

# The Russian Healthcare System

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In the Russian Federation, provision for healthcare is one of the primary social functions of the state; covering delivery of medical care, prevention of disease, and improvement of the population's health.

After the February and October revolutions of 1917, the main feature of Russian healthcare was the creation of a single state medical treatment and prevention system. By the mid-1960s, the country's health indicators had improved considerably. However, the deterioration of public health, which started in the 1970s, was a clear sign of the need for healthcare reform. The reform program developed in 1990/1991 laid the foundations for a transition to a mandatory health insurance system. At the end of the 20<sup>th</sup> century, the collapse of the Soviet Union and ensuing radical changes in the country's social and economic policy engendered healthcare problems and systemic challenges, many of which are yet to be addressed.

Starting in 1998, the Russian Federation Government has been implementing an annual program that provides guaranteed free medical care to Russian citizens, funded by the state budget. Since 2005,

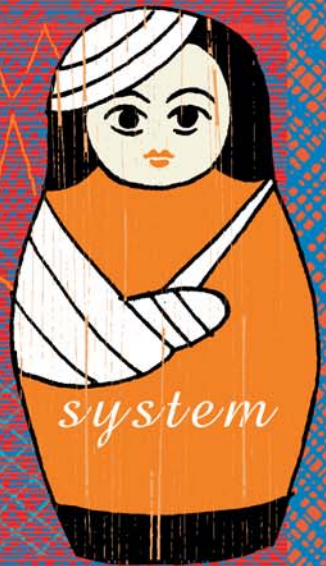
there have also been annual targets for the funding of medical care per person (per capita funding targets). Regional state guarantee programs were implemented in 60 federal regions of the Russian Federation in 2007, with a deficit of 65.4 billion rubles). Deficits in the funding of regional mandatory health insurance (MHI) programs were recorded in 58 federal regions of the Russian Federation (29.2 billion rubles). MHI funds are channeled to treatment facilities via private insurance companies that are not interested in improvements in the quality of medical care or reductions in the cost of medical care delivery.

Additional channels for funds are private medical care and voluntary health insurance (VHI) programs. The existence of these sources allows medical institutions to obtain additional funding. However, given the lack of regulation for these services, it also reduces the availability and quality of medical care for people under the state-guarantee program.

Russia's medical care system comprises both self-sufficient and poorly integrated outpatient/polyclinic, emergency, and inpatient services. Medical care is delivered to the population at nearly 5,993

hospitals, 7,951 health centers, 2,330 outpatient/polyclinic institutions, and 827 dental clinics. Despite a developed network of outpatient/polyclinic institutions, the current system for the provision of primary medical assistance is not capable of meeting the needs of the country's population and modern society. Poor organization of the work of district-level doctors and current pay arrangements prevent primary healthcare providers from doing their main job: preventing disease. Despite the introduction of financial rewards for increases in the provision of medical care to the population by primary healthcare providers, there has not been a material redistribution of the healthcare burden from specialists to primary healthcare providers. The lack of a social care system, combined with ineffective monitoring of patients with chronic problems, has created a situation where emergency medical care is a widespread method of providing outpatient medical care to the population.

At the outpatient/polyclinic level, the social care service and inpatient-type home care are underdeveloped, and continuity of treatment between inpatient





## Facts & Figures

Russia currently uses a budget/insurance model to fund the state healthcare system. State expenditure on free medical care in 2007 was 897.3 billion rubles, a 3.8-fold increase on 2001 in real terms. The program was funded using the federal budget, budgets of federal subjects, local budgets (63.4 percent), and MHI system funds (36.6 percent). In 2007, the cost of the basic mandatory health insurance program was 328.2 billion rubles. Main healthcare cost items are inpatient treatment (41.6 percent), outpatient/polyclinic care (36.5 percent), emergency medical care (5.6 percent), and other making up the remaining percent.

Russia's demographic situation remains unstable. The total population began to decline as early as 1992 and fell by 104,859 people in 2009, totaling 141,903,979 people, which corresponds to the country's population at the beginning of the 1980s. As of January 1, 2010, 141.927 million people lived in Russia. Overall, the reduction in the country's population fell from -3.3 percent in 2007 to -2.5 percent in 2008.

This change was caused by an increase in the number of births and a reduction in the number of deaths. In 2009, 502,000 more children were born than in 2008. The number of births in 2009 was 12.4 per 1,000 people. Maternal and infant mortality exceeds that of developed countries by a factor of 1.5-2. Life expectancy increased to 67.88 years in 2008. However, this is still 12.5 years less than in the old EU Member States (European countries that joined the EU before May 2004). The difference between life expectancy for men and women is approximately 13 years, with women expected to live longer. The key factor in the short life expectancy figures is a high mortality among people of working age, which has increased by almost 40 percent since 1990. The increase in life expectancy could be attributed to increasing healthcare expenditure from 2.6 percent of GDP in 2005 to 2.9 percent of GDP in 2007, and of expenditure on healthcare as a whole from 3.2 percent of GDP in 2005 to 3.5 percent of GDP in 2007.

The overall mortality rate (number of deaths from all causes) in 2009 was 14.2 per 1,000 people, a decrease from 14.6 in 2008. However, it still remains 1.5 times that of the old EU Member States. The main causes of death in 2009 were circulatory diseases (56.6 percent), cancer (13.8 percent), and

external causes (11.9 percent). Deaths caused by traffic accidents totaled 27.4 per 100,000 people in 2008 (2007: 27.7, 2006: 26.8, 2005: 28.1), which is three times higher than in the old EU Member States (8.4), while the number of vehicles per head of population in Russia is less than half that of EU countries. The number of suicides per 100,000 people was 27.8 for the first ten months of 2008 (2007: 28.8, 2006: 30.1, 2005: 32.2), which is 2.9 times that of the old EU Member States (9.9 in 2005).

In 2008, the average hospital bed occupancy rate was 321 days, and the average inpatient stay was 13.1 days. Using alternatives to inpatient treatment to create additional capacity has increased the number of beds in daytime inpatient facilities from 187,000 in 2006 to 206,200 in 2007, while hospitalization to daytime inpatient facilities increased from 3.6 to 3.8 per 100,000 people, respectively. However, hospitalization to 24-hour inpatient facilities remains high, creating a shortage of beds. In 2007, the hospitalization rate for 24-hour inpatient facilities was 22.5 per 100,000 people (2006: 22.2); average inpatient stay was 13.2 days (2006: 13.6), and annual bed occupancy was 318 days (2006: 317.1). In rural areas, the hospitalization rate was 24.5 per 100,000 people (2006: 23.7), average inpatient stay was 13.7 days (2006: 14.2), and annual bed occupancy was 306 days (2006: 299). The number of hospital and health center beds fell by 27,200 (1.9 percent) to 1,433,000 in 2007. The number of 24-hour and daytime beds fell by 25,900 and 1,350, totaling 1,350,300 and 82,000, respectively. The number of beds per 10,000 people fell to 109.5. There were 173,500 24-hour beds and 15,300 daytime beds in rural areas, where the number of beds of per 10,000 people totaled 45.1.

In 2008, 621,000 doctors and 1.3 million nurses were employed in Russian healthcare. The number of doctors per 10,000 people was 43.8, but only 12.1 in rural areas. The number of general practitioners as a share of the total number of doctors was 1.26 percent.

The total number of doctor visits was 1.3 billion in 2007, of which 6.9 percent were home visits. The bulk of these (80 percent) involved therapist general practitioners, pediatricians, and obstetrician-gynecologists.

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Source for Statistics: Federal State Statistic Service of the Russian Federation (Rosstat) and the Ministry of Health and Social Development of the Russian Federation (Minzdravsocrazvitiya), verified by the National Research Institute of Public Health



Population: 141.9 million (2010)<sup>1</sup>

Total Expenditure on Healthcare as Percentage of GDP: 5.4% (2009)<sup>2</sup>

Public Expenditure on Health as % of Total Expenditure on Health: 64.2 (2009)<sup>2</sup>



Total Expenditure on Healthcare/Capita (US\$): 493 (2009)<sup>2</sup>



Total Number of Hospital Beds per 10,000 Resident Population: 98.6 (2008)<sup>1</sup>



Number of Physicians per 10,000 Resident Population: 49.6 (2008)<sup>1</sup>

Number of Nurses per 10,000 Resident Population (2008)<sup>1</sup>:



73.1

Male Life Expectancy at Birth (2008)<sup>1</sup>:

61.7

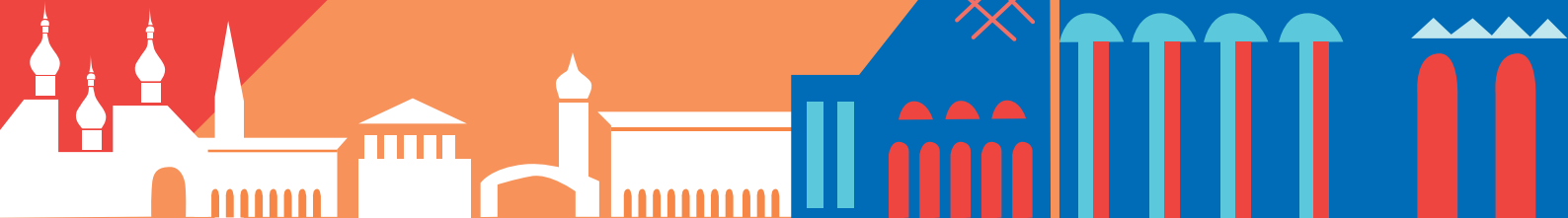


Female Life Expectancy at Birth (2008)<sup>1</sup>:

74.2

<sup>1</sup> Federal State Statistic Service of the Russian Federation

<sup>2</sup> World Bank World Development Indicators



## “Inpatient care is the main level of the country’s healthcare system. However, the existing organization of inpatient care is ineffective.”

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facilities and polyclinics is inadequate. Existing rehabilitation departments do not meet modern standards in terms of diagnostic and treatment equipment. There is no regulatory framework for the provision of remedial treatment and rehabilitation services.

Inpatient care is the main level of the country’s healthcare system. The number of hospital beds in Russia is sufficient to meet the country’s needs for inpatient care. Of the total number of people hospitalized in 2007, 3.3 percent were placed in federal hospitals, 24.3 percent in hospitals of federal regions, and 72.4 percent in municipal inpatient facilities.

However, the existing organization of inpatient care is ineffective. The shrinking of the network of prevention and treatment facilities has continued. This process is caused by the merging of smaller district-level hospitals and rural outpatient facilities into divisions of larger, centrally located regional hospitals in an effort to improve resourcing and effectiveness.

Russian healthcare has continued to experience contradictory trends in recent years. There are gradual improvements in such financial and functional aspects of healthcare as funding, increases in the average size of the prevention and treatment facilities, growing provision of primary medical care, increasing provision of highly specialized care, reduction in treatment duration, more intensive use of hospital beds, and development of inpatient replacement care.

However, current Russian healthcare problems include the lack of control over the provision of healthcare professionals and inefficient distribution of such professionals between federal regions, cities, and rural areas, as well as different types of medical institutions. Russia also lacks a system for the provision of healthcare by nurses, which is counter to the objective of developing primary medical care as a priority, the need to reduce the scale of the provision of high cost medical care, and the need to orientate healthcare towards prevention.

The most pressing objective for Russian healthcare is to strike the right balance between centralization and decentralization, autonomous management and state regulation, and sufficient funding to meet prevention requirements to ensure the progressive development of the healthcare system and improvement in the nation’s health.

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**Oleg P. Shepin** is Director of the National Research Institute of Public Health, worked for the World Health Organization, was First Deputy Minister of Public Health of the USSR, and Head of the Chair of Health Organization at the Russian Academy of Advanced Medical Studies. In his research, he studied the state and development of health, as well as problems connected with public health. He is a laureate of a number of prizes, including the State Prize.