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SOCIO-ECONOMIC PARADIGM OF HEALTH INSURANCE

Abstract

Before implementing the reform in their health systems, countries should analyze the health status and needs of their society, the failing aspects of the health system, and whether the health care system works well or badly. Each country in need of reform in their health systems, while creating solution proposals and action plans for the failing aspects of the health system, makes use of the reform processes of the countries that have experienced this process, international knowledge, and experience at the country level to develop a model suitable for the needs of the country both theoretically and practically. In this sense, it is important to implement it. In many countries, especially in developed countries, access to and use of health services are among the main subjects studied. Although it is known that, various behaviors direct the search for and preference for health services, among these behaviors that stand out are; physical, socioeconomic conditions, cultural, and political environments.

Keywords: *socio-economic policies, compulsory health insurance, paradigm of health insurance, health care system, model of health insurance*

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Tibbi sığortanın sosial-iqtisadi paradigması

Xülasə

Səhiyyə sistemlərində islahatı həyata keçirməzdən əvvəl ölkələr öz cəmiyyətinin sağlamlıq vəziyyətini və ehtiyaclarını, səhiyyə sisteminin uğursuz aspektlərini və səhiyyə sisteminin yaxşı və ya pis işləyən tərəflərini təhlil etməlidirlər. Səhiyyə sahəsində islahatlara ehtiyacı olan hər bir ölkə səhiyyə sistemindəki uğursuz cəhətlərin həlli ilə bağlı təkliflər və fəaliyyət planları hazırlayarkən bu prosesi yaşamış ölkələrin islahat proseslərindən, beynəlxalq və ölkədəki keçmiş təcrübədən istifadə edir və bu istiqamətdə həm nəzəri, həm də praktiki cəhətdən ölkənin ehtiyaclarına uyğun model hazırlamaq səviyyəsində qərar qəbul edilir. Bu mənada onun həyata keçirilməsi vacibdir. Bir çox ölkələrdə, xüsusən də inkişaf etmiş ölkələrdə səhiyyə xidmətlərinə çıxış və onlardan istifadə əsas öyrənilən mövzular sırasındadır. Müxtəlif davranışların səhiyyə xidmətlərinin seçimi və onlara üstünlük verilməsinə istiqamət verdiyi məlum olsa da, bu davranışlar arasında önə çıxan bəndlərə; fiziki, sosial-iqtisadi şərait, mədəni və siyasi mühit kimi faktorlar daxildir.

Açar sözlər: *sosial-iqtisadi siyasətlər, icbari tibbi sığorta, tibbi sığorta paradigması, səhiyyə sistemi, tibbi sığorta modeli*

Introduction

The fact that countries can focus on the points we have mentioned above will only be possible if they are fully aware of the past and current practices and policies regarding their health system. "Policy making is a highly analytical and political process involving a complex set of forces. Countries must develop policies that address their level of development and health needs (Ertash, Kirach, 2017: 31). One of the best ways to alleviate critical situations in the event of various

incidents and accidents is to use insurance. Several types of insurance have been designed for different areas of social life, and among these types of insurance, compulsory health insurance has a special role. Compulsory health insurance aims to support the population in a socio-economic sense. The national system of compulsory health insurance includes a complex of economic, legal, and organizational measures as part of the health care system. The reform and improvement of the compulsory health insurance system are of urgent importance in modern times. At the same time, this issue should be the main priority for the health of the country's citizens. It is known that health insurance is a form of social protection for the population insured against loss of health for one reason or another (as a result of illness or accident) (Ronald, Norris, Akhvlediani, 2015: 567). Many countries of the world use the compulsory health insurance system in modern times. Compulsory health insurance is a form of social protection aimed at ensuring the rights of citizens in the health sector. Most of the developed countries have switched to this system a long time ago. The main principle of the compulsory health insurance system is to transform the collected funds into the general welfare of citizens. Compulsory health insurance is one of the forms of social protection for the population; it is a system of legal, economic, and organizational measures created by the state aimed at ensuring the provision of primary medical aid and emergency medical aid in the event of an insured event. The purpose of compulsory health insurance is to improve the existing mechanisms of financing the health care system, guided by the new economic principles, thereby increasing the quality and accessibility of medical services provided to the population.

Method. Compulsory health insurance is a special form of social protection in the field of health protection of the population, which is reflected in the provision of payment of medical services at the expense of funds collected by the insurer in the event of an insured event. In the conditions of the market economy, where the concept of "free health care" has already been replaced by the concept of "insurance", the development of health insurance in the country is a necessary condition for the provision of medical services to the population at the required level. In this case, we are talking about medical services provided to the population in the health insurance market. During the transition to the market economy, the creation of a new social insurance system following the world level achieved in this field in our country has become an objective necessity. Compulsory health insurance is one of the forms of social insurance for every citizen, regardless of their socio-economic status, and is designed to provide a state guarantee of free medical care to the entire population. In terms of health protection, the mechanism of social protection of citizens is a stable system of socio-economic behavior of social groups and their interaction with each other, as well as with the state in the market of compulsory medical services. Currently, the transformations carried out in the local healthcare system are mainly organizational and economic. If previously management was mainly carried out by administrative methods, now economic methods are becoming more and more important. Some of these conclusions might be supported by pertinent theoretical underpinnings from the literature review, from which they might be debated in the discussion.

Literature Review. Compulsory health insurance is a system of state protection of social interests in the field of health care. Compulsory health insurance provides equal medical assistance to all insured citizens of Azerbaijan, regardless of gender, age, social status, place of residence, and income. Compulsory health insurance is a model of social protection for residents in case of illness, injury, pregnancy, childbirth, disability, and old age. We should not forget the minimum regulatory and legal basis necessary for the creation of a compulsory medical insurance system. In our opinion, the most important of them is the preparation and adoption of the "Concept of the reform of the healthcare financing system in the Republic of Azerbaijan and the introduction of compulsory health insurance" (3). The concept is a set of measures aimed at strengthening the capacity of the health system and strengthening budget processes for strategic planning. The main goal of the concept is to create an opportunity for the entire population to receive quality medical care. For this, it is necessary to optimize the financing system in the field of health insurance and organize the systematic regulation of relations that ensure the purchase of quality medical services. On October

28, 1999, on the initiative of the head of the country, Heydar Aliyev, the Law of the Republic of Azerbaijan "On Medical Insurance" was adopted, on December 28, 2018, the President of the Republic of Azerbaijan İlham Aliyev approved the amendment to the relevant law "On Medical Insurance" signed the decree (4). In this law, the basic principles of compulsory medical insurance, the insured and the insured under compulsory medical insurance, the rights and duties of the participants of compulsory medical insurance, the financial guarantee of compulsory medical insurance, the calculation and payment of compulsory medical insurance premiums and the submission of reports, etc. such important provisions have been reflected. "The program of state guarantees for the provision of free medical care ensures the increase of its value and the determination of the composition of medical services, as a result of which a compulsory health insurance system is organized for the population within the framework of financing from the state budget" (Rajabli, 2022: 209).

Discussion.

When the studies conducted by the nations involved in health reform are analyzed, it becomes clear that the programming that has been implemented in all of these nations has been ongoing for many years, takes patience, effort, struggle, and experiences difficulties. Because of this, health reform studies have been ongoing for years, even in England, which is frequently used as an example of a developed nation (Bashol, 2015: 131). Despite the fact that the system has undergone extremely significant advances, new reform requirements are consistently raised. As a result, it is not possible to reach perfection in health services. It is necessary to meet the needs that arise in the conditions of the day and to solve the problems with limited resources. Again, when health reforms are examined, the most important factors affecting success are whether the current government is stable, whether there is a common view in the government, whether these studies are supported by the prime minister and ministers, the terms of office of governments, and the approach of newly appointed governments to the studies and experiences initiated in the past. It is thought that the steps to be taken to increase the quality of both the public and private health sectors will be beneficial in improving health services and raising healthier generations through the provision of more qualified health services (Chinaroghlu, 2017: 269).

In addition, it is seen that it is important whether bureaucrats and technocrats take ownership of the subject, the results to be obtained from the studies to be carried out and the sections that will be affected or benefit from these results, to provide their support by explaining this very well, the social marketing of the study and the media promotion related to it. Another important method that brings success is to identify the main problem in the system, perhaps by making small but effective interventions, to make the necessary arrangements in the missing points instead of a completely new formation and to ensure continuous improvement systematically. This is the most important difference between health reforms in developing countries and developed countries. This difference is the main factor affecting the success of health reforms. For this reason, in developing countries, there is a lack of systematic and continuous improvement, and some segments are driven by health reforms, disbelief or hopelessness.

The application of economic principles in the development and management of compulsory health insurance would reveal the need to use a methodological base based on the modern theory of statistical analysis, which in turn created new requirements in the field of forecasting and evaluating the effectiveness of medical institutions for the improvement of the control, accounting, reporting, planning, and management system. The successful establishment of the mandatory health insurance system in all developed countries of the world is mostly related to the wide application of statistical research methods, which allowed for proper structure and efficiently reorganize the management system, the infrastructure of institutions, and the main directions. "The inefficient financing of the healthcare system in Azerbaijan, the poor availability of healthcare services, etc. Such problems as mentioned above necessitated the transition to compulsory health insurance (Abdullayeva, 2020: 33). Today, three main models of health financing are used in the world: budgetary, insurance, and mixed. The budget model is used in countries such as Great Britain, Spain, Italy, Sweden, Social

insurance is used in Germany, France, Belgium, Korea, Japan, Slovakia, and some Eastern European countries, about 30 countries in total, and private insurance is used in the United States. However, many countries use a combination of budget and insurance models. Azerbaijan applies a mixed model of health insurance taking into account advanced international practice. Thus, "The source of formation of compulsory medical insurance funds is the funds of the state budget of the Republic of Azerbaijan, compulsory medical insurance fees and other incomes not prohibited by legislation" (Abdullayeva, 2020:). Compared to other countries, Azerbaijan has the most favorable conditions for the volume of health insurance fund transfers. In the Republic, "all citizens of the country can use the medical services included in the Service Envelope free of charge with compulsory health insurance" (9). Within the framework of the package of compulsory medical insurance services, medical services are provided in state medical institutions and other contracted private hospitals under the control of The Administration of the Regional Medical Divisions (TABIB). In the event of an insurance event, it guarantees the provision of free medical assistance to the insured at the expense of the mandatory medical insurance in the amount and the cases stipulated in the programs established by law (10). Citizens should be given the same opportunities to receive this assistance. A compulsory health insurance system is always closely related to the development of healthcare in the country. Indicators reflecting the level of health care are as follows: life expectancy, probability of death at age 15-60, and health care costs. Healthcare costs in the Gross Domestic Product of the United States - 17.1%; China -5.5%, Russia -7.1% (Martov, 2010: 2125). Although the highest rates are in the United States, America does not have a mandatory health insurance system. The disadvantage of the US healthcare system is that the majority of the population is not provided with free medical care, which leads to an increase in the probability of death between the ages of 15 and 60. However, US healthcare funding is one of the highest in the world. In 2010, US President B. Obama's proposal on mandatory health insurance caused heated and wide-ranging debates in Congress; discussions were held on whether this requirement is constitutional and necessary (Chen, Chen, 2013: 6). A compulsory health insurance system is based on the joint responsibility of the state, employer, and everyone. In a general sense, it is possible to take advantage of all types of medical services in any clinic, from admission to full-fledged medical examinations and expensive operations within the framework of the mandatory medical insurance package. An insured citizen can access the personal page of the electronic health cabinet and view the information about the medical services provided, health status, and paid insurance premiums. In some countries, foreigners are required to have minimum health insurance to be eligible to live or work. This mandatory health insurance system, established by the host country's government as part of the social security system, is a way to ensure access to care and offer basic health insurance to the population.

In Germany, the public health insurance system is the oldest in the world, and joining it is mandatory for all residents, including foreigners. All employees below a certain annual income threshold (€64,350 in 2021) are required to join the state health insurance scheme Gesetzliche Krankenversicherung (GKV) and choose a health fund for money directly deducted from wages (Chen, Chen, 2013: 6-17). This health package covers general practitioner visits, hospital care, and examinations. Private Krankenversicherung (PKV), Germany's private health insurance system, applies to all residents (especially the self-employed) who do not meet the eligibility criteria of the GKV and offers a level of cover proportional to the type of insurance chosen.

According to the Federal Health Insurance Act (LAMal), all residents and work permit holders in Switzerland with a work permit (B, L, or C) of more than three months have a legal obligation to be insured against risks related to illness and accidents. They have to take compulsory basic insurance for three months and choose their health insurance fund. Foreigners living in Switzerland but not working there must also subscribe to LAMal (13).

In Italy, the ministry responsible for health is the Ministry of Health. There is a National Health System, the majority of service units and hospitals are public. In recent years, importance has been given to basic health services. The financing is entirely tax-based. Fee application in service units is

very rare and at a small rate. General practitioners and child specialists carry out primary care services. The vast majority of employment is done by the public sector. The ratio of self-employed physicians in the system is very low.

The Dutch Zvw (Zorgverzekeringswet) system provides residents and people living in the Netherlands with basic health insurance for medical, hospital, nursing, and emergency care. Application of this basic health insurance is compulsory for all people living and working in the Netherlands (Basisverzekering) for four months. Additional insurance is needed for better coverage of dental, and ophthalmology services, and better reimbursement of alternative medicines. In the Netherlands, private health insurance forms one of the three main components of the private social health insurance system, and about 85% of the population benefits from private social health insurance as well as supplementary health insurance (Mossialos, Wenzl, 2015: 115). It is mandatory to be covered by health insurance when you want to engage in a paid activity in France and carry out a large number of administrative procedures. The National Health Insurance Fund guarantees free access to medical care for all residents of French territory and covers most medical consultations and treatments, prescription drugs, part of dental care, and emergency care. Foreigners are required to be members of the SNS (Sistema nacional de salud) when they live and work as workers in Spain. The SNS guarantees that the vast majority of public care and treatment is free and accessible, but like most European public insurance systems, it lacks flexibility and only pays for public treatment.

Anyone living in the UK before 31 December 2020 has access to National Health System (NHS) services for free and can get medical care and advice free of charge. In modern times, NHS membership is compulsory and payable for foreigners wishing to settle in the UK. In most cases, they will have to pay £624 a year to be covered by the NHS, which will be paid when applying for a visa and residence permit. Since 2014, health insurance is mandatory for ex-pats living and working in Dubai, whether employed, self-employed, or students.

To obtain a visa from the authorities of the United Arab Emirates, it is necessary to subscribe to the minimum health insurance (Minimum Health Insurance) approved by the Dubai Health Authority. This compulsory health insurance should cover especially emergencies, medical consultations, and maternity care.

Although Cuba is a developing country, its performance in the field of health is good. After the 1959 revolution, it reached its goals in public health in a short time. Low tuberculosis, high vaccination rates and low infant mortality are indicators of effective primary health care. Solving the sewage problem, the supply of clean water contributed to the prevention of infectious diseases. Among the countries in the world, it is one of the countries with the best health indicators (Farouq, 2019).

To increase the profitability of the compulsory health insurance system, it is recommended to strengthen the fiscal control over the payment of debts for insurance payments, which in turn will increase the specific weight of funds collected in calculated fines. Secondly, in our opinion, the degree of responsibility of executive authorities for the timely transfer of the socially necessary amount of insurance payments at the legislative level must be determined. A retrospective analysis of the current experience of using the costs of the compulsory health insurance system allows identifying the main shortcomings related to the use of health care costs.

Conclusion

Controlling and monitoring the effectiveness of healthcare development in the conditions of compulsory health insurance requires a comprehensive analysis of various indicators of healthcare institutions' activity at all levels, from the management that forms the goals of the healthcare development program.

Conclusions on the use of compulsory health insurance funds are prepared based on the analysis of financing data, statements from personal accounts, primary documents, and accounting registers of health institutions. Implementation of state obligations on compulsory health insurance occurs in

the conditions of insufficient financing of the health care system from the budget, imbalance in the financial provision of state guarantees, and the transformation of financial resources of the compulsory health insurance system from additions to the budget.

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