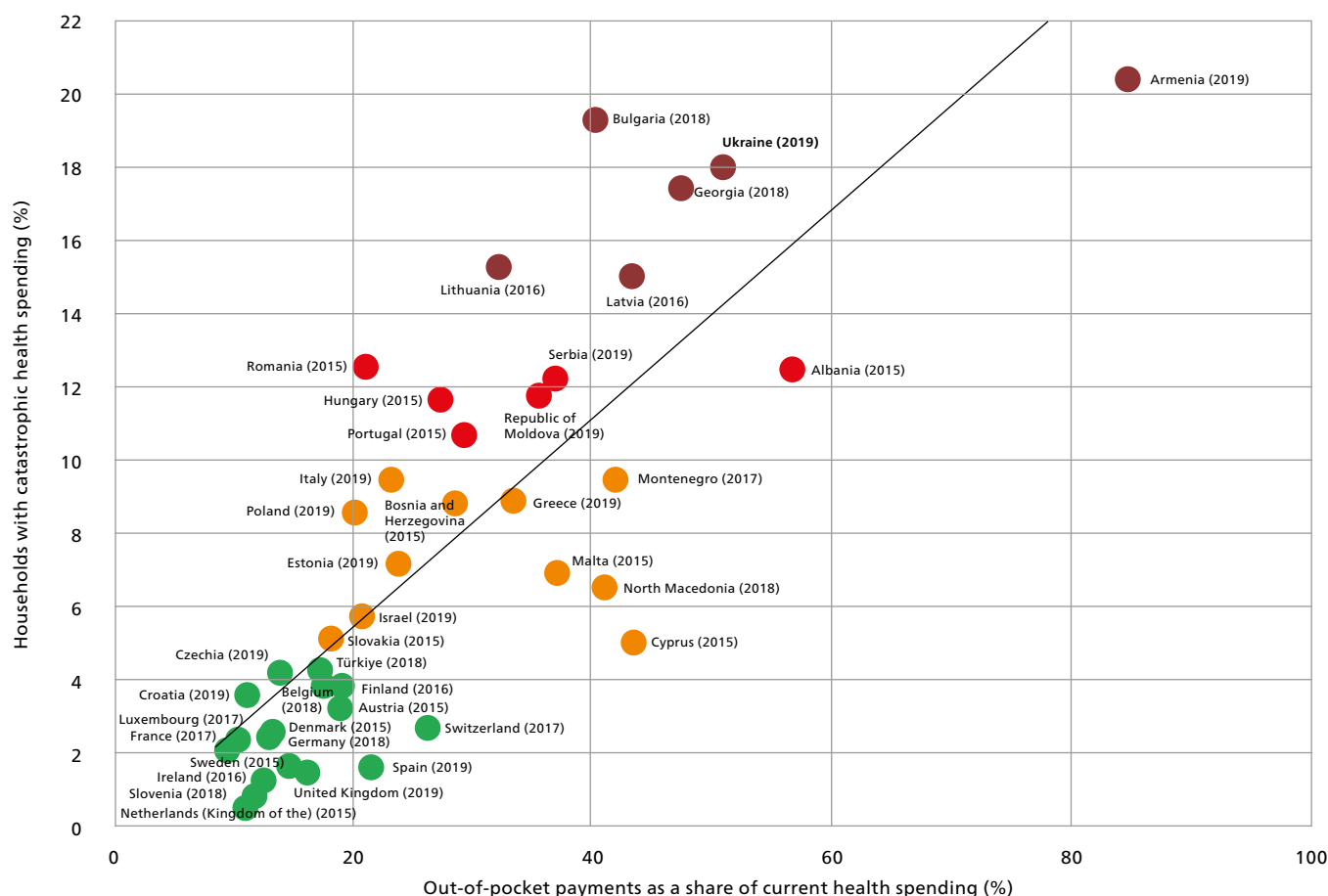
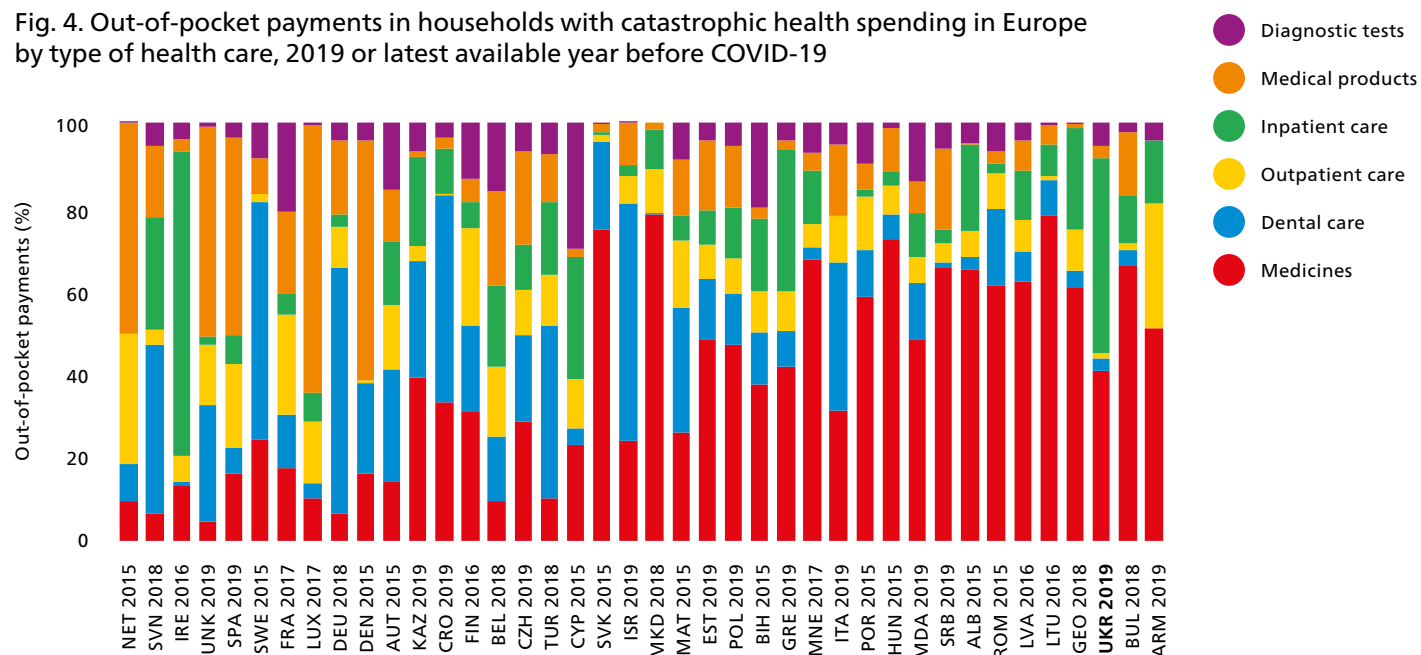


Fig. 4. Out-of-pocket payments in households with catastrophic health spending in Europe by type of health care, 2019 or latest available year before COVID-19



Notes: countries ranked from left to right by incidence of catastrophic health spending. Unlike in most other countries, the medicines category in Ukraine includes both outpatient and inpatient medicines. The category 'diagnostic tests' includes paramedical services. According to the Ukrainian household budget survey the category 'inpatient care' refers to health services paid for during a hospital admission.

Source: New evidence on financial protection in Ukraine 2023. Copenhagen: WHO Regional Office for Europe.

- Develop incentives and other mechanisms to stimulate international non-proprietary name prescribing by doctors and the dispensing of cheaper medicines by pharmacies and monitor prescribing and dispensing under the AMP.
- Ensure an equitable distribution of pharmacies participating in the AMP across oblasts.
- Expand the UEML and monitor spending on inpatient medicines. This should be accompanied by rules to prevent providers from asking people to pay for medicines covered by the UEML and by monitoring of providers.

Reduce informal payments for inpatient care.

- Curb 'charitable donations' through better enforcement of the provider-purchaser contract provisions that already prohibit these charges and by monitoring providers.
- Ensure that health care facilities do not induce the use of services on the negative list and that there is no double billing of covered services (for example, through 'charitable donations').

Improve the governance of the PMG by making the process for its design and expansion more explicit, transparent and inclusive of a range of perspectives.

Strengthen the capacity of the NHSU to be an active purchaser of services, which will allow it to make better use of public resources.

Implement policies to enhance protection for households with low incomes and others at high risk of catastrophic health spending.

The Government will need to continue to give priority to health in allocating public spending. It should also support the NHSU so that it is better able to reduce out-of-pocket payments for the services that cause financial hardship and to account for changing health needs in the context of the war and growing poverty.

Monitoring financial protection in Europe

This study is part of a series of country reports generating new evidence on financial protection – affordable access to health care – in health systems in Europe. Financial protection is central to universal health coverage and a core dimension of health system performance. The goals of universal health coverage are to ensure that everyone can use the quality health services they need without experiencing financial hardship.

Financial protection is an indicator of the Sustainable Development Goals, part of the European Pillar of Social Rights and at the centre of the European Programme of Work, 2020-2025 (United Action for Better Health in Europe), WHO/Europe's strategic framework. Through the WHO Barcelona Office for Health Systems Financing, WHO/Europe monitors financial protection in over 40 countries.

WHO Barcelona Office for Health Systems Financing

The WHO Barcelona Office is a centre of excellence in health financing for universal health coverage. The Office works with Member States across WHO's European Region to promote evidence-informed policy making. It is also the home for WHO training courses on health financing and health systems strengthening for better health outcomes.

A key part of the work of the Office is to assess country and regional progress towards universal health coverage by monitoring financial protection. The Office also provides tailored technical assistance to countries to reduce unmet need and financial hardship by identifying and addressing gaps in coverage.

Established in 1999, the office is supported by the Government of the Autonomous Community of Catalonia, Spain. It is part of the Division of Country Health Policies and Systems of the WHO Regional Office for Europe.

WHO Regional Office for Europe

The World Health Organization (WHO) is a specialized agency of the United Nations created in 1948 with the primary responsibility for international health matters and public health. The WHO Regional Office for Europe is one of six regional offices throughout the world, each with its own programme geared to the particular health conditions of the countries it serves.

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