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Constraints on Universal Health Care in the Russian Federation

Inequality, Informality and the Failures of Mandatory Health Insurance Reforms

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Acronyms

AIDS	Acquired Immunodeficiency Syndrome
ARV	Antiretroviral
EU	European Union
FIDH	International Federation for Human Rights
GATM	Global Fund to Fight AIDS, Tuberculosis and Malaria
GDP	Gross Domestic Product
HIO	Health Insurance Organization
HIV	Human Immunodeficiency Virus
I/NGO	International/Non-governmental Organization
IDU	Intravenous Drug User
IFI	International Financial Institution
IOM	International Organization for Migration
MDR TB	Multi-Drug Resistant Tuberculosis
MHI	Mandatory Health Insurance
NOBUS	National Survey on Public Well-Being and Engagement with Social Programs
NPPH	National Priority Project on Health
OECD	Organisation for Economic Co-operation and Development
RLMS	Russian Longitudinal Monitoring Survey
STD	Sexually Transmitted Disease
TB	Tuberculosis
UNRISD	United Nations Research Institute for Social Development
VHI	Voluntary Health Insurance
WHO	World Health Organization

Abstract

Healthcare in Russia has gone through many transformative stages, from a Soviet-era model of public provision to an emphasis on privatization under economic liberalization during the 1990s. Both have legacies that survive to the present, and now a mix of both public and private healthcare provision operates across Russia. Throughout all these periods, universalism has been enshrined as a guarantee, at least nominally. The extent to which this right has been upheld varies greatly, with some major constraints to universal provision in Russia. Underfinancing presents a persistent obstacle to universal access, and substantial inequalities in healthcare access and quality exist across different regions and income groups, with some vulnerable and marginalized groups left almost entirely excluded. Furthermore, despite efforts to improve quality and provision of healthcare, Russia has a poor record in many health indicators, and its national system is struggling to become more efficient and effective.

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Introduction

The Russian Federation inherited from its Soviet predecessor a universal system of basic health care that was state run and free at point of access. The Soviet state established this system during the 1930s and 1940s as part of rapid modernization and industrialization. For several decades the system produced significant improvements in key health indicators: life expectancy increased, infant mortality declined and infectious diseases were brought under control. It was reasonably effective in implementing broad public health measures and controlling communicable diseases, but could not adapt to treat more complex non-communicable conditions such as cancer and cardiovascular diseases. By the 1980s accumulating problems of bureaucratic rigidity, low levels of medical technology, underfinancing and failed reform efforts were contributing to the deterioration of health conditions among Russia's population. With the collapse of the Soviet Union in 1991 Russia's statist political economy imploded, and its health care system was thrown into crisis.

During the 1990s the health sector was buffeted by Russia's decade-long economic decline and radical efforts to transform health care provision according to a liberal, market-based insurance model. Public expenditures on health declined dramatically. President Yeltsin's poorly designed reforms introducing health care de-statization, privatization and marketization led to political conflict and disorganization that worsened dysfunction. By the late 1990s key health indicators had declined dramatically. Famously, male life expectancy in Russia declined to below 60 years, a level not otherwise seen in peacetime developed economies. Russia began a sustained demographic decline. From 1993 to 2005 the number of deaths exceeded births by 11.2 million, and the population was declining by about 700,000 per year (Putin, 2005). While deficient health care was certainly not the only cause here, it is broadly seen as a contributing factor. Infectious diseases re-emerged and spread, and even childhood immunization programmes collapsed temporarily in parts of the Russian Federation. The worst effects on health indicators had been largely reversed by 2010, and the formal guarantee of universal rights to health care was retained throughout. However, the decade of crisis in the 1990s produced changes in income distribution and health care practices that have persisted as major constraints on universal access. High levels of inequality in Russian society have created an "underclass" of low-income strata, especially rural populations and urban migrant workers, who have little access to medical services. Processes of "spontaneous privatization" and "shadow commercialization" within the health sector have raised barriers to health care, and ubiquitous practices of informal payments persist as obstacles that exclude or restrict access.

During the decade 2000–2010 the Russian health care system recovered substantially in terms of financing, performance, organizational coherence and health outcomes. Rapid growth of Russia's economy from 2000 to 2007 provided resources to restore and increase health expenditures, while the Putin administration broadly revived the state's administrative capacities, including in the health sector. Public expenditure recovered, increasing as the economy grew, though the proportion of the growing gross domestic product (GDP) expended for health care remained modest. In mid-decade the Putin administration, responding to the demographic crisis, made health care a major policy priority. Administration of the health care system was partially recentralized at the federal level, a pro-natalist campaign was launched and the National Priority Project on Health (NPPH) showcased the political elite's concerns. Older reforms, including medical insurance reform, were revived. These efforts produced positive results: by 2009 life expectancy had nearly recovered to its 1990 level, infant, child and maternal

mortality had declined significantly, and rates of infectious diseases had stabilized (see Table 1). Survey evidence showed that the health care system had become more accessible, and that demands for informal payments in exchange for treatment had declined (Potapchik et al. 2011).

Table 1. Life expectancy, infant mortality, under-5 and maternal mortality (selected years, 1990–2009).

	1990	1995	2000	2005	2009
Life expectancy at birth, female (years)	74.3	71.6	72.3	72.4	74.7
Life expectancy at birth, male (years)	63.7	58.1	59.0	58.9	62.8
Infant deaths (per 1,000 live births)	17.4	18.1	15.3	11.0	8.1
Probability of dying before age 5 (per 1,000 live births)	21.3	22.5	19.3	13.9	10.2
Maternal deaths (per 100,000 live births)	47.4	53.3	39.7	25.4	22.0

Source: Popovich et al. (2011: 10) from Federal State Statistical Service 2010.

Serious problems remained, however, and with economic recovery a new population—hundreds of thousands of labour migrants—was added to the mix. The combination of rapid economic growth with Russia's demographic decline produced a strong demand for labour. In response, beginning in 2000, large numbers of migrants came, mainly from Central Asian and other post-Soviet states, and mainly to Russian cities. Post-2000 labour migrants are predominantly non-Slavs who enter Russia legally through a visa-free regime, then remain and work, often without legal registration. Lacking citizenship or residence permits, most are largely excluded from the public health care system, adding another category of constraint on universal health care access in the Russian Federation. The deepest inequalities inhabit this transnational space.

In sum, Russia's health care system has recovered substantially from the crisis conditions of the 1990s, has improved or at least stabilized key health indicators and has retained its constitutional commitment to citizens' universal health care rights. At the same time, the system performs poorly in comparative international terms. Russia's public expenditure on health falls within middle-income country norms, but its effectiveness is low; countries spending 30–40 per cent less get similar health outcomes in terms of mortality (Popovich et al. 2011: 171). Life expectancy, a key indicator of the population's health, remains low, especially for men. Infectious diseases have been