



Ministry of Healthcare of Kazakhstan

REFORMS IN HEALTHCARE IN KAZAKHSTAN

Panel Session, June 12
Leadership for UHC Program in Nur-Sultan, Kazakhstan

Ainur Aiyphanova, Master of Health Administration
Director General
Republican Center for Health Development



KAZAKHSTAN: COUNTRY PROFILE



- **9th** largest country in the world, largest landlocked country
- **2nd** coldest capital in the world - Astana
- **100<** different nationalities, 2 official languages (KZ, RU)
- **18 mln** population
- **72,95 yrs** Life Expectancy (2018)

Health Care:

- **3.2%** GDP
- **467 USD** per capita per year
- **61%** public spending, **39%** private spending
- **10%** of State Budget on healthcare out of all State budget
- **40 doctors** per 10 000 population, **96 nurses** per 10 000 population
- **48.7 beds** per 10 000 population, ALOS: **11.2 days**

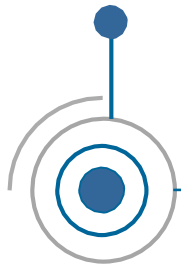


KAZAKHSTAN: culture



- **nomads:** first domesticated horses 5000 yrs ago
<http://factsanddetails.com/asian/cat65/sub422/entry-5236.html>
<https://www.nytimes.com/2009/03/06/health/06iht-06horses.20639632.html>
- **adaptive:** ready to move, change, open to East & West
- **ambitious:** President Nazarbayev: join 30 most developed countries
- **praise education:** shepherd will sell his last sheep to send child to a university (aspire to university degree)
- **fatalistic view:** if death or illness happens, “that was God’s will”.
Difficult to set minds for prevention
- **tribal ancestry:** three large tribes and many more tribes within traced to today (“Promoted due to tribe”? No marriages within 7 generations!)





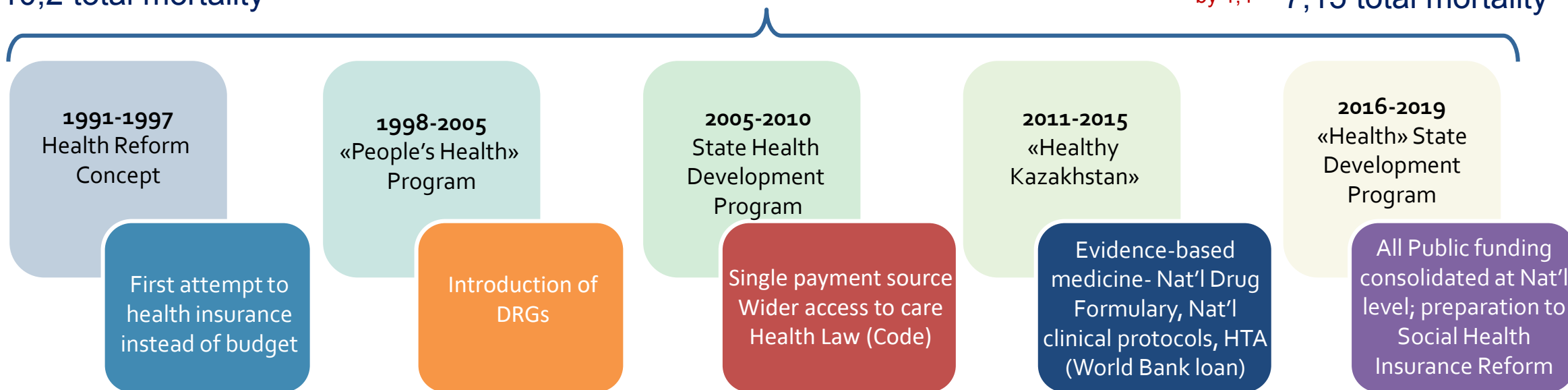
FIVE-YEAR-LONG STATE HEALTH DEVELOPMENT PROGRAMS

1995:

63,7 years life expectancy
77,3 maternal mortality
27,3 infant mortality
10,2 total mortality

2017:

+ 9,3 years gain
by 6,2
by 3,4
by 1,4
73 years life expectancy
12,5 maternal mortality
7,93 infant mortality
7,15 total mortality





Key policy changes in Health Reforms



1991

Allowed private practice – private clinics, nursing colleges & institutions



1992

Decentralized governance by local health departments
Strengthening Primary Health Care (PHC)
Patients allowed to choose public health providers



1996

First introduced health insurance
Failed in 1998 – corruption, wrong design, mismanagement, public mistrust



1998

Created national center for health prevention with branches in all regions (provinces) – State focus on prevention, health literacy, health promotion



1998

First Law adopted on “citizens’ health protection”



1999

Budget financing new models:
• Two-component per capita payment for PHC
• Nationally introduced DRGs to pay for inpatient care



2000

Consolidated public funding at “Oblast” (province) level



2006-2010

Conceptual reform of higher education in medicine and pharmacy



2009-2010

Introduced single national funding model – MoH Information System
• Patients could chose provider and payment followed the patient
• Competition among providers for patients and their funding

Key policy changes in Health Reforms



2009

- Landmark new law – Code on Health – that re-defined and clarified health system operation
- Centralized purchase of medicines for public funds
- Independent licensing of health professionals introduced
- DRGs linked to tariffs, link to IT



2011

Care reimbursement via DRGs



2013

First Concept (reform) on Digital Healthcare



2009 - 2015

- World Bank Loan – Health reform
- accreditation system for HCO (30%) – patient safety & care quality; JCI (international) accreditation – 7 HCOs
 - national health accounts (health financing information collection)
 - rational use of medicines – KNF, national center for drug information
 - HTA – agency, trained people
 - Independent licensing examination for clinicians (doctors, nurses, allied health)
 - medical education reform
 - nursing bachelors degree introduced
 - pilot on Disease Management Program



2015 - 2018

Preparations to health insurance reform
Self-sustained support of WB reforms



2016

Strategic partnership of Med.Universities
Joint Quality Commission at MoH



2017

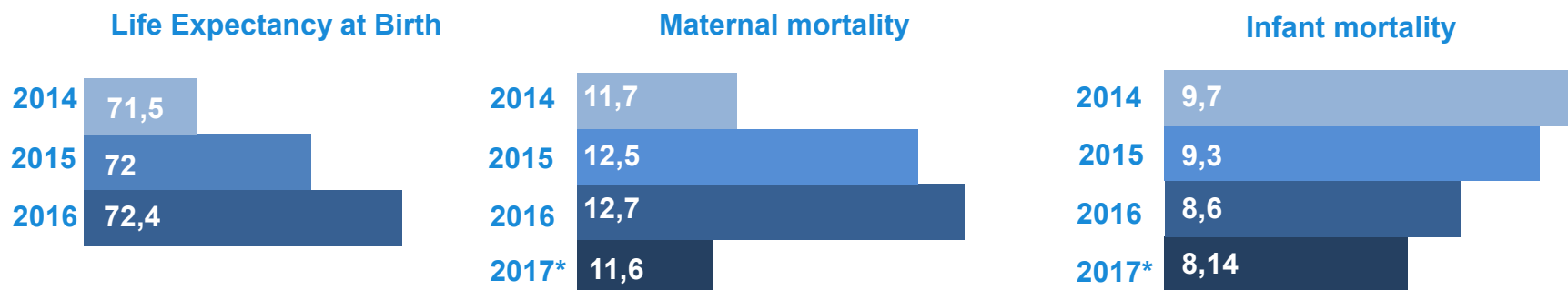
- Project Management approach by MoH and all branches of Gov't
- State Program 2016-2019 implemented via 10 MoH “projects”
 - Public Health service & governance re-created
 - 16 regions developed health care infrastructure plans (HCO maps)
 - Deregulation in healthcare to ease & support private market



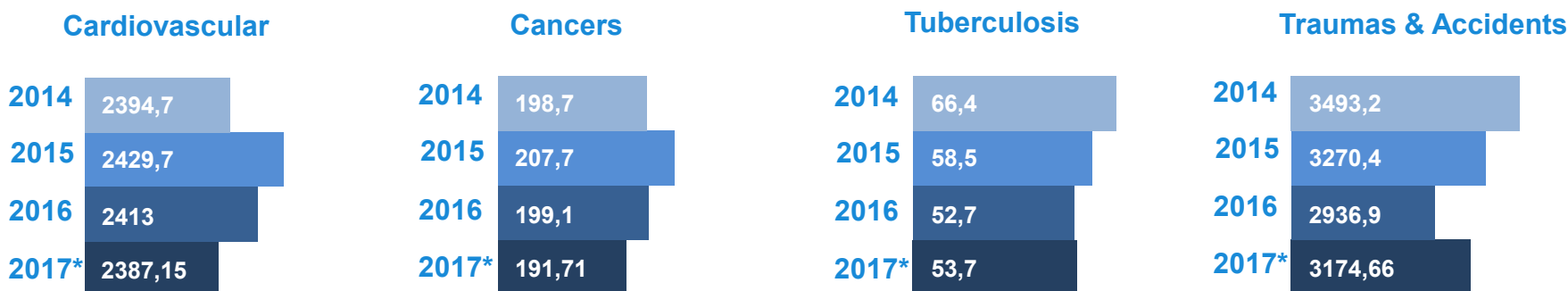
2018

- Social Health Insurance Fund functioning as single payer for public \$
- massive digitalization in health care
- Primary Health Care national reform
- Global Conf. on PHC, Astana Declaration
- second loan from WB started for Health Insurance reform (**failed to start the reform in 2018, postponed to 2020**)

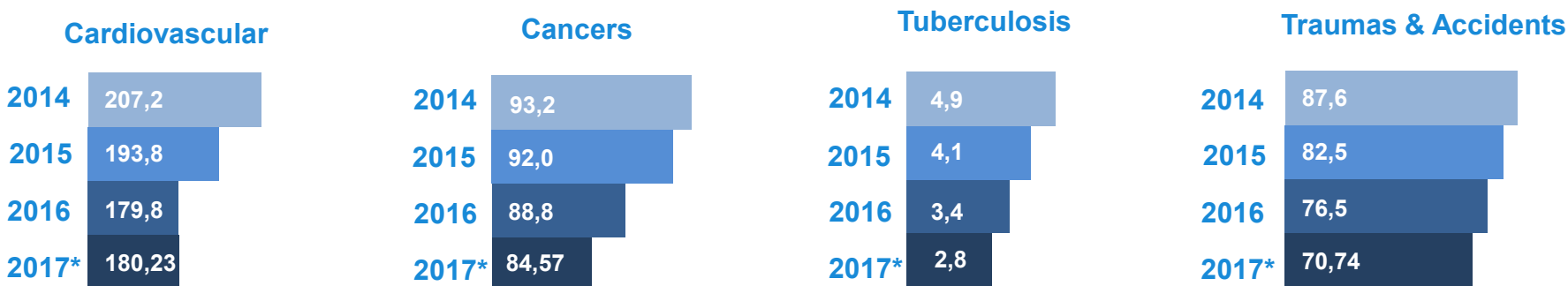
HEALTH OUTCOMES: “typical country-in-transition”: gradual improvement



Prevalence (per 100 000 people)



Mortality (per 100 000 people)

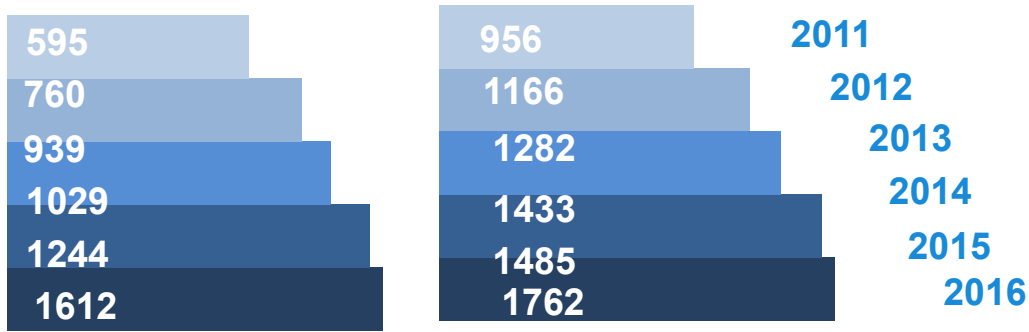


* Данные за 9 месяцев 2017 года

HEALTH EXPENDITURE TRENDS

CHE (billions of tenge)

THE (billions of tenge)



Public healthcare expenditure in Kazakhstan is projected to grow by **93%** from 2014 to 2030 from **857 bln ₸** to **1656 bln ₸**

Healthcare expenditure as proportion of GDP (2016)

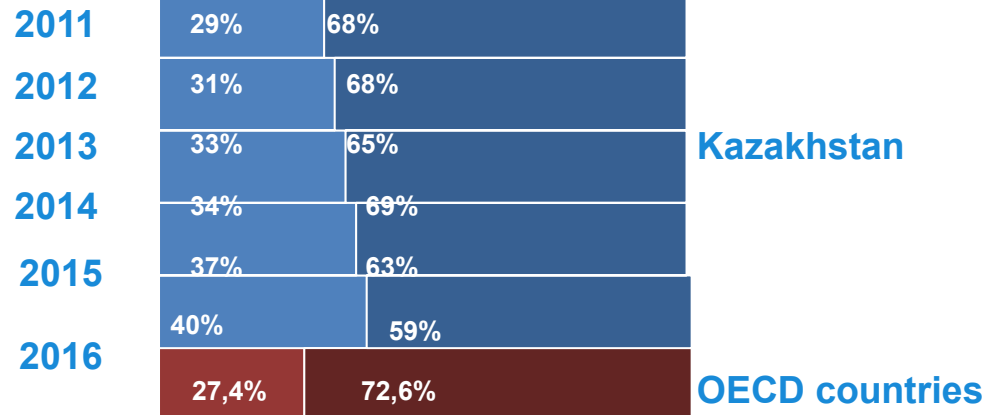
Kazakhstan: 3,4%
OECD: 8,9%

Healthcare expenditure per capita (2016, US\$ PPP)

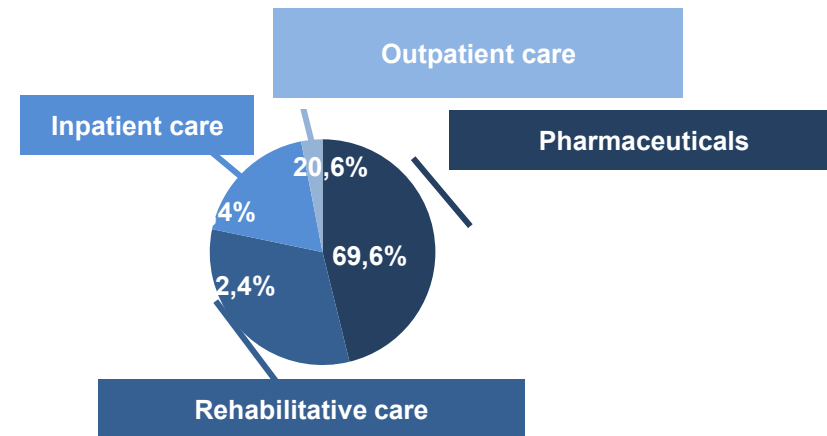
Kazakhstan: \$468 (90 800 tenge)
OECD: from \$1088 (372 000 tenge)

Healthcare expenditure is expected to grow constantly

Public and private health expenditure ratios



Private health expenditure structure in Kazakhstan



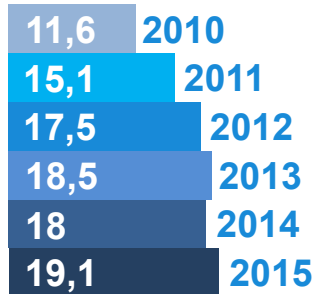
Due to insufficient public financing, private health expenditure in Kazakhstan has increased to 40%



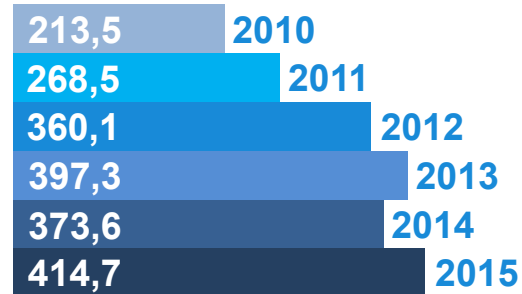
Purchasing of pharmaceuticals is the top item of private healthcare expenditure in Kazakhstan

HEALTH EXPENDITURE COMPOSITION: redistribution from INP. to OUTP.

SPENDING ON INFECTIOUS DISEASES (BLN ₸)



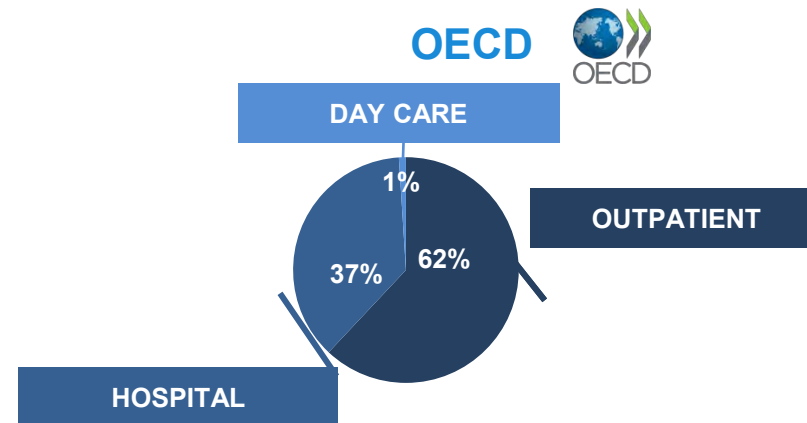
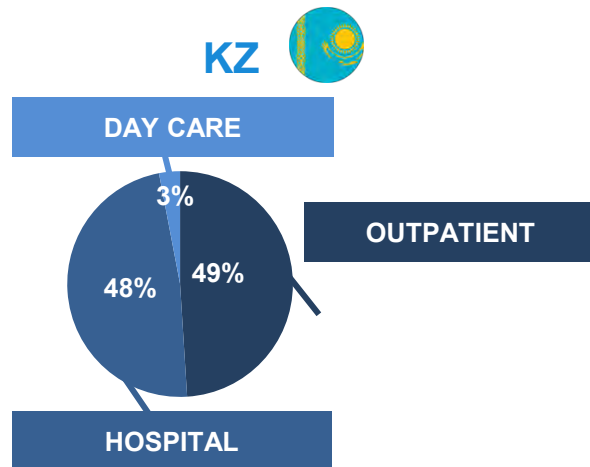
SPENDING ON CHRONIC NON-INFECTIOUS DISEASES (BLN ₸)



KEY POINTS:

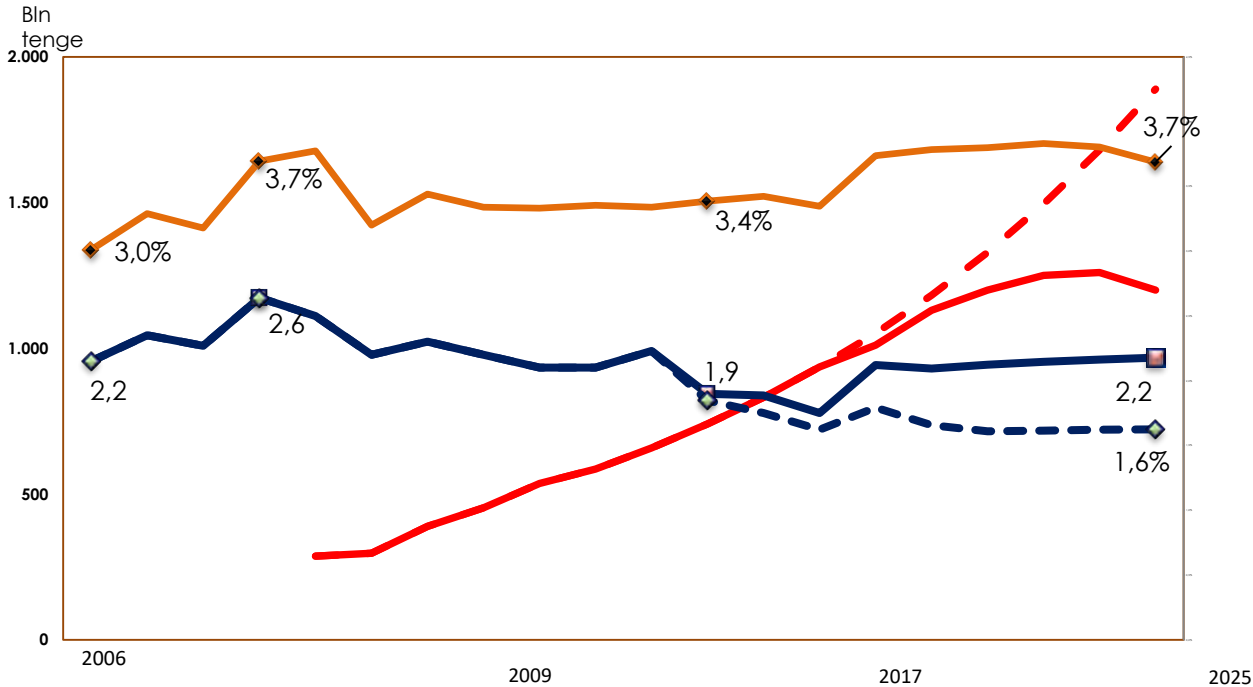
- Infectious diseases comprise **4-5%** of total health spending
- NCD expenses grow and are **95-96%** of total health spending
- Share of HOSPITAL spending is higher in KZ than in OECD, with a trend to decrease
- WORLD: CONSTANT GROWTH OF NCDs

Health spending composition: KZ/OECD



Health financing trend (PUBLIC vs PRIVATE) in KAZAKHSTAN

Health Financing: actual and forecast



- Total Health Spending, % of GDP
- Share of government spending on health in % GDP
- - Share of gov't spending on health in % GDP after Nat'l Insurance
- Private OOP spending on health, after Nat'l Health Insurance
- - Private OOP spending on health, if No Nat'l Insurance

KEY POINTS:

1. **DECREASING** share of government spending on health as a share of GDP from **2,6%** in 2009 to **1,9%** in 2017

2. **GROWING SHARE OF PRIVATE SPENDING ON HEALTH** from **30%** in 2010 up to **39%** in 2015.

PRIVATE EXPENSES OVER 20%: RISK OF INSUFFICIENT ACCESS TO CARE

WHY NAT'L HEALTH INSURANCE:

- Raise GDP on health from **3,4%** to **3,7%** (2025)
- Decrease burden on gov't spending
- Control rapid growth of private **OUT OF POCKET (OOP)** spending

Presidential Support for Health Insurance Reform & PHC



National Plan: “100 specific steps”

Step 80. Implement Mandatory Social Health Insurance.

- Strengthen the financial sustainability of health system based on **solidary responsibility** of the state, employers and citizens.
- Priority financing of **primary health care (PHC)**.
- **Primary care will be at the center of national health care for the prevention and early response against diseases.**

STATE HEALTHCARE DEVELOPMENT PROGRAM FOR 2016-2019

5.2.1. Modernization and priority development of PHC

- **PHC - the central link in health care system: horizontal** (outpatient and outpatient) & **vertical** (psychiatric, narcological, tuberculosis, oncology, etc.) **integration** of services.
- Develop a **universal, integrated, socially-oriented, affordable & high-quality** primary health care

Health financing REFORM in KAZAKHSTAN

- low **healthcare expenditure in KZ** (did not exceed 4.5% of GDP since 1995)
- low **share of gov't spending on health out of total health spending** (61% in 2015 in Kazakhstan; 80% OECD average),
- overall **government spending on health** out of all government spending was **10%** in 2015 in Kazakhstan, close to 15% OECD average



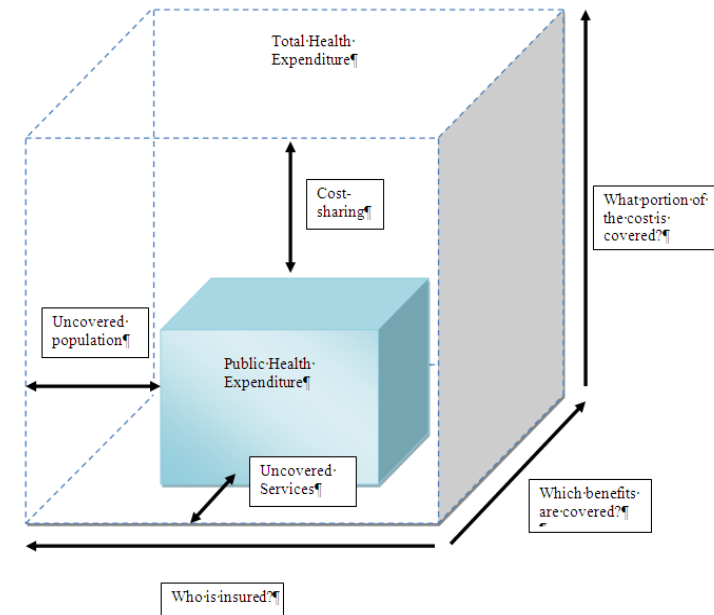
Mandatory (Universal) Social Health Insurance Reform

- 2015-2017 adopted new laws & regulations
- Started in 2018 (employer contributions)
- Full launch postponed till 2020



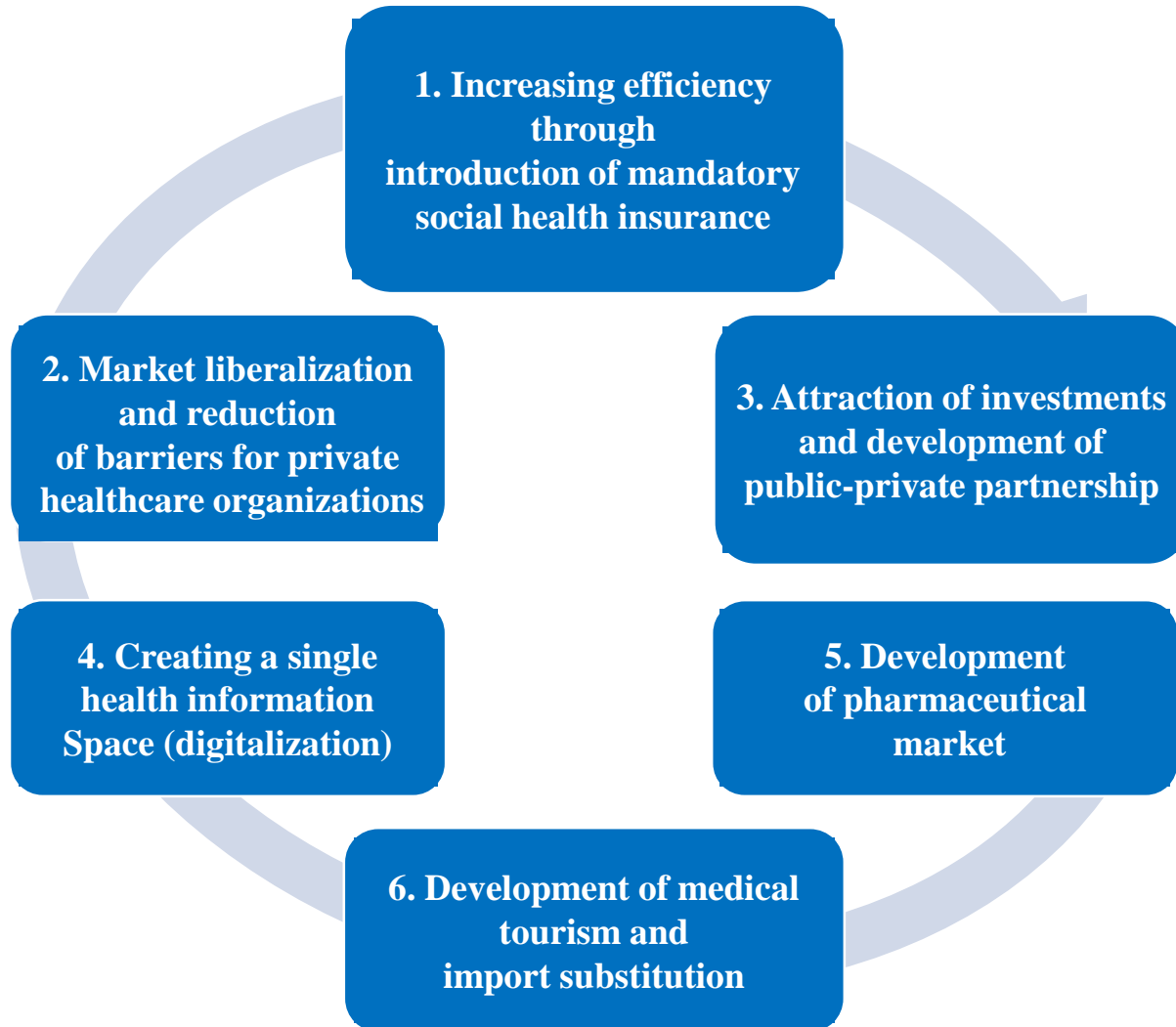
Redefine State Obligations ("the box") + deregulation + digitalization

- Shrink the list of free health services (regardless MHSI contributions)
- Clarify state-paid health package ("~~all specialized outpatient care is free~~" -> "a patient in diabetes disease management program, gets free annual ophthalmologist visits")



«Modernization of the Health Sector» Project Management approach: 2017-2019

6 INITIATIVES of the PROJECT



TARGET INDICATORS

Name	Plan for 2017	Fact for 2017	Plan for 2018
• GAV increase, %	2,2	3,5	2,0
• Investments increase, %	3,6	44,4	5,2
• Quantity of the occupied population, thousand people	460	477	464
• Labor productivity increase, %	2,7	0,2	2,7
• Number of small and medium business entities with cash flow of > 2 млн. тенге	82	216	91

Alma-Ata, 1978, Home for the WHO Primary Care Declaration



- Republican Palace, 1978, ALMA-ATA, KAZ-USSR



MINISTRY OF HEALTHCARE
OF THE REPUBLIC OF KAZAKHSTAN



GLOBAL CONFERENCE ON

**PRIMARY
HEALTH CARE:
TOWARDS HEALTH FOR ALL**

ALMA-ATA 1978 | ASTANA 2018

25-26
OCTOBER, 2018

ASTANA
KAZAKHSTAN

