

SESSION 5: HEALTH CARE REFORMS IN CEE COUNTRIES**PROJECT PRESENTATION:****“MONETISATION OF NATURAL BENEFITS IN THE RUSSIAN FEDERATION”**

Presented by:

Vladimir S. GORDEEV

Maastricht University
P.O. Box 616; 6200 MD Maastricht
The Netherlands
E-mail: v.gordeev@maastrichtuniversity.nl

**ABSTRACT:**

The Russian healthcare and social services inherited and sustained many principles from the Soviet period, including a system of “privileges and exemptions”. In 2004, this system included approximately 120 types of privileges used by more than 200 types of citizen groups (beneficiaries). These groups of beneficiaries were also exempted from paying co-payments or received a 50% discount when purchasing prescribed outpatient pharmaceuticals. However, sufficient funds to provide these pharmaceuticals were not available. To maintain the sustainability of the system, in 2005, most of the privileges (including the provision of pharmaceuticals) were replaced with monthly monetary compensations. Also, the unlimited in-kind provision of pharmaceuticals was replaced with a revised and redefined limited list of pharmaceuticals available for prescription. Taking a retrospective look, these changes in medicinal provision in Russia, can be seen as a “natural experiment” (further referred to as “reform”). The aim of our study is to evaluate the impact of the reform in general.

We focused on the group of pensioners. In particular, we examined whether the out-of-pocket expenditures on outpatient pharmaceuticals by pensioners in privileged groups differed from the out-of-pocket expenditures by other pensioners. By applying the difference-in-differences (DID) method, we looked at the effect of the reform, as an exogenous factor, on pensioners’ ability to find and buy prescribed outpatient medicines. Estimates originated from panel data taken from the Russia Longitudinal Monitoring Survey.

Based on our DID estimations, we find that the reform itself did not have a direct impact on pensioners’ out-of-pocket expenditures on outpatient medicines. Taking a policy perspective, this suggests that the implementation of the reform was successful. The reform replaced the complex benefits system for vulnerable groups with a more structural system of social support measures. The monetary compensations did not make vulnerable groups better or worse off and most likely did not have an adverse effect on equity in financing. However, taking into account problems with the provision of outpatient medicines, the results of the reform still raise questions regarding equity.

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