IMPROVING THE EFFECTIVENESS OF HEALTH INSURANCE IMPLEMENTATION IN UZBEKISTAN: POLICY DIRECTIONS AND COMPARATIVE PERSPECTIVES

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Abstract

This thesis examines the effectiveness of introducing compulsory state health insurance (SHI) in Uzbekistan, focusing on its regulatory foundations, pilot project results, and lessons drawn from international experience. Using a methodology that integrates legal analysis, official reports, and comparative review of Germany, South Korea, and Turkey, the study highlights reforms aimed at strengthening primary health care, introducing performance-based financing mechanisms, digitalizing service provision, and ensuring equitable access. The discussion emphasizes financial sustainability, transparency, quality assurance, and public awareness as central priorities. The paper concludes that phased scaling of SHI, coupled with investments in primary care and digital health infrastructure, is essential for advancing towards Universal Health Coverage (UHC) in Uzbekistan.

Keywords: *compulsory/state health insurance; health financing; primary health care; benefits package; digitalization; international comparison; UHC.*

Introduction

Health systems worldwide face the dual challenge of expanding access to medical services while ensuring financial sustainability. For Uzbekistan, the introduction of compulsory state health insurance represents a historic reform, aiming to reduce out-of-pocket expenses, improve efficiency, and strengthen the social protection function of the healthcare system.

Until recently, healthcare in Uzbekistan was predominantly funded by the state budget and provided free of charge at the point of service. However, inefficiencies, uneven quality, and financial pressures necessitated the adoption of a new insurance-based model. The Government has initiated reforms supported by presidential decrees, most notably the **2018 Health System Improvement Concept (Decree PF–5590)** and subsequent legislation, including the **2021 Law "On Compulsory Health Insurance"** and decrees establishing the **State Health Insurance Fund**.

The pilot project launched in **Syrdarya region in 2021** demonstrated measurable improvements in patient referral efficiency, reductions in

unnecessary hospitalizations, and better outcomes in chronic disease management. Building on this, a phased rollout of SHI across the country is planned, with nationwide implementation targeted by 2027.

Methodology

The study applies a multi-pronged approach:

1. **Regulatory and Legal Review** – analysis of presidential decrees, health sector legislation, and official ministry guidelines.
2. **Pilot Project Evaluation** – assessment of data from Syrdarya region, focusing on hospital referral patterns, financial flows, and patient outcomes.
3. **Comparative Analysis** – study of Germany, South Korea, and Turkey, chosen for their differing but successful approaches to universal health coverage.
4. **Thematic Policy Analysis** – examination of sustainability, quality control, transparency, and public trust as guiding priorities for system design.

Findings

Results from the Syrdarya Pilot

- **Increased efficiency**: The proportion of patients referred to hospitals via primary care rose from **45% to 85%**.
- **Reduced unnecessary hospitalization**: Cases of unjustified admissions declined from **45% to 20%**.
- **Chronic disease management**: Hospitalizations due to complications of cardiovascular and respiratory diseases dropped by 7–9%.
- **Public benefit**: Patients received a limited set of essential medicines free of charge, reducing informal payments.

These outcomes highlight that the SHI model can redirect patients to appropriate care levels, reduce financial inefficiencies, and improve health outcomes.

Legal and Institutional Framework

- **State Health Insurance Fund** was established in 2020 as the financial intermediary.
- **Legislation** defines the guaranteed service package, rights and obligations of participants, and financing principles.
- **Digitalization** is embedded in the system, ensuring transparency through electronic referral systems, e-prescriptions, and centralized patient databases.

Comparative International Lessons

Germany – The Bismarck Model

Germany's system, one of the oldest in the world, is financed through mandatory payroll contributions shared by employers and employees. It guarantees nearly universal coverage and high-quality services. Key lessons:

- Employer participation provides stable financing.
- Strong regulation of providers ensures equity and cost control.
- However, rising expenditures remain a long-term challenge.

South Korea – Rapid Expansion through Centralization

South Korea achieved universal coverage within a decade by merging multiple insurance funds into a single national insurer.

- Financing relies on payroll contributions, government subsidies, and earmarked taxes.
- Strong state regulation ensured efficiency and quick scale-up.
- Challenges remain in reducing household out-of-pocket spending.

Turkey – Political Commitment and Systemic Reform

Turkey's "Health Transformation Program" (2003) unified fragmented funds into a **General Health Insurance system**.

- Emphasis on family medicine improved primary care access.
- State subsidies expanded coverage to vulnerable groups.
- Results included dramatic reductions in maternal mortality and catastrophic health expenditures.

Discussion

Financial Sustainability

- Uzbekistan's SHI is currently financed through taxes and budget allocations.
- Medium-term strategies must include **progressive payroll contributions**, earmarked health taxes (e.g., tobacco/alcohol), and international funding to ensure sustainability.

Quality Assurance and Equity

- The guaranteed package must expand beyond basic services to include essential drugs for chronic diseases.
- Equity mechanisms should redistribute resources from wealthier regions to underserved rural areas.
- Investment in medical equipment, workforce training, and primary care infrastructure is essential.

Transparency and Anti-Corruption

- A **unified digital health platform** is critical to prevent informal payments and fraud.

- Independent audit and public reporting mechanisms should monitor fund use.

Public Awareness and Trust

- Many citizens mistakenly associate insurance with additional personal payments.
- Nationwide communication campaigns must clarify that SHI is financed from existing taxes and provides free essential care.
- Early demonstration of tangible benefits (e.g., free chronic disease drugs) will help build public trust.

Conclusion

Uzbekistan stands at a transformative moment in healthcare reform. The phased introduction of compulsory state health insurance has already shown promising results in improving efficiency, equity, and financial protection. Lessons from Germany, South Korea, and Turkey demonstrate that:

- **Stable financing** requires diversified revenue sources.
- **Strong primary care** is essential to reduce unnecessary hospital use.
- **Digitalization** ensures transparency and accountability.
- **Political commitment** accelerates reform and builds public trust.

By pursuing these strategies, Uzbekistan can achieve **universal health coverage by 2030**, reduce out-of-pocket expenditures, and strengthen its human capital.

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