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# Russians Must Step Up and Pay for Health Care

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With rapidly shrinking free health care, Russians are increasingly asking questions like "What now?" "How are we going to receive health care now?" and "What was the purpose of mass closures of health care facilities and medical staff redundancies?"

All conspiracy theories aside, we have no choice but to take into account what is an objective fact — Russian health care is extremely costly.

Russia has many more professional doctors, bed spaces and inpatient stay days per thousand people compared to many developed nations. This is the reason that Russian medical salaries are so low compared to those abroad, and hence the inability of the government to finance the traditionally cumbersome infrastructure in times of crisis.

This was the case in the 1990s, when doctors' salaries had dropped to as low as several dozen dollars a month and the equipment in health care institutions dated back to the 1980s.

This is to a great extent what is happening now too. The difference is only that this time the government chose not to botch up its efforts in health care, by pretending that doctors do not need decent salaries to provide high-quality medical services, opting instead for decisive steps toward health care reforms.

In brief, the essence of these reforms is that the aim of outpatient health care is to help avoid hospitalization of patients by means of preventive measures, modern diagnostic methods and early treatment. When hospitalization is nevertheless required, the treatment provided should be intensified. This will therefore result in a reduction of beds needed and massive staff redundancies.

Needless to say, reforms are hardly ever welcomed by the population, let alone such unwelcome ones as health care reforms. It seems, however, that the fact that Russian health care will never again be what it was is something we will all need to accept.

And here we come to answering the initial question: "How are we going to receive health care now?" Well, the answer is simple — we will have to pay for it.

There is no other way about it. There are only a few countries in the world where health care is both effective and free. Such countries include Sweden, Switzerland and Britain to a certain degree, and other countries with large GDP per capita.

Russia, in its turn, cannot be described as such, and those of us to whom the quality of health care is more important than the cost will have to decide what we are going to do in these new realities.

There are two options here. One is to keep cursing the reformers, accusing them of fraudulent motives and expressing nostalgic sentiments about the Soviet health care system (which the majority avoided by all means possible, preferring private dentists and to pull necessary strings to get an appointment with the required specialist), or there is the second option, and that is to find ways of arranging "paid health care services" for ourselves.

The second option is more effective, of course.

We should not focus on debating "Which is better — free or paid health care?" That debate would be truly pointless, considering that there is no such thing as "free health care." That which we traditionally refer to as "free" health care is in reality just another kind of paid health care, it is only that here it is not individuals who pay, but the state represented in this case by health insurance funds and the budgets of the constituent entities of the Russian Federation.

The so-called "free" health care sector is afflicted with many drawbacks. Doctors whose duty it is to treat us are people just like us, and as soon as their income declines to the subsistence level, they begin to consider leaving the public sector in favor of private clinics, simply because this is where they can earn much more. Paid health care providers moreover can afford new medical equipment.

It makes little sense to claim that paid health care is devoid of any kind of problems, yet it has the resources to provide high-quality modern medical services, whereas public health care is

experiencing a growing crisis of resources.

Paid health care services is by no means a cure-all solution, but it is definitely more efficient, since it envisages civil law relations between patients and health care institutions which are explicitly stipulated in the insurance contract, along with the liability of each party to the contract.

The patient always knows what he or she pays for, while the clinic is held legally and financially liable in case of personnel incompetence or poor quality of services. A private clinic or hospital usually values its reputation and seeks to avoid to losing clients. The same should all, of course, in theory be true of the "free-of-charge" health care, yet in practice is rarely the case.

And here a question arises: how should such paid health care function in Russia?

Global practice provides an unambiguous answer here — health insurance, which is both a way to a) organize provision of medical services and b) provide oneself with financial protection against all risks related to receiving medical care.

The existing practice is non-contributory voluntary health insurance.

There are, however, quite a few companies that cannot afford to provide voluntary health coverage for their staff. The economic recession exacerbates this situation, and even those employers who have been providing VHI coverage for their employees until now will no longer be able to afford this in 2015.

And that is where we come to a point of no return, so to speak, when it is time for an employee to step forward and split the social security burden with their employer.

Should they carry this burden alone, both the employer and the employee may find it hard to afford full-fledged medical insurance. In Moscow, an insurance policy providing comprehensive coverage would cost in the area of 55,000 to 70,000 rubles (at the very least), whereas to calculate the amount that the employer will have to incur we need to multiply this figure by the number of employees and their family members. In a company with some 1,000 staff this amount could reach 55-70 million rubles ($972,000 to $1.24 million).

For employees too, insurance policies for themselves, dependent spouses and one child could cost to the tune of 165,000–210,000 rubles ($2,900-3,710), which is also quite expensive. By splitting this amount they would, however, find it much easier to afford it. For example, if an employee covers 30 percent of the policy cost, which amounts to some 50,000–65,000 rubles a year, this would be fairly affordable for their household.

The result pleases everyone: the employee is able to choose the insurance scheme that he or she wants, and not the one chosen on their behalf by their company's HR department, and yet only have to pay 30 percent of its actual cost from his or her own pocket. Employers will keep the key element in the benefit load — voluntary health insurance, while retaining staff loyalty.

And this is the answer to the first question we asked at the beginning of this article: "What now?" — everything is going to be all right as long as we are determined to think productively

and unite in searching for sources of paid health care funding.

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*The views expressed in opinion pieces do not necessarily reflect the position of The Moscow Times.*

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