file Ukraine Health Care

Agency for International Development
Bureau for Europe and the New Independent States
Office of the Assistant Administrator

FACSIMILE COVER SHEET

TO: Melanne Verveer DATE: 7/28/98

ORGANIZATION: _____

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This transmission contains __ page(s) including this cover sheet

__ as requested ✓ FYI

__ for clearance __ for comment

__ per conversation __ per memorandum

REMARKS:

Melanne - the first two pages of this memo is worth reading for our 10:00 am meeting Wednesday with Minister Serdiuk.

Hedy

MEMORANDUM JUL 28 1998

TO: DAA/ENI, George Ingram

FROM: ENI/NCA, Sherry Grossman Sherry Grossman

SUBJECT: Visit of Ukraine Health Minister Serdiuk

Context: Minister Serdiuk is scheduled to meet with USAID and White House officials to discuss Ukraine's health care needs.

Background: William Bader of the Center for Strategic and International Studies, will accompany Minister Serdiuk to meetings at USAID (Tuesday, July 28) and the White House (Wednesday, July 29). The objectives of the trip, as described by Bader, are (1) to convince Americans that Ukraine is in the midst of a health care crisis and (2) to present a national strategy for health care reform. Serdiuk will reportedly request emergency assistance for Ukraine's most vulnerable (women, children and infectious disease sufferers) and support for structural reforms.

On July 9, the Embassy of Ukraine sent to the Department of State a diplomatic note requesting U.S. assistance for the purchase of vaccines for hepatitis B, German measles, polio and measles. The attached briefing paper provides information in response to this request. In sum, USAID has assisted Ukraine on humanitarian health needs when necessary. However, given Ukraine's poor health information system, the Ministry historically has been unable to provide credible estimates on vaccine supplies and actual immunization rates, and neither UNICEF nor the Interagency Immunization Coordinating Committee has alerted USAID to a particular crisis with vaccine availability in Ukraine. Furthermore, USAID rarely procures vaccines directly, as source/origin and other regulations make this prohibitively expensive. The current request is estimated to cost close to $81 million, well above USAID resource capacity.

Current USAID Program: USAID's health care assistance strategy for Ukraine emphasizes capacity building to reform Ukraine's health care system rather than continued humanitarian assistance. USAID/Kyiv's current program, budgeted at about $10 million for FY 1998, focuses on four strategic areas: (1) health care financing and service delivery reform (including partnerships); (2) health and infectious disease information and response; (3) women's reproductive health; and (4) humanitarian assistance. The U.S. also supports a special humanitarian and health intiative to assist those suffering from the effects of the Chornobyl nuclear accident. A summary of the accomplishments of USAID health programs in Ukraine is attached.

New Strategy: USAID/Kyiv has recently prepared a new health

strategy based on a careful examination of Ukraine's health problems, institutions and populations and consultation with the GOU, other donors, and other organizations and individuals knowledgeable about Ukraine's health situation. It proposes to focus assistance on five elements that are thought to be essential to health sector reform:

(1) **legal/policy environment**: addressing such policy issues as decentralization, health care financing and payment, quality assurance, and monitoring and standards;

(2) **financing**: stabilizing government budget financing, development of health insurance, creation of public/private partnerships to facilitate finance reforms, and health system restructuring to downsize or merge excess capacity, retrain medical staff, and expand primary health care medical practice;

(3) **health care delivery**: emphasizing primary care and limiting the traditional specialty and hospital care, with mutually reinforcing changes in organization, delivery, financing and management of care, physicians' knowledge and skills, patients' knowledge and behavior and in the mechanisms used to measure and monitor performance;

(4) **promotion of healthy lifestyles**: focusing on behavioral change and promoting greater awareness of and social support for healthy lifestyle choices, including nutrition, alcohol, smoking, exercise, sexual behavior, violence against women and children, prenatal care, increased mortality of young men and mental health; and

(5) **reducing environmental/occupational risk to public health**: USAID will evaluate for possible technical assistance such areas as protection of potable water supplies, pervasive environmental contaminants, occupational exposures and risks, toxic waste, and air pollution control.

GOU Priorities: In a meeting with Minister Serdiuk's staff last week, USAID/Kiev reports that the Minister's priorities for Ukraine's health needs are as follows: (1)primary care, (2) accreditation, (3) women's reproductive health, (4) development of the pharmaceutical industry, (5) telemedicine, (6) quality assurance, (7) cost effective analysis, and (8) payment systems. USAID programs support all but numbers 4 & 5. No support is afforded the former because a USAID-sponsored study showed clearly that until Ukraine's overall environment for investment improves, foreign investment in Ukraine's pharmaceutical production capacity is unlikely. Telemedicine is not supported as a matter of priority.

Future Direction: USAID/Kyiv will continue to work closely with Minister Serdiuk and his staff to focus USAID assistance on areas of the highest mutual priority within USAID's budget limitations.

SGrossman:ENI/NCA:7/27/98:Serdiuk.798

Clearances: ENI/NCA, Brian Kline
ENI/DGSR, Mary Ann Micka
USAID/Kiev, Pamela Mandel (draft)

USAID HEALTH PROGRAMS IN UKRAINE

Since 1993, United States Agency for International Development's (USAID) Health Care Improvement Project has targeted assistance to NIS health systems in four strategic areas: (1) health care financing and service delivery reform (including partnerships); (2) health and infectious disease information and response; (3) women's reproductive health; and (4) humanitarian assistance. In Ukraine, the United States Government (USG) has also supported a special humanitarian and health initiative directed to those suffering from the effects of the Chernobyl nuclear accident.

HEALTH FINANCING AND SERVICE DELIVERY REFORM

USAID supports working models of reform in financing, payment, service delivery, management and quality control to improve quality of care, maximize scarce health resources, and encourage consumer participation through the ZdravReform Program, implemented by Abt Associates. This initiative is showing results:

- During 1996, health facilities in Lviv, Ukraine received only 18% of their anticipated budget. With USAID management tools, such as cost-accounting, cost-containment strategies and facility restructuring plans, health care leaders undertook a series of reforms, enabling them to weather the budget crisis. Two new primary care ambulatory facilities with retrained physicians are serving satisfied patients in lower-cost out-patient settings. Now that health managers know their real costs, existing funds are being redirected to high priority needs and incentives for superior provider performance. In rural areas, health leaders are changing underutilized hospital beds to much needed day and elder care beds, and beginning to charge small fees for services, thereby introducing new revenues to the health sector.

- In Odessa, health facilities have implemented cost accounting and cash management systems, which enable them to know their actual costs and deliver services more efficiently. With USAID assistance, the Family Health Center developed a business plan to market the clinic's reproductive health services to prospective clients, such as employers and government agencies.

- With USAID assistance, the Ministry of Health is piloting a system of hospital licensing and accreditation to enhance quality of services delivered. To date, five hospitals have undergone accreditation, and the MOH is considering rolling this program out nationwide.

MEDICAL PARTNERSHIPS PROGRAM:

Over the past five years the American International Health Alliance (AIHA) has developed 28 partnerships between U.S. and NIS medical institutions and facilitated over 5,000 exchanges between U.S. and NIS partners.

- In Ukraine, six partnerships have updated medical practice, improved quality and

introduced modern management approaches practices and techniques in critical areas of health needs. For example, Kiev Obstetrical & Gynecological Hospital No. 3, partnered with the University of Pennsylvania Hospitals, Philadelphia, has been designated by the Kiev City Health Administration as a regional referrals hospital for high-risk pregnancies. Its new, cost-efficient way of maximizing outpatient and inpatient diagnostic resources has been adopted by a sister hospital which also plans to become a regional referral center. U.S. partners, in addition to technical expertise, contribute cost sharing of $2 for every $1 in USAID funding and U.S. partners have donated over $15 million in medical equipment and supplies to NIS partners.

- Partnerships foster an openness to new ideas for a large number of NIS health professionals, forging strong professional ties through experience and participation in American communities. All Ukrainian partnerships now have access to international communication through e-mail, internet, and teleconferencing, and clinicians and managers have access to current western medical literature.

- New activities will build on the existing partnership successes in Ukraine and include the creation of model comprehensive women's health centers at partnership hospitals to provide maternal health, family planning, breast cancer prevention and menopause care. New model breast cancer screening, education and treatment programs will be created. USAID and AIHA are working closely with the Ukraine MOH to expand and disseminate emergency medical service improvements, neonatology initiatives, and infection control programs.

- USAID Medical Education Partnerships and Training implemented by IREX (International Research & Exchanges Board) have partnered the School of Medicine of the University of Rochester, NY with the National Medical University and Dnipropetrovsk State Medical Academy to introduce modern western medical teaching techniques, curricula and standardized testing.

HEALTH AND INFECTIOUS DISEASE INFORMATION AND RESPONSE

- Since 1994, Ukraine has received 32 million doses of USAID funded adult diphtheria toxoid (Td) vaccine and technical assistance to control the diphtheria epidemic. USAID and its implementing partners, PATH and CDC, helped the Ministry of Health develop and implement the diphtheria control strategy. The epidemic is showing signs of slowing and incidence in 1996 was dramatically below 1995 levels.

- USAID is now designing a program to improve the capacity of the MOH and oblasts to strengthen Ukraine's public health surveillance and information systems and to increase policy makers' access to public health information; to identify, control and prevent outbreaks and reduce the rates of infectious diseases.

- Related programs are helping in pharmaceutical registration and quality control; seeking to promote trade and investment in pharmaceuticals and medical devices; making the management of pharmaceuticals in hospitals more rational and efficient;

providing technical assistance and human derived insulin for diabetic children; and helping to reduce bloodborne infections in hospitals.

WOMEN'S REPRODUCTIVE HEALTH SERVICES EXPANSION PROJECT (WRH)

The WRH program is designed to reduce the high levels of maternal morbidity and mortality related to reliance on abortion for "fertility control."

- The WRH, active in Ukraine since 1994, is modernizing Ukrainian reproductive health services through the development of model women's health clinics, updating provider knowledge in contraceptive technology and clinical skills, improving the availability of high-quality contraceptives, providing public media information and education programs on the safety and efficiency of modern family planning methods, and introducing family centered maternity care and early breastfeeding.

- In Ukraine, the MOH reported an 8.6% reduction in induced abortions in the first six months of 1996, and directly attributed the decrease to USAID assistance. Services provided by personnel, trained through USAID programs, in the model clinics and other oblast clinics are perceived to be of higher quality by the clients and contraceptive usage is now higher in the model clinic oblast areas.

HEALTH AND HUMANITARIAN ASSISTANCE FOR CHERNOBYL VICTIMS

Since 1992, the U.S. Agency for International Development (USAID) has worked with U.S. private voluntary organizations (PVOs), other U.S. Government agencies and the private sector to provide assistance to the numerous victims of Chernobyl in Ukraine, Belarus and Moldova, with a special emphasis on children.

- The United States Government (USG) contribution of over $40 million has been matched by more than $31 million worth of pharmaceuticals and medical supplies donated by U.S. pharmaceutical companies and PVOs. In addition, the USG has delivered more than $350 million worth of humanitarian assistance to Belarus, Moldova and Ukraine since February 1992.

- In April 1996, to commemorate the 10th anniversary of the Chernobyl accident, the U.S. G conducted a special combined humanitarian assistance surface and airlift mission delivering over 1,000 tons of relief to Ukraine, Belarus and Moldova. The shipments included high quality pharmaceuticals and medical supplies donated by U.S. pharmaceutical companies, U.S. PVOs and the U.S. Department of Defense. The bulk of this assistance is targeted to Ukrainian, Moldovan and Belarussian cities and regions containing the greatest number of registered Chernobyl victims and will be directed to medical facilities serving child and adult victims in these target areas.

- Additional Chernobyl-related programs are either recently initiated or planned to screen, diagnose and treat breast cancer; register and reduce birth defects; and diagnose and treat childhood physical and mental illness.

REGARDING DIPLOMATIC NOTE FROM THE EMBASSY OF UKRAINE REQUESTING USG ASSISTANCE WITH VACCINE PROCUREMENT

While the U.S. government must remain alert to the real humanitarian needs of Ukraine, the context of this note is important.

- When necessary, the USAID program has assisted Ukraine in a variety of ways to respond to humanitarian crises, including providing technical assistance and 32 million doses of adult diphtheria vaccine to combat the exceptional diphtheria epidemic in 1994-96. There are legitimate concerns. Outbreaks of rubella (German measles) have been identified in the Lviv area. Vaccine shortfalls certainly exist.

- Over the past two years, the Ministry of Health, supported by Ambassador Scherbak, the Ukrainian-American community, and various pharmaceutical companies and agents, has put forth a number of requests for U.S. donations of vaccines and pharmaceuticals.

- Unfortunately, the picture of current vaccine stocks and needs in Ukraine is far from clear. Ukraine has been unable to accurately forecast their vaccines due to a very poor health information system, and insufficient commitment at the national level to address that problem. While the dipnote numbers are "in the ballpark" for the estimated 500,000 birth cohort, it is hard to have confidence in these figures given the Ministry's historically inaccurate estimates regarding vaccine supplies in the oblasts, actual immunization rates and wastage factors.

- USAID's strategy in the health sector emphasizes capacity building rather than continued humanitarian assistance. USAID is currently implementing a pilot program which works with the Lviv oblast and the MOH to strengthen public health surveillance and information systems and identify, control and prevent outbreaks and reduce the rates of infectious diseases. This program includes assistance with EPI planning, procurement and management.

- As a UNICEF "Band C" country, UNICEF believes that Ukraine has the capacity to purchase its own vaccines. Neither UNICEF, nor the Interagency Immunization Coordinating Committee (IICC), has alerted USAID of a particular crisis with vaccine availability in Ukraine.

- As yet, the GOU has not determined whether its policy will be to procure combined measles, mumps, rubella (MMR) vaccine or separate vaccines. Thus, it is unlikely that the current request is well thought out.

- It is unclear whether the requested Hepatitis B vaccine is intended for children or for adults in high-risk categories. We know that Hep B manufacturers have been trying for some time to strike a deal with the MOH.

macro economic issues appear health care

World Bank –
$100 m – $80 m pharmac.
20 consulting
& training

drug production – 30% est Chr.
70% imported

overprod'n of pharm. around the world.

→ no coordination – center could do this

→ education – public health

→ training & properties

→ exchange of

→ 250 companies now doing cell

Chernobyl – 100 million people at risk (Register)

① – monitoring health states & equip.

② – open centers – bone marrow
leukemia a major example.

③ – food supply issues for children &
Vitamins for kids

④ – consult'n w/ specialists

* Breast cancer *

- WHO/UNICEF's Expanded Programme on Immunization seeks to increase immunization coverage rates for children for measles, polio, diptheria, tetanus, whooping cough and tuberculosis.

- USAID is concerned about Ukraine adding additional antigens (like rubella or Hep B) to its EPI schedule before it has addressed the program's larger, more systemic issues.

- For cost, source/origin and other regulatory reasons, USAID generally does not procure vaccines directly. Funding purchases through UNICEF is normally in response to a crisis situation and a UN emergency appeal. International vaccine pricing is very complex. Direct procurement by USAID would be "big bucks."

ANTIGEN- Qty.	COST/DOSE UNICEF(appeal)		COST/DOSE - U.S (private)	
Measles - .5 mil.	$ .10	$ 50,000	$10.08	$ 5,040,000
Polio - 2 mil.	.07	140,000	10.93	21,860,000
Rubella - 1 mil.	Not available		11.99	11,990,000
Hepatitis B	.82	1,476,000	17,45	31,410,000
Subtotal				70,300,000
Other charges to point of entry (15%)				10,545,000
TOTAL				$ 80,845,000

- Rather than supporting commodity drops, USAID hopes to continue assistance to address the systemic problems within Ukraine's EPI programs and thereby support Ukraine's vaccine independence.

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resources to health. perhaps incr.
diseases growing. TB + AIDS
mortality rates up.
special + econ'c needs.
+3 mo. per person.

not pick ash, but open proposals
mtg w/ pharmaceuticals

investment environment.
econ. zones.
Chernobyl.

* Request
Health
Subcomm.
Gore-Kerelenko

Ukr Amer
Health
Center
Bldg in Kiev

State info

- Lilly
Pfizer
Bristol Myers.

Vitamins
for poss
Chernobyl
children

> Improvement in network - possibly

> birth rate very late - dramatic decrease overall demographics:

> higher death rate lower birth rates

→ cut # of beds to improve results

→ ~~more~~ new tech. + funding

high # of pensioners - poorest

more reform. transparency of health ins.

U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

September 22, 1998

file
Ukraine
health.

Melanne,

Following up on your visit with Greg Huger, attached please find a copy of USAID/Ukraine's Health Strategy.

Regards,

George Ingram

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Bcc:
Subject: USAID Ukraine Health Strategy
Attachment: healstr.aug
Date: 8/22/98 11:46 AM

Here is the health strategy for the Ukraine Mission with a letter signed by our Mission Director. Please distribute to your staff. You will receive a hard copy through the pouch service. Let us know if you have questions or comments and, thanks for bearing with us.
cjf

REGIONAL USAID MISSION
FOR
UKRAINE, BELARUS AND MOLDOVA

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August 21, 1998

The USAID/Kyiv Health Strategy that follows represents the Mission's evaluation of Ukraine's existing health status and the opportunities to develop the capacity for Ukraine to maintain the health of its population. The collapse of the Soviet Union and the resultant economic turmoil has accelerated a decline in the overall health of the average Ukrainian. This strategy is consistent with the Agency's overall objective of transforming Ukraine into a market democracy and is designed to reverse the trend of declining health.

Preventive medicine/primary care was chosen as the focal point for future health activities in Ukraine. After careful research, the team concluded that USAID can provide the most efficient and effective assistance to the greatest number of people through a preventive approach to health in Ukraine.

The health strategy was brought together as the result of the Mission's assembly of a high quality team of health professionals. The team was able to focus on the most important issues confronting Ukraine and identify realistic, achievable approaches toward resolving those issues. I believe that this strategy sets the foundation for future health programs in Ukraine. The Mission appreciates the support given by the Ministry of Health (MOH) and by our counterparts in USAID Washington in undertaking this effort.

Sincerely,

Gregory F. Huger
Mission Director

Ukraine Health Strategy and Action Plan

Regional USAID Mission for Ukraine, Belarus and Moldova

I. EXECUTIVE SUMMARY

Since the collapse of the Former Soviet Union, much of the old government and social structure supporting health care has become increasingly dysfunctional, while the overall risk to the health of the Ukrainian population has continued to rise. One alarming statistic which is indicative of the worsening health situation is the decline in life expectancy for the Ukrainian population, from 69.7 in 1991 to 67.1 in 1996, with the reduction for females being from 74.3 to 72.8 during that period, and for males from 64.7 to 61.6. Much of the decline in health and increased risk can be attributed to lack of preventive care, disease management (infectious, degenerative, cardio-vascular, circulatory, cancers and congenital/perinatal), poor lifestyle choices, adverse environmental and occupational health conditions, and accidents.

USAID/Kyiv began working in the health sector in Ukraine in 1993 and has provided technical assistance and training in seven priority areas: reproductive health, infectious diseases, pharmaceutical management, hospital technical assistance, breast cancer, Chornobyl-related childhood illnesses and health care financing. Reflecting on this effort and looking forward to the opportunities for greatest impact in the future, the Mission has developed this comprehensive strategy to support improvement in the quality of health and health care for the population of Ukraine. The strategy which follows provides a general analysis of the existing health status and health care system in Ukraine, identifies those elements believed to be essential to health sector reform for the country, examines the opportunity for international technical assistance to leverage significant change, and identifies a notional action plan for USAID-sponsored activities planned or targeted for implementation over the next five years.

The problem remains daunting: Still largely applying much of the framework of the old Soviet command economy, the effectiveness of Ukraine's health system is hampered by a continuing culture of funding and allotments based on hospital bed occupancy; weak financial management; emphasis on specialists and tertiary care; insufficient attention to preventive medicine and/or early detection and treatment by primary care practitioners; and lack of and/or outdated materials and information.

Further efforts are critically needed to establish primary care approaches to wellness and treatment; to revise policies responsive to the health needs of the country; to provide specialized training in specific fields, and to reform the health care system financial management structure.

Training of ancillary health care providers (i.e., non-physicians such as nurses, technicians, etc.) requires substantially more attention than has been given in the past. Clinical (hands on) training which has proven crucial to the advancement of the standard of health care in the West is essentially non-existent in Ukraine. The Ukrainian standards of care often lag far behind those of western levels. Health care planning and/or some system of competitive incentives are integral to being able to rationalize the health care system and adequately meet the needs of Ukraine's population. Although a private health care market has begun to develop in Ukraine,

there is full consensus among international health experts familiar with Ukraine that, at least over the next five to ten years, a national health care system will still be necessary to provide the vast majority of health services required.

Through implementation of this strategy, USAID/Kyiv is promoting a fundamental shift in Ukraine's health delivery systems, away from reliance on tertiary medical-based programs that currently dominate the sector, toward more emphasis on cost-effective approaches referred to as "primary care." Primary care focuses on wellness, prevention and first line care, improving health and reducing dependency on specialized health professionals, expensive equipment and procedures, and lengthy hospital stays. This primary care approach is the overarching theme of each of the following elements identified by the strategy as crucial for health system reform in Ukraine:

- Health Care Delivery
- Promotion of Healthy Lifestyles
- Professional Education and Training
- Reducing Environmental/Occupational Risk to the Public Health
- Financing
- Legal/Policy Environment

The overall goal of USAID's health intervention in Ukraine is to:

Improve quality of life and reduce morbidity in Ukraine's population

USAID technical assistance to Ukraine directed toward accomplishing this goal will focus on sustaining the elements of a more efficient primary health care delivery system; health promotion; health services education and training; rational pharmaceutical management and health management information systems; approaches for improved financing; health policy change and health advocacy; and environmental and occupational health.

In the area of ***Health Care Delivery***, USAID sponsored work will build on our previous initiatives to demonstrate the value of primary care as the basis for health care delivery in Ukraine. USAID programs will work with the Government of Ukraine (GOU) to develop models for system restructuring and primary care enhancement. Supporting the general practice of primary care and family medicine, many other elements of the health care system will directly link to various model demonstration sites working with the USAID programs. Efforts with the national government will work toward replication of the successful demonstration programs in other locations throughout Ukraine.

Successful health care programs in the West have long recognized the ***Promotion of Healthy Lifestyles*** as a means of reducing the burden on the health care system. Consequently, a significant element of the strategy focuses on "health" rather than "illness" and on "prevention" rather than "treatment." Selected unhealthy lifestyle choices such as alcohol and drug abuse, poor nutrition, smoking, lack of exercise, insufficient prenatal care, sexually irresponsible behavior, violence against women and children, and a paucity of mental health treatment

options will be addressed through various outreach programs.

Education and Training are woven into all components of the USAID Health Sector strategy. Although USAID does not plan to undertake a specific and separate program of health curriculum reform, much of the work being done at demonstration sites may lead toward reforms. Educational institutions may create linkages to the clinical training centers involved with the demonstration work. Educational administrators will be able to adjust curricula in response to the lessons learned through specific health demonstration activities and to establish professional contacts that could directly assist them in making those changes.

Recognition of the ***Environmental and Occupational*** issues related to the protection of public health is the first step toward resolving a number of significant threats to the Ukrainian population. Individual exposures to occupational and other safety risks are significantly greater in Ukraine than in many other industrialized countries. This creates a special and additional burden on the health care system. Ukraine is making progress toward developing its National Environmental Health Action Plan which will identify priority areas where action is needed to reduce exposures or to take remedial actions to mitigate contaminated releases. Identified priorities will require the creation of stronger linkages between local control and health authorities to overcome the health impacts created by the exposures.

To date, USAID has given significant attention in Ukraine to the area of ***Health Care Financing***. Demonstration projects have worked with local policy makers to design and implement financing mechanisms to supplement inadequate budgets and have taught budgeting and management skills necessary to support them, as well as introducing user fees for appropriate medical services. Pursuant to a recently issued Cabinet decree, user fees are now officially sanctioned and are estimated to account for up to 10% of additional revenues to hospitals. Programs that assist in stabilizing government funding and introducing other revenue mechanisms to support the health care system will be continued.

Working at various levels of government, but particularly at the local level, USAID efforts will continue to help the appropriate government organizations establish health care ***Legislation and Policies*** that support implementation of an effective health care system. This will include modifying or altering policies with regard to diagnostic related groups (DRGs), decentralization, health care financing and payment, quality assurance, monitoring, and standards.

The GOU has recognized the need for major reforms of the health care system, including the adoption of primary care as a basis for more efficient, cost-effective, and appropriate level of health care delivery. USAID will strive to maintain open and constructive relationships and channels of communication with all levels of government working in the health care sector. We are confident that substantial progress will be realized in Ukraine through the implementation of this strategy.

II. PURPOSE OF A HEALTH SECTOR STRATEGY FOR UKRAINE

Since the breakup of the Soviet Union in 1991, the worsening Ukrainian economy has resulted in a further decline of revenues to finance social institutions and services. The disintegration of the centrally controlled government resulted in the Ukrainian population struggling to meet basic subsistence needs. Political and economic changes have broken down the medical care infrastructure without providing sufficient alternatives for adequate and affordable health care.

Funded under the Freedom Support Act, USAID has been working in Ukraine since 1992 to assist the country in transforming to a market-oriented, democratic society. Much of the programmatic focus has been on economic restructuring and democratic reform, the goal of which is to ensure the implementation of sound social programs and infrastructure. Various aspects of the USAID's health sector, such as finance reform and women's reproductive health programs, have been part of this focus from the beginning.

A great deal has been learned since then, and the components of the strategy are in response to this. Key among the lessons learned are that health care must remain a centralized, government function for at least the short-to-medium term; that slow movement away from old and indefensible norms used as a basis for funding decisions must continue and indeed accelerate if the system is to be able to respond to the growing economic problems in the country; that many practitioners believe in a primary care emphasis, and have taken important steps on their own in some cases; that models for different or new protocols, for example related to infection control and post-birth care for mothers and infants, have proven effective and can be applied more broadly in the country; and that international donor support and political drive is essential, not simply useful, for the changes which the Ministry of Health (MOH) and foreign experts agree are need.

The initial plan developed in the very early period of USAID's residence in Ukraine has been overtaken by events and experiences here. This strategy provides a comprehensive approach, developed with colleagues throughout the agency and in the donor and Ukrainian community.

III. CURRENT ASSESSMENT OF HEALTH CONDITIONS IN UKRAINE

A. General Health Profile of the Ukraine Population

There has been a sharp increase in the mortality rate for Ukraine in recent years. The increase is attributable not only to an increase in the elderly population but also to premature death. The increase of premature deaths among men have resulted in a difference in life expectancy between men and women in 1996 of 11.2 years. The birth rate is below replacement level and falling, abortion is still used as the most common method of fertility control and in 1991 the number of deaths in Ukraine for the first time exceeded births.

Morbidity is high in Ukraine, influenced by the socio-economic condition, the environment and the lifestyle of the population. All population is at risk but women, children and the elderly are most vulnerable at present and indicators suggest their health is declining. Cardiovascular

disease, respiratory disease, cancers, complications from the high abortion rate, and infectious diseases lead. The abuse of alcohol, tobacco and drug abuse that lead to much of the morbidity are of great concern.

The data used as a basis for much of what is known about health in Ukraine must be qualified. Among the concerns for the health system in Ukraine, the MOH is not always able to systematically gather reliable health information. Comparison of data with prior Soviet information is misleading because of the original manner in which the data was collected and the methodologies still employed. Despite this, in many cases Ukrainian data is the best that is available.

1. Increased Mortality as an Indicator of Health Quality Decline

Premature mortality/declining life expectancy is the most striking indicator of decline in health quality in Ukraine. According to World Health Organization (WHO) reports, life expectancy started to stagnate throughout most of the Newly Independent States (NIS) in the mid-1960's. The 1970's saw a slight but continuous decline in this health indicator as the gap in life expectancy between the east and west began to widen. Since the break-up of the Soviet Union, life expectancy of the overall Ukrainian population decreased, from 69.7 in 1991 to 67.1 in 1996, with the reduction for females being from 74.3 to 72.8 during that period, and for males from 64.7 to 61.6. Most of the increased mortality has been attributed to the secondary effects of poor socioeconomic and living conditions combined with lifestyle-related behavioral factors, such as accidents, violence, and stress-related and alcohol-induced diseases.

Overall, data suggests that middle-aged, male mortality is the greatest contributor to the increased mortality trend in Ukraine (National Research Council, 1997). The largest contributors to years of life lost (YLL) by males in Ukraine (1996 data) are degenerative diseases, followed by circulatory illnesses, accidents, and neoplasms.

Overall, it seems the trend is related to inadequate standards of diagnosis and treatment, lack of household finances to afford medical treatment and poor nutrition and lifestyle choices, issues central to the spiraling health problems in the country. Many problems are preventable, and could be treated earlier, more successfully, and less expensively. But people conserve meager funds and delay seeking help, which then burdens the already flawed system.

Poor economic conditions and the high rate of abortions resulted in a current .06% (negative) population growth. Contributing factors include insufficient knowledge of modern contraceptive techniques, uneven access to reliable quality contraceptives, easy access to cheap abortions and low incomes, leading to a high rate of abortion in Ukraine. In 1994, 153 abortions per 100 births were registered in Ukraine. In 1996, the rate dropped to 144 abortions per 100 births which is still substantially higher than in other post-socialist states, such as Bulgaria (126.6/100), Hungary (64.4/100) and Albania (47.4/100). Only is Russia (180.1/100) is it higher.

The leading causes of death unconnected with pregnancy are cardiovascular disorders (which have risen to twice their previous rate in recent years), diseases of the circulatory system, oncological diseases, accidents and trauma.

Infant mortality is also relatively high. *The Health of Women and Children in Ukraine 1997* Report by the Ukraine Ministry of Health, WHO, UNICEF, the United Nations Development Program (UNDP) and the World Bank identified Ukraine as having a high infant mortality rate (IMR), estimated at 14 per 1,000 live births in 1994 AND 14.3 PER 1,000 IN 1997, compared to an average infant mortality of about 6 per 1,000 births for European countries. Perinatal problems, congenital anomalies and respiratory diseases are ranked as the leading causes of IMR. Ukraine's IMR is similar to rates in Belarus, Estonia, Lithuania and Latvia; though much better than rates in Azerbaijan, Kazakstan, Kyrgistan, Tajikistan, Turkmenistan and Uzbekistan. At the present time, the IMR appears to be stable. However, due to a lack of reliable data, there is reason to believe that this information may be inaccurate and that the IMR may be even higher.

2. Lifestyles

Lifestyle choices of the average Ukrainian are significantly affected (in real terms) by declining socio-economic status and lack of awareness of healthy behaviors. Attention is not on fostering a healthy lifestyle but rather on survival in a transitional economy. These poor lifestyle choices include poor diet, smoking, and excessive drinking. The average diet has a high fat and carbohydrate content and is low in protein and vitamin rich foods such as meat, vegetables and fruits. This type of diet creates health problems related to malnourishment, micronutrient deficiency related disorders and cardiovascular/gastrointestinal diseases. A substantial portion of the population smokes cigarettes which continue to be widely promoted by western companies seeking to expand in this very large and vulnerable market. Alcohol is a national pastime with the minimum age requirement no longer strictly enforced and no public drinking legislation in place to curtail underage or widespread drinking. Together, tobacco and alcohol contribute enormously to increased cardiovascular and pulmonary illnesses as well as increased cancer rates, and are responsible for the deaths of up to 100,000 Ukrainian citizens per year. Drug use in selected populations continues to increase with a subsequent parallel increase in sexually transmitted diseases (STDs), most notably HIV. Recent reports indicate that HIV/AIDS is poised to produce an epidemic in 1-4 years if unattended.

Limited incomes and declining standards of living have contributed to serious psychological depression in the population as well. All psychological disorders have increased by 16.5% in the last five years. Since 1988, the rate of suicide has increased by 50%, resulting in the death of 100,000 Ukrainian citizens.

3. Accidents

Accidents are the largest single cause of death and disability among young people and working age men. Occupational health and safety risks in Ukraine are substantially greater than in the West; the lack of preventive measures represents a significant cause of exposure to conditions resulting in debilitating and often fatal accidents. The inadequacy of the occupational safety measures under the Soviet regime have yet to be addressed by the government or by struggling privatized entities. While the Government has begun to develop some safety standards, enforcement is lacking. Additionally, health and occupational health personnel have

not been adequately trained to treat, much less prevent, accidents. For example, mining accidents contribute to the high mortality rate among young to middle aged males in Ukraine with hundreds of deaths annually in Ukraine versus few, if any, in the United States from major mining disasters. Safety measures in mines are inadequate and the health care system does not have the equipment or training to care for workers suffering from trauma related mining accidents or chronic pulmonary diseases caused by years of exposure to coal dust.

4. Diseases

The prevalence of disease is an important measure for evaluating the health of a population. In 1996, cardiovascular diseases were the leading causes of death overall. Reported malignancies have risen from 139.9/100,000 in 1985 to 160.8/100,000 in 1994, among them skin, breast, uterine, thyroid, lymph and bone marrow cancers. (Note: Some of the increased rates for men and women probably reflect better diagnostic procedures.) The annual incidence of thyroid cancer in children in Ukraine from 1981 to 1985 was 0.4-0.5 per million. It increased significantly to 3.1 cases per million in 1994, the incidence being higher in Kyiv, Chernihiv, Zhitomir, Cherkasy and Rivne oblasts, which include those most contaminated by Chornobyl. This has been one of the major documented health consequences of the Chornobyl accident, a positive correlation having been established between the initial radiation exposure dose and incidence of thyroid disease.

The control of infectious diseases is becoming of increasing concern as the capacity of the population to obtain a basic level of care continues to be severely tested. The incidence of tuberculosis for example increased 45.1 percent from 1990 to 1996 with 45.8 per 100,000 infected with tuberculosis according to the head of Research Institute on Pulmonary Diseases and Tuberculosis (INTELNEWS, 1/98). Tuberculosis is considered at epidemic proportions in Ukraine with approximately 1.2 percent of the population infected.

Diphtheria also remains a problem in Ukraine with 5,280 cases in 1995, although reported cases were down to 1,055 in 1997, due in large part to an aggressive USAID-supported immunization campaign. The incidence of measles has increased by 44.1% over the last few years. Since 1991, epidemics of cholera in the southern regions have become an annual phenomenon. Before 1994, the number of cases ranged from 60 to 100; by 1995 cholera cases had increased to more than 2,000, and the total number of cases last year contributed to more than half of cholera mortality in all of Europe. Due to poor control measures and deterioration in sanitary and hygienic standards, there has been increased population exposure to water pollution. As a consequence, there has been a steady increase in water-borne and parasitic diseases; 18.5% between 1990 and 1994.

Vaccination of children and routine physical exams of all persons, including prevention measures (gynecological, dental, x-ray etc.) were offered cost-free under the old Soviet health care system. In a 1993 post-Soviet review, a UNICEF/WHO team found that only about three-quarters of all children in Ukraine had received necessary vaccinations; 89% of children under the age of two were vaccinated against measles and only 85.4% against poliomyelitis (on the WHO/USAID infectious disease eradication list).

Sexually transmitted diseases (STDs) are on the rise. In the last four years, the incidence of syphilis increased from 5/100,000 in 1987 to 200.7/100,000 cases in 1996. In 1995, Ukraine also entered a new phase in HIV epidemic development. AIDS cases rose almost 10-fold, from 35/100,000 in 1995 to 311/100,000 in 1997 (Khodakevich, UNAIDS, 1997). There are over 20,000 HIV-infected people in Ukraine; this number is likely to be considerably higher, as many cases go unreported due to restrictive reporting requirements discouraging HIV testing. The greatest proportion of HIV-positive persons has been among injecting drug users (IDUs). Approximately 65,000 IDUs are known to authorities in Ukraine, and the actual number of IDUs may be 4 to 10 times higher.

5. Environmental Conditions

Aggravating the already depressed health levels of the citizens of Ukraine is the immense level of environmental contaminants to which they are exposed. Under the Soviet structure, little emphasis was given to controlling either pollutant emissions to the air, liquid waste discharges, including those that affected potable drinking water supplies, or other contaminant released into the environment. Reliably clean drinking water is a critical element of a healthy society, and Ukraine's potable infrastructure is severely compromised both from external sources of contamination and a lack of proper maintenance and operation of the water systems. The impact of environmental releases is reflected largely by an increase in respiratory disease in the adult population. Attention is now being directed toward the impact of environmental toxicants (heavy metals, pesticides, other neurological toxicants) on early child development and health.

Almost twelve years after the accident, Ukrainian and international scientists and officials continue to debate the full extent of Chornobyl's on-going environmental consequences. Though the mythology of the effect of Chornobyl exceeds proven impact, some problems are clear and some are emerging. Residual contamination is a factor in the already elevated levels of thyroid cancers, and possibly in childhood birth defects. Psychological trauma from the Chornobyl accident continues to be evident throughout the country, with inadequate counseling or other social services available. While much less a factor than other environmental health risks, the potential impacts from Chornobyl need continuing analysis to be able to contain and/or otherwise respond to pathways for potential exposure from the accident.

B. Ukrainian Health System Management

During the Soviet era, the "success" of the health care system was measured by more hospitals built, more beds filled, and more doctors educated. Quality of health care services was measured by a high degree of physician specialization, rather than upon measures of the health status of the population. As the rest of the world began a greater focus on public health education for a healthier lifestyle, and the preventive components of primary care, the Soviets continued their theme of greater capacity and specialization. In the early 1960's, the Soviet Union's investment in the social sector directed significant attention toward prevention of childhood communicable diseases and overall access to the government-provided health services. Following what was then viewed as a "public health" approach, the centralized Soviet health care system focused on immunizations as the only necessary preventive care measure.

Unfortunately, starting in the 1970's, the poor Soviet economy and adverse political priorities of the centralized authorities were already beginning to erode even this level of the quality of health care once available to the population.

Ukraine's health system, still following much of the old Soviet framework, is not workable in the present transition environment. Over the last six years, the real amount of state expenditures on health in Ukraine has decreased substantially, with health care budgets having been cut by two-thirds. The collapse of the industrial sector has resulted in reduced revenues to the government, increased unemployment, and reduced wage levels or delayed wage payments. The financial capacity of the Ukrainian population to find alternative health care, when available, is limited.

Within Ukraine, there are 27 oblast (regional) health administrations that oversee and fund a system of 3,900 hospitals, 7,200 polyclinics and ambulatories, 230,200 doctors, and 595,100 medical staff. General authority for administration of this system resides within the MOH. In addition, certain government ministries and/or industries, such as railroads and internal affairs, maintain separate health care facilities for employees and their families.

The health care system is burdened by an overabundance of facilities and health care professionals. There is a critical need for health care planning and/or competitive incentives to rationalize the number of staff and facilities needed in both the short- and long-term to adequately meet the needs of Ukraine's population. Continuing to train physicians in specialty care and to fund largely redundant health facilities is a tremendous drain on the health budget. Ukraine continues to maintain approximately twice the European average and somewhere between three to four times the U.S. average of hospital beds and doctors to the population. Ukraine has one hospital bed per 75 people and one physician per 228 persons. Every oblast (region/county) maintains a regional hospital, generally for the most serious cases, and sometimes special treatment facilities for particular illnesses. Every raion (locality/town) maintains an adult hospital, a children's hospital, and a maternity hospital.

International experience has shown that specialty hospital-based health care systems are both the most expensive and least effective in terms of promoting the health status of the population. Closing health care facilities and laying off medical staff, as well as limiting the training of new health care providers, is controversial in Ukraine and will not, by itself, improve the health status of the population. However, some measures in these areas, combined with changing the nature of the way in which health care is delivered via a preventive health care model, will decrease the economic burden of health care through prevention of disease resulting in fewer patients days at the more costly tertiary care centers.

A private health care market has started to develop in Ukraine. The growth of the private market is a direct result of the breakdown in the government-funded system and the market economy transition process. The health facilities which are emerging are primarily in cities like Kyiv, Lviv, and Dnipropetrovsk where there are wealthy individuals, foreign influence, and/or profitable enterprises. Traditionally, many large industries maintained their own private health centers. Private facilities must be licensed by the MOH, and the Ministry claims that, at the

beginning of 1998, there were approximately 20,000 such private entities including 1,500 individual practitioners. While many privately owned facilities receive no government monies, others have worked out arrangements where they receive government monies to cover specified numbers of individuals. There are very few doctors completely practicing privately. The legal and tax treatment of doctors or groups of doctors that practice privately is not defined, and therefore most doctors are uncertain of their ability to do so. And there is no established practice of hospital admitting privileges, so doctors do not want to lose their access to hospital facilities and resources, nor to social benefits such as pensions, day care, schools, and health care.

The demand for and development of a private sector market is likely to continue well into the future, but the government system will remain the primary provider of health care for the majority of Ukrainian citizens.

C. Funding of the Health Care System

Before the break-up of the Soviet Union, the central government authority in Moscow determined all levels of financing and allocated annual budgets to local health administrations. In 1992, the GOU health care system funding represented 17.5% of the national budget and 7.7% of Gross Domestic Product (GDP). Funding has declined steadily each year: in 1997 the GOU health funding was 657 million hryvnia (approximately $320 million), 11.2% of the budget, and only 3.8% of GDP. While the GOU amount does not include non-government or individual out-of-pocket contributions to the health care system, funding of the health care system overall is not sufficient when compared to international spending levels. The United Nations recommends that developing countries spend 5-6% of GDP on health care, and developed countries generally budget from 7-15% of GDP.

Because of inadequate GOU funding of health care, almost all government allocated health monies are being used to pay doctor and health care personnel salaries. Almost no monies are being used to finance hospital supplies and drugs. The average physician salary is 150 HRV a month ($75 U.S.), equivalent to the average Ukrainian wage but the overabundance of medical personnel burdens an already faltering system.

Article 49 of the Ukrainian Constitution passed in June 1996 states that health care shall be free to all citizens. Despite the fairly clear wording of the Constitution, the government's obvious inability to pay for all health care prompted the Cabinet of Ministers to issue a decree in late August 1996 listing approximately 60 services for which fees may be charged. The decree permits hospitals and facilities to charge official fees and the practice is becoming much more common. Though there are no formal studies, many hospitals claim to raise 1-10% of their revenues from officially-sanctioned fees. (Hospitals claim to waive or exempt fees for those not able to pay.) In addition, there is substantial evidence that doctors, nurses and hospitals request "under the table" payments for receipt of health care, including home and office visits and for surgery. However, fee-for-service is not a feasible remedy in the foreseeable future. Currently, there is insufficient economic capacity on the part of the Ukrainian population to pay the full costs of their health needs and, unfortunately, the expectations of the Ukrainian

population for free health care by law is difficult to dispel.

Very few hospitals are paying their bills for communal services such as electricity, heat, water, and trash collection. While communal service enterprises do not cut off services for nonpayment, hospitals are a significant part of the enterprise arrears problem, accumulating large debts for payment for communal services. Hospital equipment is out of date and basic patient medical supplies are insufficient, requiring individuals to bring their own sheets, food, and medicines.

Given tight availability of any funds for health care, it is imperative that monies and resources going into the health care system are used as efficiently and effectively as possible. Many observers have concluded that the Ukrainian health care system could be significantly restructured to provide better health care, even within current government spending levels.

IV. HEALTH SECTOR STRATEGY FOR UKRAINE

In preparing the USAID Health Sector Strategy, we first examined what we believed were the essential elements of a quality health care system for Ukraine. Next, we compared our vision with that of the Ukrainian Government to determine areas of agreement, areas where Ukraine's capacity and resources should, and could, bring the needed change, and areas where technical and policy assistance appears essential to bring about needed reforms. Finally, in establishing USAID's intervention strategy, we examined the linkages with other program activities and other international donors to assure that USAID resources are best directed to maximize impact and positive change in Ukraine.

The following presentation of the Health Strategy and Action Plan has been integrated to provide the notional list of action items within the discussion of each of the six essential elements of a quality health care system for Ukraine. Preceding this integrated action plan discussion is background information on USAID's existing programs and known information regarding other donors activities.

A. Linkages with USAID and Other Donor Programs

1. USAID's Current and Ongoing Activities in Health

USAID's work in the health sector in Ukraine, to date, has emphasized seven priority areas -- health care financing, women's health, infectious diseases, pharmaceutical management, hospital partnerships, breast cancer assistance, and Chornobyl related childhood illnesses.

Health Care Financing: USAID/Kyiv identified health care financing reform as a key part of health reform and a Mission priority. Since 1994, the Zdrav Reform Project, has worked in Ukraine. For the first two years, Zdrav primarily worked in Lviv and Odessa oblasts testing out different reforms, including financial management, user fees, family medicine/primary care, and system restructuring. Zdrav provided technical assistance to the MOH in the areas of health insurance, licensing and accreditation, and primary care. Since 1997, Zdrav has started to

focus on training local Ukrainian experts to implement these health reforms themselves.

Women's Health: The Women's Reproductive Health Initiative (WRHI) began in 1995, in response to a congressional earmark to reduce reliance on abortion as a fertility control method. The WRHI program addresses the above issue by increasing health care provider knowledge of all contraceptive options and improving availability and access to high quality contraceptives, improving access to safe reproductive and maternal health services, increasing the capacity of the Ukraine medical system to continue to provide training in reproductive health issues through institutionalized training with "training of trainers" programs, improving the policy environment through advocacy for family planning/reproductive health (FP/RH), and increasing awareness of decision makers about FP/RH programs.

The WRHI project began at three family planning pilot sites, and in 1997 expanded to four additional roll-out sites. The project focuses on the issue of unwanted pregnancies resulting in abortion. Additional issues regarding women's health are poor perinatal care resulting in low fertility rates, high infant mortality rates and low prevalence of contraceptive use. Poor pregnancy care results in multi-problem pregnancies, increased rates of low birth weights, and infant/maternal morbidity and mortality which contribute to the falling birth rate in Ukraine.

A main focus of the project in the past has been on training obstetrician-gynecologist specialists providing reproductive health services to women in family planning clinics located in tertiary facilities. The WRHI program has already established collaboration with the MOH to include primary care/family medicine activities with the inclusion of family planning into the new family practice refresher training curriculum. This foundation and lessons learned from the existing pilot projects provides a natural transition to a more integrated and focused program that accurately reflects the health needs of Ukraine.

Infectious Disease: As part of USAID's humanitarian relief efforts, adult diphtheria vaccine was provided to the MOH to combat the 1990's diphtheria epidemic. The experience of the diphtheria program suggested additional systemic work in Ukraine was needed. Despite some success in addressing the diphtheria epidemic, Ukraine's health system faces the critical systemic problem of weak, decentralized, and overburdened health and management information systems (HIS), which has led to an inability of the GOU and local oblasts to efficiently and rationally allocate resources, monitor programs and forecast needs. In addition, HIS are needed to improve infectious disease efforts and to confront the danger of the emergence/re-emergence of such potentially deadly infectious diseases as HIV, hepatitis, tuberculosis, cholera, and anthrax. Successful campaigns against infectious diseases must build on strong national health infrastructures, such as routine immunizations, disease reporting systems, trained health care workers and laboratory capacity. Availability of information is important for several reasons:

1. Better forecasting of needs reduces wastage of vaccines.
2. Decentralizing HIS directs responsibility to the local level.
3. Local control over information democratizes information.
4. Evidence-based decision making increases ability to process information.

5. Information can be used to promote policy and legislation change.
6. Prevent infectious diseases by meeting international initiatives regarding the focus on surveillance activities.
7. HIS reduces contraindications which increases per cent of population immunized thereby reducing need for treatment of disease cases.

A follow-on program to strengthen Ukraine's management of infectious disease prevention and control efforts focuses on improving access to and utilization of accurate, appropriate, and timely health and management information, specifically as to the management of vaccine-preventable diseases. The process involves local assessment of needs and priorities, methods development, technical training, and local introduction of reforms. In addition, a Centers for Disease Control course in epidemiology, biostatistics and scientific communication trains Ukrainian health officials in priority public health programs, such as vaccine preventable diseases.

Rational Pharmaceutical Management: There are three technical areas related to rational pharmaceutical management: formulary development and management, rational use, and pharmaceutical policy/ legislation. Activities include:

1. Selection, procurement, preparation, distribution and use of drugs.
2. Development of hospital formulary systems.
3. Adaptation of formulary system development to the outpatient setting.
4. Training curriculum in clinical pharmacology.
5. Devising accreditation standards for Ukrainian health care institutions.

Hospital Partnerships: Under a NIS Regional Cooperative Agreement, five hospital partnerships have been instituted: Donetsk, Kyiv, Lviv, Kharkiv and Odessa. Programs undertaken through the partnerships have included Neonatal Training Centers, Emergency Medical Service Training Centers, Infection Control Initiatives, Nurses Training Centers and Health Management Education Training. As a result of the Neonatal Resuscitation Centers, there has been a 30% decrease in infant morbidity at participating hospitals. A 15-20% decrease in morbidity has occurred in those hospitals with Emergency Medical Services Training Centers.

One of the broader reaching partnership projects has been in the area of infection control. A national infection control program was developed based on internationally recognized principles and practice. Expansion of infection control educational programs was supported with integration of infection control systems into the MOH management system, building on prior experience with 30 oblast hospitals, as a part of strategy for prevention of blood-borne infections (HIV, Hepatitis B, Hepatitis C) within the national health care system. As a result of an infection control study in hospitals, health care workers discovered the need to change some techniques, especially in laboratory practice (handling of blood samples), surgical practice (finger-guided suturing, passing instruments), starting intravenous lines (IVs), and in labor and delivery practice (internal examination). This project has also lead to the issuance of a decree by the MOH mandating use of the control protocol throughout the system. A new follow-on,

NIS Regional partnership program with an expanded "health partnership" agenda will begin implementation in the fall of 1998.

Breast Cancer Assistance: Reflecting the international community's concern with the aftermath of the Chornobyl accident and the health effects on the exposed population, USAID launched two breast cancer programs in Ukraine in 1997. Both programs focus on screening and diagnosis for early detection and improved breast cancer care, treatment, and survival. Proper breast screening will be incorporated into preventive services to women as a part of primary health care services.

Chornobyl Childhood Illness Program: In response to Congressional concern, USAID is supporting a cooperative agreement to screen and treat childhood physical and mental illness related to the Chornobyl accident. Authoritative international bodies cite thyroid cancer and psychological problems as childhood problems definitively related to Chornobyl. This activity is intended to strengthen Ukrainian capacity to provide health care services for children at risk due to radiation exposure from the Chornobyl accident. A birth defects surveillance information system is also being piloted as part of this initiative.

Environmental Health Program: USAID's environmental programs for Ukraine originally pursued a strategic objective of "reducing environmental risks to the public health." Consequently, some of the environmental projects initiated by the Mission had, at one time, significant environmental health focus. However, following the lead set in Washington by the Bureau for Europe and the New Independent States, the Mission recently shifted its environmental strategy to be more in line with the economic development objectives of the Agency. A new strategic objective, "*increased environmental management capacity to support sustainable economic growth* " was created to represent the primary objective of the kind of environmental work actually being undertaken. USAID sponsored technical assistance undertaken in Lviv and elsewhere in Ukraine continues to promote a better managed, more efficient, and cost effective potable water infrastructure that is essential to the ability of the municipal water utility to provide a more reliable, safer public water supply. Support is also being provided to evaluate the impact of environmental toxicants (heavy metals, pesticides, other neurological toxicants) on early child development and health.

Environmental/occupational health factors are cross-cutting and will be integrated into the health sector programs. The health sector programs will incorporate environmental information into the health information systems, linking environmental and public health institutions, and promoting community-based approaches for responding to environmental issues.

2. The Government of Ukraine Vision on Health Care

The GOU has indicated its support for major reforms of the health care systems. They articulated their priorities in a recent paper, *Concept of Health Care Reform in Ukraine* (December, 1996). In it they stressed:

- *creation of appropriate conditions of citizens' living and work, their rest and*

rehabilitation, proper level of material provision;

- *state measures to make the environment healthy and ensure ecological welfare;*
- *responsibility of the state for its efficient activity in health care, with a focus on disease prevention;*
- *restructuring health care on the basis of a market economy;*
- *addressing the needs of the population for guaranteed amount of free medical care;*
- *ensuring health care financing within amounts which are adequate to its documented needs; and*
- *development of health care reform..*

USAID will continue to work closely with the MOH to assist them in achieving some of their health care goals. Much of what they hope to achieve is problematic given the current economic situation, but USAID can contribute to some of their goals, in such areas as primary care, health information systems, and finance reform.

3. Other International Donor Activities

Although numerous other international donors are involved in health care reform technical assistance, USAID is the largest bilateral donor organization. The next largest donor is the Canadian International Development Agency (CIDA). Technical assistance provided by CIDA has been in the areas of primary care, medical education, and health promotion. Much of their work has been devoted to adolescents. CIDA activities generally involve the organization of conferences and training seminars. CIDA usually works through rotating visiting advisors rather than onsite permanent advisors. The United Nations (UN) and the World Health Organization (WHO) play an advisory role to the GOU, particularly the MOH. The UN is implementing programs in reproductive health, HIV/AIDS, and youth projects. Though they do not have large budgets, the UN and WHO are quite influential in advising Ukraine on international standards and requirements.

The youth population of Ukraine is the target of several international donor programs including CIDA and UNICEF as well as numerous municipal projects. Youth are also a priority audience for the MOH and the Ministry of Education. Consequently, USAID's program activities do not contain separate elements explicitly designed address the specific needs of youth.

The European Union does not have any major projects on health care reform in Ukraine. Specific European countries, such as Germany, France, and Sweden, have initiated limited reform projects. USAID coordinates with all of these donors.

USAID and other organizations have also developed health programs in other transition countries that have proven to be very successful in improving health care to the population. Russia is carrying out an anti-smoking program and has supported the development of pilot Health Maintenance Organizations. Poland, Slovakia and other regional countries have produced national television documentaries and series on healthy lifestyle issues as well as implemented community based health care projects, referred to as "healthy communities." Khazakstan and Kyrgistan have experimented with primary care programs and various forms of health care finance. The preliminary results indicate that these programs are having a significant impact on the overall health, attitudes and behaviors of individuals. USAID/Kyiv will draw upon the lessons learned by and, to the extent reasonable, collaborate with these programs.

Linkages among environmental health, democracy/governance, and civil society is quite strong. Public opinion and social pressure for action is often galvanized around issues of exposures to potential hazards and the perceived health impacts. Overall, the Mission's focus on community-based approaches sponsored through its non-governmental organization (NGO) development, and local government development program resources provides an ideal opportunity to leverage greater impact and facilitate the sustainability of these health programs.

B. USAID Health Strategy Five Year Action Plan

Based upon the analysis of the Ukraine Health situation and opportunities to promote positive change, USAID/Kyiv has established an action plan for the next five years. The overall goal is to:

Improve quality of life and reduce morbidity.

Components include a more efficient health care delivery system, including primary care; health promotion; education and training; rational pharmaceutical management and health management information systems; improved financing; health policy change; advocacy; and environmental and occupational health.

The critical elements of a quality health care program for Ukraine are:

1. Health Care Delivery
2. Promotion of Healthy Lifestyles
3. Professional Education and Training
4. Reducing Environmental/Occupational Risk to Public Health
5. Financing
6. Legal/Policy Environment

Based both upon the general policy of the Bureau for Europe and the New Independent States and the practicality of establishing sustainable change in Ukraine, we anticipate that our approach to implementing a significant number of activities will employ the use of partnerships. The expansion of the current hospital partnership activity to cover a more comprehensive set of

health issues is indicative of the shift in implementation mechanisms envisioned in the health program.

1. Health Care Delivery

Over the next five years, USAID/Kyiv intends to build on our previous work and further demonstrate the value of primary care as the basic model which Ukraine should adopt to best serve the needs of the population. In simple terms, this means the growth of primary care clinics, combined with information campaigns concerning people's approach to their own health.

Health Care Delivery

- Service Delivery
  - ✓ Primary Care
- Improved Facilities Management
- Community-Based Approaches and Support
- Information-Data Access/Exchange

This model is a fundamental shift from traditional medicine as practiced in Ukraine, limiting the need for and expense of specialty and hospital care. Primary care practices can be expected to meet as much as 80-90 percent of the health care needs of ambulatory patients, reducing the burden of more expensive facility and specialist utilization. Focusing on primary health care will require simultaneous and mutually reinforcing changes in the organization, delivery, financing and management of care as well as in physicians' knowledge and skills, patients' knowledge and behavior and in the mechanisms used to measure and monitor performance.

The GOU and many local health leaders already have enthusiastically embraced the idea of primary care. The president has appointed a national working group to develop a plan for the implementation of primary care. In addition, many oblasts either have begun or plan to create a primary care based health system.

For consistency with international standards practiced in Europe, the Mission believes it appropriate that the Ukraine health care delivery program be based on the WHO definition of what constitutes primary care. WHO defines primary care as "... essential health care based on practical, scientifically sound and socially acceptable methods and technology made universally accessible to individuals and families in the community ... at a cost the community and country can afford...." Primary care encompasses a broad range of health care activities that contribute to health and promote linkages between the community and the health system. Primary care focuses upon promotion of good health practices and prevention of disease, with natural linkages to proper nutrition, safe water, basic sanitation, maternal and child care, including family planning, immunizations, education regarding important health issues, and treatment of common diseases and injuries.

In order to be effective, primary care expansion must be linked to health system restructuring to downsize or merge excess hospital capacity and retraining of affected medical staff. USAID will develop and/or roll out existing local reform sites for use as models for system restructuring and primary care enhancement.

Existing USAID projects will complement the new health focus on primary care and family medicine. Primary care is a natural progression for several of the existing earmark projects. A natural roll-out of the partnership program is a focus on the broader community through preventive medicine. Primary care for women is already evidenced in the existing USAID funded women's wellness clinics through the partnerships program. The breast cancer initiative will include interventions in primary health care clinics. Health care finance reform will refocus its activities to support change in policy and legislation regarding primary care activities.

Targets:

Year 1 Establish six primary care demonstration projects around Ukraine.

Train health care workers in family practice medicine by cross-training providers in family medicine curricula.

Integrate reproductive health activities in the areas of physician training, training of trainers for nurses and midwives, and health promotion into primary care clinics. Continue family-centered maternity care training. Develop, publish and distribute national guidelines on contraceptive use.

Incorporate in primary care facilities the results of health partnership activities in areas such as infection control and emergency care.

Continue to support health information system development by expansion of the surveillance system to Zhitomer.

Train physicians and pharmacists in rational pharmaceutical management, including vaccine procurement and supply management and adapt the formulary system to outpatient setting in primary care centers.

Continue women's preventive health programs in breast cancer screening and treatment, with expansion to cervical cancer screening.

Commence a project on violence, focusing on domestic violence, rape, trafficking, child abuse and neglect.

Identify environmental health issues of concern to the service community of the primary health care centers and link to qualified resources needed to respond appropriately to resolving exposure concerns.

Integrate Chornobyl childhood physical and mental health activities into the primary care setting.

Expand Health Information Systems (HIS) activities to include areas such as STDs/HIV and reproductive health.

Years 2 - 5 Expand primary care centers to 12 additional sites, including rural.

Through the partnership program, develop up to five "healthy communities", which would serve as examples of an integrated community-based approach to health, addressing such issues as elder care, substance abuse and mental health.

Create a mechanism in which to identify and fund local NGOs to provide specific health interventions, i.e., hospice care centers, HIV prevention.

2. Financing

Health care financing greatly affects all other aspects of health care, and these areas will be closely coordinated to ensure that systemic changes and policy recommendations in all areas reinforce each other. USAID will continue activities in health care financing in Ukraine in order to assist in the stabilization of government funding systems and introduce other mechanisms for garnering resources needed to support a functioning health care delivery system. Such other sources may include fee-for-service, industry/employer support, and health insurance.

COMPONENTS OF FINANCING

- Budget Planning for the National Health Care System
- Decentralized Budget Controls that support Community-Based Primary Care Centers
- Create Alternative Financing Opportunities (e.g., fund holding)
- Provide Realistic Operating Environment for Private Sector Health Care Providers

In the short- to medium-term, we acknowledge that funding of health care means largely GOU funding. To effectively plan and allocate resources to meet the health care demands of the community, health care policy makers and practitioners must know approximately how much financing will be available each year. The current Ukrainian situation, in which budget allocations have declined substantially each year, has had a tremendous destabilizing impact on the health system. Substantial improvement continues to be needed in the analytical and financial skills of health care policy makers. Such improvements require training on how to analyze health care revenues and expenditures and their cost-effectiveness as well as improvements to the health information systems within which to make knowledgeable decisions.

USAID will continue working with leading policy makers at both the national and local level on designing and implementing key health care system reforms. USAID will provide limited technical assistance to the MOH in the following areas: fostering the support of the MOH in allowing oblast authorities to undertake innovative approaches to health care financing reform, establishing a workable national health financing policy, supporting the decentralization of health care budgeting and changes that will allow effective health care management and decision-making at the local level, analysis of private expenditures (including informal payments) and the population's ability to pay for quality services and health insurance.

Additional effort will be made toward hospital and care service restructuring; accreditation of health care providers and institutions, training health care leaders to independently design and implement reforms; and planning the financing of the primary care model sites.

Targets:

Year 1 Establish an intergovernmental working group consisting of both oblast level and national level representatives to identify and address policy and legal issues confronting the health care sector in Ukraine. Among the possible issues to be considered are: decentralization of budget management, supporting oblasts in seeking opportunities to undertake alternative (demonstration) financing approaches to support primary care services, and development of a national financing strategy. As needed for each specific issue, the workgroup should have appropriate representation from other GOU organizations (e.g., the Minister of Finance, Minister of Economy, etc.).

Assist the MOH in development of fiscal analysis and budgeting projection skills.

Develop model health insurance projects.

Integrate the results of prior health care financing activities into the development and operation of the primary care health system demonstration sites.

Year 2-5 Progressively improved health care system financing budgets prepared by the GOU, using a more appropriate and transparent modeling and budgetary tools.

Complete a functional analysis of Ukraine health care system, analyzing and providing recommendations for restructuring of hospitals and staff (coordinated with primary care effort).

Public education campaign on health care financing needs to targeted groups.

Assist in issuance of a Presidential/MOH decree restructuring national and local health care functions and responsibilities

Establish, through MOH decree, standards for private health care practitioner and facility practice; Rada passage of law or issuance of tax administration ruling on tax status of private facilities (for and not for profit) and practice,

Refine and implement a broader health insurance system.

Develop and implement medical care quality assurance standards, accreditation and licensing enforcement systems.

3. Promotion of Healthy Lifestyles

USAID's planned program to reduce morbidity and mortality in Ukraine focuses on health rather than illness and on prevention rather than treatment. Selected unhealthy lifestyle choices which contribute to premature death in Ukraine will be addressed.

Healthy Lifestyles

- Provide Information on Benefits of Improved Lifestyles/Risks of Alternative Behaviors
- Establish Community-Based Education and Outreach Channels
- Integrate Promotion of Healthy Lifestyles in to Primary Care Centers

Promotion of behavioral change toward a more healthy life styles is an essential but difficult task. To date, the Ukrainian population has been exposed to few community education/awareness or behavior change interventions. Reaching the adult population would benefit each individual as well as improve the economic growth potential of the country through the stimulation of healthier and longer-lived adults with longer work lives demanding fewer health care resources for expensive tertiary care. However, this target group is more difficult to reach than youth since adult behavioral and psychological patterns are well established.

Illustrative of the specific areas in need of change or technical assistance in order to promote healthy lifestyles in Ukraine are: *alcohol and drug abuse, nutrition, smoking, exercise, sexually responsible behavior, violence against women and children, prenatal care, stress reduction and mental health*. Information and education campaign (IEC) products, including brochures, posters, television and radio announcements, will be developed to disseminate health message through primary care centers and health community outreach programs.

Targets:

Years 1 Integrate the promotion of healthy lifestyles as a priority of the community-based primary health care demonstration project sites by providing IEC/health education materials to clients and their families stressing easy to follow recommendations.

Develop professional education material to enhance counseling skills and increase the knowledge of family medicine practitioners and health professionals regarding healthy lifestyles and how to counsel patients on practicing preventive health.

YEAR 2 - 5 Roll-out promotional efforts to identify and increase attendance at six new primary care/family medicine sites.

Train NGOS and other community groups in advocacy and prevention measures. Focus to include developing IEC materials regarding smoking cessation, alcohol/drug abuse.

Expand activities to include new model sites, increased utilization of existing

sites, and expanded IEC efforts regarding healthy lifestyle issues

Expand prevention activities to a national level, using the success of the established primary care clinics to advocate for a national public awareness media campaign.

Provide relevant IEC approaches and materials to assist communities to address specific targeted issues which are identified by the population as problematic to that community.

4. Professional Education and Training

Professional Education and Training

- Continuing Education & Retraining
- Clinical Training

Although there is no formal assistance to academic institutions envisioned under the USAID health strategy, education and training are integral to all USAID health activities. Designated specialists will be intensively retrained in family practice medicine. Specialists will be cross trained in family medicine, including areas such prevention of infectious diseases, women's health, breast and cervical cancer screening, family centered maternity care, counseling, use of health information systems, and pharmaceutical management. Linkages will continue with other existing USAID health projects. There will be collateral assistance to post-graduate education programs in developing or improving their family medicine curricula and teaching methods, and expanding their clinical training efforts, using the model primary care centers as clinical training sites. Training will continue in restructuring financing and management of primary care sites and changing national and local policies/legislation.

5. Reducing Environmental/ Occupational Risk to the Public Health

Reduce Environmental/ Occupational Health Risks to the Public

- Environmental Health Information
- Collaboration between Health Authorities and Environmental Control Authorities
- Community Involvement

Although USAID has done substantial work in Ukraine with regard to environmental and occupational issues related to the protection of public health, only limited attention, thus far, has been given to linking the health impact from environmental or occupational exposures, and targeting specific responses accordingly. Premature disabilities from injuries, chronic illness, and/or depressed immune system responses are often related to exposure to contaminants in the water, air, land and food, or to hazards in the workplace. Under the health strategy, over the next five years, USAID will include programs related to the creation of systems to identify both acute and chronic incidents of exposure, improve data collection and management, work with local and national institutions to establish appropriate response systems, and establish appropriate risk communication programs to engage the public with issues of environmental health and occupational safety. We will work with Ukraine to identify

specific environmental health priorities, and develop appropriate programs. Identification of such priorities is a key element of the National Environmental Health Action Plan (NEHAP) being developed pursuant to guidelines of the WHO and the European Commission and involves both the MOH and the Ministry of Environmental Protection and Nuclear Safety (MEPNS). The MOH is early in the first stages of the development of the NEHAP, having begun working on the plan in late fall 1997.

USAID work in this area to date has focussed primarily on water and on support of the national environmental action plan (NEAP) in which MEPNS has already made significant progress.

Illustrative of the specific environmental areas in need of evaluation and possible technical assistance in Ukraine include protection of potable water supplies (both health-based standard compliance and watershed protection), pervasive environmental contaminants (e.g., lead, asbestos, pesticide residuals in food, etc.); occupational exposures and risks; toxic waste exposures pathways, air shed quality management, and indoor air pollution concerns.

Targets:

Year 1 Assess the environmental attribution to diminished levels of public health in Ukraine. Special emphasis should be given to the impact on children's health.

Complete work with the MOH and the MEPNS on the National Environmental Health Action Plan being undertaken pursuant to the Helsinki Charter. Emphasis should be placed on increasing attention to environmental epidemiology and toxicology to identify the specific linkages between improved health and better environmental stewardship.

Provide basic environmental and occupational health information to the primary care centers.

Target NGO and academic institutions for greater involvement on specific environmental health problems. Challenge grants might be utilized to help craft potential solutions to identified environmental health problems.

Year 2-5 Establish an environmental risk communication strategy and environmental risk assessment information network to identify specific areas where environmental triggers might be contributing to health problems.

Undertake specific environmental health and/or occupational safety/risk mitigation demonstration projects with a bias for work in areas served by community-based primary care service centers or other institutions with health information system and health monitoring capability.

Reinforce existing institutional structure for environmental health which will support better collaboration and exchange among local environmental health

agencies and improve the overall consistency of their response. This activity may involve national standards setting for occupational exposures, improved national, health-based environmental standards, and enforcement mechanisms.

6. Legal/Policy Environment

Generally, work in the legal and policy area will be integrated into other programs and budgets described above. Ukraine maintains numerous national laws which regulate everything from medical treatment to sanitary standards to staff reimbursement and working hours. The laws set the standards for the organization of the system as well as for the delivery of health care. Almost all of these laws were crafted based on the values and norms of the former Soviet Union health care system and need to be updated or revised (e.g. treatment protocols, budgeting and payment systems). In addition, new laws need to be drafted, adopted, and implemented (e.g. health insurance, private practice, accreditation standards).
While the MOH is working on a number of initiatives, the Ministry's effectiveness has been limited due to continued central control, lack of untrained staff and a high turnover within the Ministry (five ministers in the past five years). This has impaired Ukraine's ability to fully undertake needed policy efforts.

COMPONENTS OF LEGAL/POLICY ENVIRONMENT

- Relationships between various layers of Ukraine Government and the Private Sector
  - ✓ National Policy
  - ✓ Decentralization
- Environmental Health Management
- National Financing Policy
- Quality Assurance
  - ✓ Licencing
  - ✓ Accreditation
- Monitoring/Standards
- Oversight/Enforcement

In some cases, regional and local officials have taken preemptive action with regard to improving service delivery and may be on the leading edge of creating needed policy frameworks and/or regulations. For example, Lviv, Zhitomir, and Dnipropetrovsk have developed numerous primary care clinics; and Odessa, Dnipropetrovsk, and Uzgorod several self-financing and private clinics. USAID has actively worked with these local health care leaders and intends to continue to do so.

Over the next five years, USAID will work with the GOU, at all levels but particularly at local levels, to address existing health care system policies and laws, modifying or altering many systems and policies which no longer serve to better the health status of the population. Policy issues such as decentralization, health care financing and payment, quality assurance, and monitoring and standards will be addressed. Initial attention will be given to those policy and/or legal issues which are either necessary to empower local authorities to undertake innovative approaches toward health care reforms or directed to resolving barriers to such reforms. Assessment of policy needs and opportunities for real impact for reform will be conducted early-on for each activity. Policy advice or intervention work shall be focused and coordinated to

maximize the opportunity for results.

C. Responding to Opportunities of the Ukraine Transition

The full dynamic of Ukraine's transition to a post-Soviet democracy is difficult to fully predict. The preceding strategy and action plan discussions are based upon the shared experiences and base of knowledge of health professionals and others working for and with the USAID Mission in Kiev. As situations arise, the health program must be able to adjust to take advantage of such opportunities. Conversely, if the appropriate operating environment to make an impact does not materialize, shifts in direction to more productive activities or strategic areas must be made. Consequently, while this strategy sets forth a road map for a better Ukraine health program, the route ultimately chosen for arriving at that result may change as we find the clearest path to our objective.