Prospects of health care development in the
Republic of Kazakhstan

Deputy Director General
Nagima Issatayeva
# Grounds for development of Healthcare program

<table>
<thead>
<tr>
<th>1</th>
<th>Global challenges</th>
<th>2</th>
<th>2014</th>
<th>3</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.</strong> Demographic growth and increase of the life expectancy (ageing of the population)</td>
<td><strong>Strategy «Kazakhstan-2050»</strong></td>
<td><strong>The plan of the nation - 100 specific steps for realization of the 5 institutional reforms</strong></td>
<td><strong>2014</strong></td>
<td><strong>2015</strong></td>
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<td><strong>2.</strong> Growth of the number of NCD related to the life style</td>
<td><strong>New political direction of the state</strong></td>
<td><strong>Step 80. Introduction of the mandatory social health insurance. Priority development of PHC.</strong></td>
<td><strong>Step 81. Development of the private medicine, introduction of the corporate management in medical organizations.</strong></td>
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<tr>
<td><strong>3.</strong> Increase of public spending on introduction of new health technologies</td>
<td><strong>...Our main goal – to reach the top 30 most developed countries of the world by 2050...</strong></td>
<td><strong>Step 81. Development of the private medicine, introduction of the corporate management in medical organizations.</strong></td>
<td><strong>Step 82. Establishment of the Joint Committee on healthcare quality under the Ministry of Health and Social Development.</strong></td>
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### Strategic aims in the healthcare

*(The strategic development plan of the RoK up to 2020)*

- Increased life expectancy in Kazakhstan up to 73 years by 2020
- Improved availability and quality of medical services
- Improved financing and healthcare management
Aim, objectives and main directions

Aim:
Improvement of the population’s health for ensuring sustainable social and economical development of the country

1. Creation of the Public health service (PHS) and development of intersectoral collaboration;
2. Priority development of the primary healthcare (PHC);
3. Integration of medical care at all levels around the patient’s interests;
4. Management of healthcare quality and establishment of the Joint Committee on quality;
5. Introduction of the mandatory social health insurance (MSHI);
6. Development of management and corporative management in healthcare;
7. Effective management of human resources;
8. Realization of the national policy on drug supply;
9. Better equipment of medical organizations;
# Development of public health

## Experience of OECD countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Functions</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA Public health service</td>
<td>1. Epidemiological control, evaluation and protection of health including ensuring safety of the environment, labour, food and etc.</td>
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<td>2. Promotion of health, including impact on social determinants and reduction of inequalities on health outcomes</td>
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<td>3. Prevention of diseases, including early detection of health problems</td>
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<td>4. Information campaigns (propaganda), communication and social mobilization in the interests of health</td>
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<tr>
<td>UK National Health Service</td>
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<tr>
<td>Germany Central and federal health departments</td>
<td>1. Epidemiological surveillance and monitoring of infection and main non communicable diseases (NCD);</td>
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<tr>
<td></td>
<td>2. Provision, coordination and extension of prevention measures and intersectoral collaboration, aimed at protection and promotion of the population’s health;</td>
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<td></td>
<td>3. Public awareness campaigns and involvement of population in prevention of harmful impact of the environment, ensuring healthy nutrition and healthy life style.</td>
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</table>
2 – Priority development of PHC

Conclusion of the World Bank based on the outcomes of realization of «Salamatty Kazakhstan»

- Priority of PHC is increasing, but there have not been any crucial changes yet;
- Shortage of workforce and excessive workload on doctors;
- Inadequate link of screening programs with treatment procedures;
- The need to find an optimal balance between the activities of primary and secondary prevention
- Continuity of patient care at all levels

1. Ensuring availability of PHC:
   - Development of primary care network by increasing the number of PHC organizations including by extending participation of the private sector in PHC

2. Ensuring the universality of primary health care:
   - Further development of general practitioners (GPs) and family medicine with priority of maternal, child and social protection

3. Integration of PHC with all levels of healthcare:
   - Introduction of the principle of "disease management" on main non-communicable diseases through the coordination of all phases of care (routing).
   - Development and implementation of clinical protocols for "controlled diseases".
   - Implementation of bound tariffs for the provision of "controlled diseases"
   - Sustainable development of competences, ethics and patient-oriented principles in primary health care.
Current situation in RoK:

Conclusions of the World Bank:
- Lack of continuity at various stages of patient management in a tiered system of health care.
- The main areas of inefficiency are observed on the "joints" between the different units.
- Lack of uniform standards for the process of providing medical care.
- Lack of clearly defined "pathways" of patients.
- Delayed decisions, loss of opportunities to save patients.

SUGGESTIONS:
Implement the principle of integrated care (regionalization) for 5 types of diseases:
- In-depth analysis of the situation, development of the regionalization of health care programs;
- development of clinical protocols, business processes and the allocation of resources by the level;
- accreditation of medical organizations competencies at each level;
- implementation of standards of care, training of personnel;
- continuous performance monitoring.

Mortality of cardiovascular diseases, neoplasms and traumas is 51% of all death causes

Reduction of mortality by 10% from 5 causes will allow:
- reduce the overall mortality rate by 4.6%;
- life expectancy thus would be increased by 0.93 years.
Directions of realization:

1. Further development of **standardsization** in health care through the introduction of clinical diagnosis and treatment protocols developed on the basis of international clinical guidelines.
2. Introduction of an **independent assessment of knowledge and skills** of health professionals with the involvement and development of self-regulatory professional organizations.
3. Development of **hospital quality management systems** based on independent clinical audit and risk management.
4. Further development of the **national accreditation of medical organizations**. Promotion of international accreditation among domestic clinics (including the Joint Commission International).
5. Development and implementation of modern **ethics principles** in healthcare.

The institutional framework of the national quality management system of medical care - Joint Committee on Quality (JCC)

Key features:
- Approval of clinical protocols and standards in health care
- Improving the system of accreditation of medical institutions
- Assistance in the implementation of the national policy on drug supply
- Decisions on the inclusion and exclusion of drugs, medical devices and other medical technologies in the structure of tariffs reimbursed by SGBP and MSHI
- Promotion of efficient management of human resources in health
1) Generation of funds for MSHI

Employed population – 2% of income: in 2019 – 1%; from 2020 – 2%.

Employer – 5% of an employee’s monthly income, while contributions start from 2% in 2017, 3% in 2018, 4% in 2019 and 5% in 2020.

For socially vulnerable groups (children, elderly, disabled citizens and the unemployed) - 7% of the national budget (the average monthly wage (SMW) on the economy in the year preceding the 2 years before the current one). Gradually from 4% in 2017 to 7% by 2024.

Other categories of citizens (including the self-employed) - 7% of income (but not less than 1 MW)

2017 - 2%
2018 - 3%
2019 - 5%
from 2020 - 7%

2) Packages of medical services to be provided to the population as the MSHI is introduced

Basic package (SGBP) from the republican budget
- Ambulance and sanitary aviation;
- Medical care for socially significant diseases and in cases of emergency;
- Immunizations;
- Outpatient care with outpatient drug supply (for unproductively self-employed before 2020, i.e before the introduction of the universal declaration of income)

Extra package from the MSHI fund
- Outpatient care (inc outpatient drug supply);
- Inpatient care (except for socially significant diseases);
- Hospital replacing care (except for socially significant diseases);
- Rehabilitation and long-term care
- Palliative care and nursing care;
- Highly specialized care

Individual package (Voluntary insurance)
- List of the services is determined on a contractual basis

3) Funding of healthcare (forecast, in prices of 2013)

4 Key elements of the growth of health care costs

1) Development of public health
2) PHC: increasing the number of GPs and expansion of outpatient drug benefit package
3) The increase in salaries of health workers
4) The expansion of rehabilitation services, palliative care and nursing care
5) The increase in the cost of medical education
6) Inclusion of depreciation into the rate
Introduction of corporate management principles

1. Legally bring all forms of state-owned enterprises into one - **state enterprise on the right of economic management**
2. For all the state-owned enterprises to implement the **business principle** - all the profits to be directed to the development of the organization.
3. Implement several levels of **corporate governance** with proper accreditation and incentives in state-owned enterprises through rate:

   - **I level**
     - Establishment of governance
     - The introduction of collective management in the form of governance with authority to take decisions on major risks (approval of the operational plan, staffing, remuneration system and the procurement plan). **Organizations of the district level**

   - **II Level**
     - Governance with Supervisory Board (independent 1/3)
     - Introduction of a collegial management body in the form of the Supervisory Board with the authority to make decisions on major risks of the owner (approval of the strategy, development plan and budget of the organization, approval of the structure, the appointment of managers - members of the board on a competitive basis). **Organizations of the city and regional level**

   - **III Level**
     - Governance with Supervisory Board (independent 2/3)
     - Independent healthcare organizations: transfer of almost all the owner’s rights to the organization itself. **Large regional, national research centers and medical universities**.
It is necessary **to optimize public infrastructure** by integrating and merging of healthcare organizations:

- **Horizontal integration** will enhance the continuity, completeness and quality of services (for example, a merger of a district hospital with a policlinic, merger of single-profile clinics with multiprofile ones).
- **Vertical integration** will increase the manageability and efficiency (for example, a merger of regional and district TB dispensaries).

1. **At the district level** - creation of joint **district medical centers** in the form of state-owned enterprises
2. **At the level of cities and regional centers** - creation of **clusters** in the form of state-owned enterprises
3. **At the level of regional and republican organizations**, including universities and research centers - the gradual transformation into autonomous healthcare organization (AHO)

Based on the experience of the JSC "Nazarbayev University" it is necessary to establish **academic medical centers** (university hospitals) in the form of AHO on the basis of public medical schools and major national and regional clinics. For the development of these centers it is necessary to attract strategic partners: leading universities and medical centers, including those on the basis of trust management.
INTERNATIONAL PRINCIPLES OF HUMAN RESOURCES MANAGEMENT (HR):

- Ensuring availability of the required number of HR (training and distribution of HR)
- Adequate competencies of health workers
- Responsiveness to population’s needs
- Ensuring productivity of HR

MAIN ACTIVITIES:

1. Development and implementation of national, regional and hospital HR policies and programs;
2. Delegation of functions such as planning of human resources needs, determining the staffing, qualifications, level of compensation from the state to medical organizations within the framework of development of corporate governance;
3. The implementation of the National Qualifications Framework;
4. Creation of integrated academic medical centers (university hospitals) on the basis of functional (consortia) and organizational (holdings) merging of scientific organizations, medical schools and clinics;
5. Attracting foreign universities and professors for the strategic partnership and the management of medical institutions of Kazakhstan;
6. Informatization of the educational process; gradual mastery of English and communication skills by students and health professionals.
8 – New drug policy

Grounds:

1) Joining the Eurasian Economic Union;
2) Introduction of mandatory social health insurance;
3) Transition to international quality standards of production, storage and sale of drugs;
4) Combating drug counterfeiting

MEASURES TAKEN:

1) Improving the system of drug registration, through simplifying registration procedures for medicines produced under GMP standard, approved by the US FDA, the European Medicines Agency (EMA);
2) Establishing State Pharmaceutical Inspection and combating the proliferation of counterfeit products;
3) Making the transition to international standards for the production, storage and sale of drugs
4) Expanding the list of out-patient drugs and reallocation of funding towards increasing outpatient drug supply;
5) Improving the system of pricing and procurement mechanisms for drugs;
6) Development of Kazakhstan’s national drug formulary (KNF);
7) Ensuring rational use of medicines and the introduction of resource-saving technologies;
8) Implementation of measures of state support for domestic production of medicines and medical devices.
9 – Medical equipment

Problems:

Equipment wear and tear (RoK - 35%),
By the region

None of the healthcare organizations in RoK is fully equipped.
Average wear and tear costs - 86,8 billion KZT or 35%.

Conclusion of international experts:
• Worn equipment and products require a substantial upgrade.
• There is no single approach to procurement planning and procedures for the selection of medical equipment.
• No harmonized depreciation rates.
• Insufficient level of future maintenance and training.

SUGGESTIONS:

1) Improving the needs planning system in medical technology and its service:
   • development and implementation of standards for medical equipment;
   • development and implementation of the methodology for rational selection of models of medical equipment;
   • creation of a database (register) of all registered medical equipment
2) Development of the system of centralized procurement through a single distributor based on PPP (purchase by private investors with compensation through lease payments);
3) Delivery of equipment through the service PPP: Purchase of equipment by an investor and compensation through the provision of services and medical services (Fresenius, Medtronic)
4) Creating a centralized PPP-based maintenance center and a center for continuing postgraduate education for technicians (maintenance technicians);
5) Development of educational standards and providing training for health technicians and engineers in maintenance of medical equipment.
10 – Development of healthcare infrastructure

Development of private sector in healthcare

1. **WIDER INVOLVEMENT OF PRIVATE HEALTH FACILITIES**
   In delivery of medical services within SGBP by extending various measures of government support.

2. **TRANSFER OF REPUBLICAN AND LOCAL HEALTHCARE ORGANIZATIONS**
   To management by private companies incl. foreign ones (based on tender results).

3. **ATTRACTION OF PRIVATE INVESTMENTS**
   For construction and management of health facilities (PPP, concession).

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**SYSTEMIC MEASURES REQUIRED:**

1. Improvement of the regulatory framework and **reduction of administrative barriers**.
2. Providing **affordable financing** (concessional loan financing and leasing through banks of the second level).
3. Ensuring adequate and equitable **tariff policy** (including depreciation costs, support costs of expensive medical equipment).
4. Introduction of the possibility of co-payment by population in excess of tariffs FMSHI.
5. The priority of **public-private partnership** in the development of health infrastructure.

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1) Long-term plans of development of the of health care organizations network for 2015-2025 (Master plan) will be improved

2) Roadmap on PPP in Healthcare of Kazakhstan (recommended by the standard of public policy on PPPs in the health of the United Nations Economic Commission for Europe) will be developed.
## Trust management and privatization of objects

**Total 984 health facilities**

5 742 of them are not independent and are part of MO (1 561 rural outpatient clinics, 852 feldsher-midwife stations, 3 329 medical stations)

<table>
<thead>
<tr>
<th>Name</th>
<th>Number</th>
<th>Actions planned</th>
<th>Privatization</th>
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<tbody>
<tr>
<td><strong>District level – 365</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Hospitals</td>
<td>331</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PHC facilities</td>
<td>34</td>
<td>+</td>
<td></td>
</tr>
<tr>
<td><strong>City level – 392</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospitals</td>
<td>203</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PHC facilities</td>
<td>189</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td><strong>Regional level – 203</strong></td>
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<td></td>
</tr>
<tr>
<td>Hospitals</td>
<td>195</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PHC facilities</td>
<td>8</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Unis, RC, SC</td>
<td>24</td>
<td>+</td>
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</table>

Privatization will become the final stage of trust management, except for organizations not subject to disposition: providing PHC in rural areas, specialized care (blood centers, for the protection of mothers and children, Radiation Medicine, facilities for the treatment of cancer, tuberculosis, HIV and AIDS, infectious, psychiatric patients) that are the only public health organizations in the area.
## Creation of the National Health Information System

<table>
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<tr>
<th>Problems</th>
<th>Actions planned</th>
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<tbody>
<tr>
<td>✓ The current information system is aimed at reimbursing services of major medical organizations</td>
<td>1. The project &quot;Technology Transfer and Institutional Reform&quot; – purchasing of the informatization platform, data centers, specialized medical information systems.</td>
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<td>✓ Drawbacks:</td>
<td>2. Continue the development of a national health information system (NHIS) based on the positive international experience;</td>
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<tr>
<td>• not integrated with IS of medical organizations thus, no transparency of statistics and financing;</td>
<td>3. Development of uniform requirements for the national information system based on international standards and Kazakhstan’s legislation.</td>
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<tr>
<td>• duplication of information input into different IS (workflow inefficiency);</td>
<td>4. Organization and implementation of procedures for the accreditation of software products that meet the requirements for integration with the NHIS.</td>
</tr>
<tr>
<td>• No integration into the UHIS</td>
<td>5. Freedom of choice among the accredited hospital and other health information systems in the ICT market.</td>
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<td>6. Implementation of a model of investment projects on informatization of individual organizations, services, regional health systems based on PPPs.</td>
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<td>7. Support for the introduction of innovative ICT in healthcare</td>
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Expected outcomes

FOR THE POPULATION
• Improved health of citizens and society as a whole, increase in life expectancy
• Increased availability, completeness and quality of care
• The health care system more responsive to the needs of the population
• Expansion of free outpatient drug supply
• Reduced level of informal payments for health care
• Access to modern and safe medical technologies and medicines

FOR THE STATE
• Universal coverage of health care
• Shared responsibility of citizens and their interest in health promotion
• Sustainable health care system that allows you to balance the consumption of services and costs
• Attracting private investment and management experience in the health care
• Improved efficiency of resource use

FOR EMPLOYERS
• Improved quality of the labor force
• Shared responsibility for health development
• The possibility of investing in the health sector

FOR HEALTHCARE SECTOR
• Sustainable results-based funding
• Improved wage system: the opportunity to receive competitive wages
• Introduction of new medical technologies, timely renewal of fixed assets
• Development of information technologies
Thank you for your attention!