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The review “Russian Economy. Trends and Outlooks” has been published by the Gaidar Institute since 1991. This is the 42th issue. This publication provides a detailed analysis of main trends in Russian economy, global trends in social and economic development. The paper contains 6 big sections that highlight different aspects of Russia’s economic development, which allow to monitor all angles of ongoing events over a prolonged period: global economic and political challenges and national responses, economic growth and economic crisis; the monetary and budget spheres; financial markets and institutions; the real sector; social sphere; institutional changes. The paper employs a huge mass of statistical data that forms the basis of original computation and numerous charts confirming the conclusions.

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5.8. 2020: Health care challenges in Russia in 2020¹

The coronavirus pandemic became the largest challenge for the domestic public health system. For the first time in modern history, healthcare organizers had to temporarily suspend the implementation of a major part of state guarantees ensuring free medical care to population, as well as practically all programs of health care strategic development. The extraordinary measures made it possible to avoid acute shortages of medical capacity for patients with COVID-19, however, at the same time reduced the availability of medical care for most other diseases.

As of the end of 2020, health care was going through a severe crisis shaped by an extremely high epidemic load, continuing constraints on the operation of medical organizations and the accumulated effects of previously existing restrictions. Mass dissatisfaction with health care activities in an emergency situation and the experience in direct government management of medical care gained during the pandemic, were the reason for further intensified discussion about a possible change of the health care model.

The amendments to the law on compulsory medical insurance (CMI) adopted at the end of the year may indicate the readiness of state regulators to return primarily to public health care, while the role of non-state actors to be limited to filling certain gaps in state medical and administrative structures.

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5.8.1. Pandemic impacts on public health

The key outcome of the pandemic was the deterioration of basic indicators of public health. Presumably, there will be a decline in life expectancy at birth at yearend for the first time in the last fifteen years with estimates varying from maintaining the level of the previous year (73.3 years¹) to a decrease by more than a year (up to 72.2 years²) or even more than two years according to independent experts (up to 71 years³).

Back in July, it was decided to postpone the timeline for achieving the national goal of increasing life expectancy at birth to 78 years to 2030 (previously planned for 2024).⁴ In November-December, the RF Ministry of Health presented for public discussion the first draft amendments to the state program “Health Development” containing a number of adjusted values of the target mortality rates for the current year (*Table 6*). It has to be emphasized that the actual lag behind the plan for most indicators with the exception of infant mortality began already in 2019, however, during the pandemic the situation sharply deteriorated. The mortality rates of the working-age population and mortality from diseases of the circulatory system in 2020 are highly likely to exceed the baseline levels shown before the start of the national project.

Table 6

Priority mortality targets

	2018	2019		2020	
	actual	plan	actual	plan	revision
Mortality of working-age population per 100 000 people	428.8	437	475.5	419	539.2
Mortality from diseases of circulatory system per 100 000 people	583.1	545	573.7	525	610
Mortality from neoplasms per 100 000 people	203.0	199.5	201.5	197	201.8
Infant mortality per 1000 born children	5.1	5.4	4.9	5.2	4.9

Sources: Conclusion of the Accounts Chamber of the Russian Federation on the outcome of an external audit of the implementation of the Federal Law “On the Federal Budget for 2019 and for the Planning Period 2020 and 2021” and Budget Accounting on the Execution of Federal Budget for 2019 at the Ministry of Health of the Russian Federation / Accounts Chamber, 2020. URL: <https://ach.gov.ru/upload/pdf/budget/%D0%9C%D0%98%D0%9D%D0%97%D0%94%D0%A0%D0%90%D0%92.pdf>; Draft Decree of the Government of the Russian Federation “On Amendments to the State Program of the Russian Federation” Development of Health Care “/ Federal portal of draft regulatory legal acts, 2020. URL: <https://regulation.gov.ru/projects#npa=110586>; Draft Decree of the Government of the Russian Federation “On Amendments to the State Program of the Russian Federation” Development of Health Care “/ Federal Portal of Draft Normative Legal Acts, 17.12.2020. URL: <https://regulation.gov.ru/projects#npa=111280>.

- 1 Draft unified government plan to achieve Russia’s national development goals for the period up to 2024 and for the planning period until 2030 / May Decree, 15.10.2020. URL: <https://t.me/maydecree/4504>
- 2 Draft Decree of the Government of the Russian Federation “On Amendments to the State Program of the Russian Federation” Development of Health Care “/ Federal Portal of Draft Normative Legal Acts, 17.12.2020. URL: <https://regulation.gov.ru/projects#npa=111280>
- 3 Alexey Raksha: “Rosпотребнадзор draws reports and does the self-assessment” / Business.Online, 07.12.2020. URL: <https://www.business-gazeta.ru/article/491270>
- 4 Executive Order of the President of the Russian Federation of 07.05.2018 No. 204 “On National Goals and Strategic Objectives for Development of the Russian Federation for the period up to 2024”; Decree of the President of the Russian Federation of July 21, 2020 No. 474 “On the National Development Goals of the Russian Federation for the period up to 2030”.

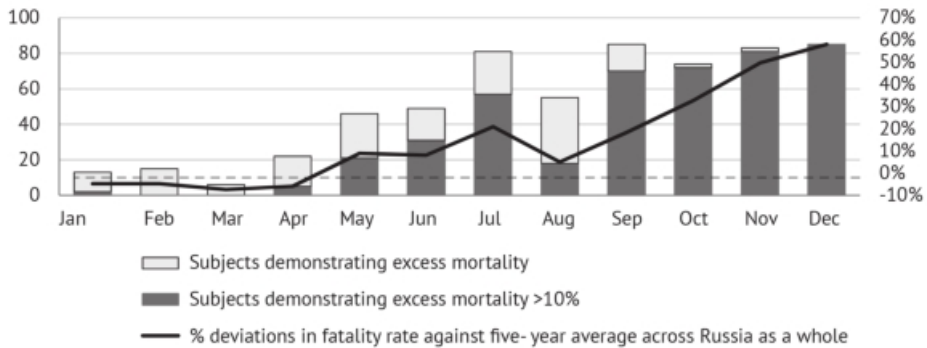


Fig. 37. Dynamics of excess mortality in Russia, 2020

Source: Rosstat

The pandemic of a new coronavirus infection and the resulting formal and informal restrictions on the availability of medical care in other areas were main drivers of excess mortality. The first months of 2020 showed a clear positive trend towards a decrease in mortality, which remained in most regions of the country until April and in some remote and sparsely populated regions until June.

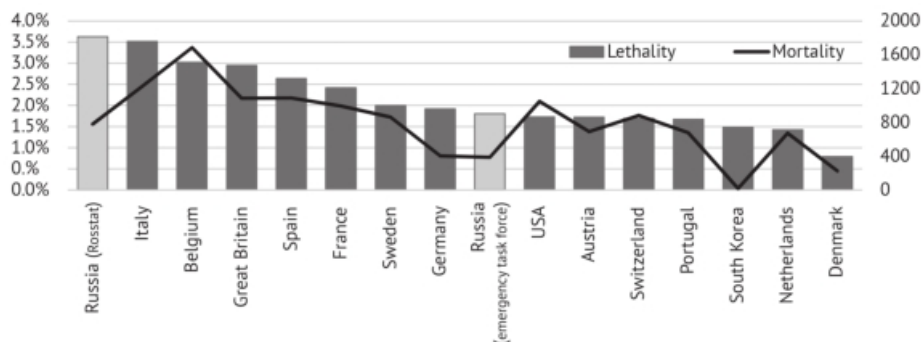
Only in July did negative trends spread to most of the country's territory, followed by a decline in August and a new increase in the fall-winter (Fig. 37).

According to the updated Rosstat data, 114.600 people died directly from COVID-19 in 2020 (primary cause of death) or in association with this disease (it significantly impacted on the development of fatal complications of another disease). The total number of deaths for the year exceeded the average five-year value by 274.000 cases (+ 14.8%).¹ The remaining 159.400 excess deaths can be explained both by errors in the coding of the death causes (in some regions of the Russian Federation, the share of deaths from COVID-19 and in connection with this disease is less than 10% in excess mortality) and increased mortality from other causes due to restrictions on obtaining planned medical care.

The first estimates of mortality and lethality from a new coronavirus infection in Russia, calculated based on the operational statistics, corresponded to the level of South Korea and leading Western countries (Austria, Germany). The Rosstat publication of detailed mortality data, rise in the fall-winter incidence rate and the expansion of testing in foreign countries resulted in a significant revision of Russia's position in the world (Fig. 38)

The most likely explanation for the excess mortality not related to COVID-19 is a decline in the availability of medical care in other areas caused by the transfer of resources to provide care for patients with a new coronavirus infection and the associated formal restrictions on provision of planned medical care in other

¹ Natural movement of the population across subjects of the Russian Federation in January-December 2020 / Rosstat, 10.02.2021. - URL: <https://rosstat.gov.ru/storage/mediabank/TwbjciZH/edn12-2020.html>



Note. The reported lethality and mortality rates may differ by country from the actual ones due to specifics of national approaches to diagnosing and registering of deaths from COVID-19.

Fig. 38. Mortality (per 1 mn people) and lethality from coronavirus infection (% of the number of registered cases) in Russia and foreign countries, 2020

Source: Data on cumulative cases and deaths: WHO Coronavirus Disease (COVID-19) Dashboard // WHO. 10 February 2020. URL: <https://covid19.who.int/>; Data on population size: United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2019. Online Edition. Rev. 1. URL: <https://population.un.org/wpp/Download/Standard/Population/>. Verified data on Russia: Natural movement of the population in the context of subjects of the Russian Federation in January-December 2020 / Rosstat, 10.02.2021. URL: <https://rosstat.gov.ru/storage/mediabank/TwbjciZH/edn12-2020.html>.

areas, as well as patients' reluctance to contact medical organizations during a pandemic seen as potential foci of infection.

A decline in the number of medical visits followed by a subsequent growth in the proportion of diseases detected at late stages and mortality from other causes are observed all over the world. Some experts confirm these effects in Russia. Thus, according to the chief freelance cardiologist of the Ministry of Health of Russia, the number of planned hospitalizations for cardiovascular diseases decreased by 20-50%, while late hospitalizations increased by 25%.¹ According to various estimates, in-hospital mortality from myocardial infarction increased by 1.5-2.5 times.²

Oncological care was a specific exception. According to Federal Compulsory Medical Insurance Fund, the scale of medical care for cancer patients increased by 35–40%.³ Nevertheless, it is possible to identify the pandemic negative impact even on this profile in the long term through late diagnosis of diseases due to overloading of the primary health care system or postponing treatment by the patient.

1 *Kalashnikov I.* Sergey Boitsov announced growth of late CVD hospitalizations by 25% / Medvestnik, 15.10.2020. URL: <https://medvestnik.ru/content/news/Sergei-Boicov-zayavil-o-rostе-sluchaeв-pozdnei-gospitalizacii-po-povodu-SSZ-na-25.html>

2 *Kobernik O.* Hospital mortality from myocardial infarction doubled // Medvestnik, 16.10.2020. URL: <https://medvestnik.ru/content/news/Gospitalnaya-letalnost-ot-infarkta-miokarda-uvеlichilas-vdvoe.html>

3 *Pogontseva E.* FCMI recorded an increase in the volume of assistance to cancer patients / Medvestnik, 27.11.2020. URL: <https://medvestnik.ru/content/news/FOMS-zafiksiroval-rost-obemov-pomoshi-onkopacientam.html>.

5.8.2. Pandemic impacts for health care

At the level of health care, a change in the structure of medical care was the main effect of the pandemic. The measures aimed to ensure the prioritized provision of medical care to patients with a new coronavirus infection (repurposing treatment facilities of other profiles and limiting provision of planned medical care) prevented a critical overload on the medical network, but ended in a decrease in both the current income of medical organizations and long-term investments in the industry.

The requirements to provide beds for treating a new coronavirus infection and the allocation of these beds, approved in March, (subsequently, norms were further revised upward) ¹ were the pivot point for transformation. A massive re-profiling of specialized departments and hospitals of other profiles for the needs of patients with COVID-19 started in April,² as well as the deployment of temporary stationary modules based on pre-fabricated structures³ and non-medical facilities,⁴ and construction of new infection centers started in some subjects of the Russian Federation.⁵

To release additional beds and prevent the emergence of infection foci in medical organizations, the subjects of the Russian Federation were recommended to suspend the impatient provision of routine medical care,⁶ which was later officially approved in most subjects of the Russian Federation by resolutions of chief sanitary doctors⁷, or governors' decrees.⁸

At the same time, medical examination of adults⁹ and children¹⁰ was suspended. Provision of emergency medical care and planned treatment for cancer, diseases

- 1 Letter of the Ministry of Health of the Russian Federation of 03.24.2020 No. 30-1 / 10 / 2-24 "On Minimum Requirements to Facilities and Premises Planned for Additional Infectious Beds to Treat Patients with COVID-19."
- 2 Resolution of the Government of the Russian Federation of 02.04.2020 No. 844-r "On Approval of Medical Organizations to be Redesigned to Provide Inpatient Medical Care to Patients with a Confirmed Diagnosis or Suspected Coronavirus Infection COVID-19." Resolution of the Government of the Russian Federation of 24.04.2020 No. 1131-r "On Approval of the Preliminary List of Medical Organizations to be Redesigned to Provide Inpatient Medical Care to Patients with a Confirmed Diagnosis of a New Coronavirus COVID-19 infection or Suspected of a New Coronavirus Infection COVID-19 according to a Special Instruction."
- 3 Temporary modules for coronavirus convalescents to be built in Moscow at 9 hospitals // TASS. April 17, 2020. URL: <https://tass.ru/moskva/8274113>
- 4 The temporary hospital at Lenexpo received the first patients with coronavirus // RIA Novosti. May 3, 2020 URL: <https://ria.ru/20200503/1570923096.html>; The authorities rejected temporary hospitals // Kommersant FM. July 7, 2020 URL: <https://www.kommersant.ru/doc/4406843>
- 5 Sobyenin opened a new infectious diseases hospital in Voronovsky built in a month // TASS. April 17, 2020 URL: <https://tass.ru/moskva/8273755>; The Ministry of Defense completed the construction of 16 multifunctional medical centers to combat coronavirus // TASS. May 15, 2020 URL: <https://tass.ru/ekonomika/8482955>
- 6 Order of the Ministry of Health of Russia dated March 16, 2020 No. 171 "On Temporary Procedure for Organizing Work to Prevent and Reduce Risks of the Spread of COVID-19."
- 7 Resolution of Chief State Sanitary Doctor for St. Petersburg dated 03.23.2020 No. 3 "On Additional Measures to Reduce Risks of the Spread of COVID-2019 in St. Petersburg."
- 8 Decree of the Governor of the Altai Krai dated 31/03/2020 No. 44 "On Particular Measures to Prevent the Import and Spread of a New Coronavirus Infection COVID-19."
- 9 Resolution of the Government of the Russian Federation of March 21, 2020 No. 710-r "On Temporary Suspension of the All-Russian Adults' Prophylactic Medical Examination in the Russian Federation."
- 10 Decree of the Government of the Russian Federation of 03.04.2020 No. 432 "On Specifics of Implementation of Basic Compulsory Medical Insurance Program amid Threat of Spreading

of the cardiovascular and endocrine systems, as well as renal replacement therapy, was not formally subject to restrictions, and the corresponding specialized departments were not intended to re-profiling¹, but in reality, both the Moscow and regional lists of re-profiled federal and private medical organizations included institutions providing care for cardiovascular and oncological diseases,² which indicates a reduction, at least, in the volume of high-tech medical care.

Early and large-scale preparation of health care has helped to avoid an acute shortage of beds for patients with COVID-19. By the time of the first peak in the incidence in May-June, specialized bed capacity for patients with a new coronavirus infection reached 184.000 with at least 35% remained in reserve.³ In some areas, the epidemic could have been more severe (in particular, in the Sverdlovsk region the occupation of infectious beds in mid-July was 81% , in Yekaterinburg it amounted to more than 90%⁴), but it remained far from the worst foreign scenarios (Lombardy, New York). In autumn, when the epidemic spread to most of the RF subjects, the situation became noticeably more complicated, but still was under control. The total number of beds for patients with a new coronavirus infection increased to 287.000 and their average occupancy up to 77%.⁵ The employment threshold of a specialized bed capacity constituting 90% in October was exceeded in 16 regions⁶; by November, their number dropped to six.⁷

Taking into consideration the obvious need to revise the structure of medical care during a pandemic, the question of acceptable scale of reduction in the volume of planned medical care remains controversial. Along with a decline in the availability of medical care and growth in mortality from other causes, the change in the structure of services became an additional factor in disruption of medical organizations.

Targeted funds allocated by the federal government and the RF subjects' authorities in connection with the pandemic did not compensate for the loss of income from provision of medical care in other fields. The suspension or slowdown

Diseases Caused by a New Coronavirus Infection.”

- 1 Decree of the Government of the Russian Federation of 03.04.2020 No. 432 “On Specifics of Implementation of Basic Compulsory Medical Insurance Program amid Threat of Spreading Diseases Caused by a New Coronavirus Infection.”
- 2 Resolution of the Government of the Russian Federation of 02.04.2020 No. 844-r “On Approval of Lists of Medical Organizations to be Redesigned to Provide Inpatient Medical Care to Patients with a Confirmed Diagnosis or Suspected Coronavirus Infection COVID-19.” Resolution of the Government of the Russian Federation of 24.04.2020 No. 1131-r “On Approval of Preliminary List of Medical Organizations to be Redesigned to Provide Inpatient Medical Care to Patients with a Confirmed Diagnosis of a New Coronavirus COVID-19 Infection or Suspected of a New Coronavirus Infection COVID-19 according to a special instruction.”
- 3 Information Center for Monitoring the Coronavirus Situation. Operational monitoring of the readiness of regional health systems for hospitalization of patients with pneumonia. URL: <https://xn--j1ab.xn--h1ae9a.xn--p1ai/>
- 4 The RF Presidential Envoy in UFO informed about the shortage of beds for patients with coronavirus in the Sverdlovsk Region // TASS. July 17, 2020 URL: <https://tass.ru/ural-news/8989555>
- 5 Information Center for Monitoring the Coronavirus Situation. Operational monitoring of the regional health systems readiness for hospitalization of patients with pneumonia. URL: <https://xn--j1ab.xn--h1ae9a.xn--p1ai/>
- 6 Meeting with Members of the Government / President of the Russian Federation, 28.10. - URL: <http://kremlin.ru/events/president/news/64293>
- 7 Tatiana Golikova named the regions with “the most critical situation” / RBC, November 24, 2020. URL: <https://www.rbc.ru/society/24/11/2020/5fbcc2009a7947f7be6e16be?>

in the implementation of most of the health care strategic development programs have further exacerbated the situation.

From a formal point of view, health care funding has increased in 2020. According to preliminary estimates, total government spending on health care increased by Rub 589 bn corresponding to 0.6% of GDP. Already next year, government spending is expected to decrease by Rub 162 bn or 0.3% of GDP. (Table 7).

Table 7

Government spending on health care, billions of Rubles

	2019	2020	2021	2022	2023
Federal budget	713	1265	1129	1135	1101
CMI budget	2187	2369	2545	2658	2798
Consolidated budgets of RF subjects	905	761	753	798	849
Total: RF consolidated budget	3805	4394	4428	4591	4748
Share in GDP, %	3,5	4,1	3,8	3,7	3,6

Note. There are projected values for 2020–2023.

Source: Alexander Sokolov. Money does not heal: where health care reform leads //Vedomosti, 15.10.2020. URL: <https://www.vedomosti.ru/society/articles/2020/10/14/843300-dengi-lechat>.

Most of the additional funding was allocated in connection with the pandemic and aimed at solving a relatively narrow list of tasks for organizing the treatment of patients with a new coronavirus infection: deploying and equipping a dedicated bed fund, purchasing personal protective equipment and testing systems, stimulating payments to medical workers.

The share of long-term investments (permanent intensive care beds, equipment for laboratory testing and radiological diagnostics) that can improve the quality and availability of medical care in the future, is relatively small in this flow of funds.

Another source of additional funds for the health care system was payment for medical care provided to patients with a new coronavirus infection. Since tariffs for such care were on average lower than service charges for specialized medical treatment, which were previously the main source of income for large hospitals, these receipts could not fully compensate for the lost income. For medical organizations operating under CMI program, these losses were compensated by the advance payment permit without taking into account the actual fulfillment of the planned volume of aid,¹ however, only partially. Funds received as part of such an advance can be used only for a limited set of mandatory payments: labor remuneration, payment of taxes and fees, payment of utilities and property maintenance. In December, this list was supplemented with expenses related to the fulfillment of obligations assumed under concluded civil law contracts, but in the amount of no more than 5% of fixed costs for the corresponding period.² The

1 RF Government Decree dated 03.08.2020 No. 1166 “On Amending Clause 1 of the Decree of the Government of the Russian Federation dated 03.04.2020 No. 432.”

2 Ibid.

balance of unused funds is subject to return to the budget of the corresponding territorial CMI fund.

Another potential source of income for public health care institutions, i.e. provision of paid medical services, also turned out to be practically inaccessible during periods of restrictions on provision of routine medical care or re-profiling of the institution. Consequently, state medical organizations were limited in independent spending for almost a year, and timing of their own investments' recovery is not known.

Private medical organizations were also affected during the quarantine period. In the subjects of the Russian Federation with the most severe restrictions (St. Petersburg, Tver region), their work was completely prohibited. With milder approaches, where medical care was allowed, patient flow tended to decline due to concerns about transmission of the virus in healthcare organizations, and the overhead costs for providing the required grade of security increased.

In April-June, revenues of private medical organizations decreased by an average of 40-50% compared to the same period last year. Non-state market actors approached the Government of the Russian Federation proposing to add health care to the list of industries most affected by COVID-19,¹ however, the respective provision was adopted only in relation to dental practice.² Nevertheless, large private actors were able to outlast the difficult period and recover in H 2. It is expected that due to the effect of deferred demand, the market will be able to maintain the volumes of the previous year or even show insignificant growth (up to 5%), which will continue next year as well.³

In the long term, the state of health care and its performance will also be affected by a delay or slowdown in the implementation of a number of development programs. In particular, regional programs for modernization of primary health care were postponed (starting from January 1, 2021⁴) as well as regional pilot projects for testing drug insurance mechanisms (launching is expected in 2021, however, exact dates and list of pilot territories have not yet been determined⁵).

The National Health Care Project has not been formally interrupted, but many measures involving large long-term investments (construction and reconstruction of new facilities, purchase of equipment) show a low standard of performance.⁶

1 *Virchenko K.* Private medicine asks the government to include it among the victims of the coronavirus // *Vedomosti*, 04/06/2020. URL: <https://www.vedomosti.ru/business/articles/2020/04/06/827201-chastnaya-meditsina-prosit-pravitelstvo..>

2 Decree of the Government of the Russian Federation of 03.04.2020 No. 434 "On Approval of the List of Sectors of the Russian Economy Most Affected in the context of a Deteriorating Situation due to Spread of a New Coronavirus Infection."

3 Private medicine is making good progress / *RBC +*, 12/17/2020. URL: https://spb.plus.rbc.ru/news/5fdb4b697a8aa99d7f985114; Daria Shubina, Olga Chesnokova, Sergey Galayants, Varvara Kolesnikova, Alla Kraeva. Top-200 private multidisciplinary clinics in Russia / Vademecum, 02.10. URL: https://vademec.ru/article/top200_chastnykh_mnogoprofilnykh_klinik_rossii/

4 *Manuilova A.* Modernization of a viral nature // *Kommersant*. April 16, 2020 No. 69. P. 2.

5 *Tatiana Golikova* spoke about the project relative to drug insurance system / *RIA Novosti*, 04/09/2020. URL: <https://ria.ru/20200904/golikova-1576789857.html>

6 Operational report on the execution of the federal budget for January-September 2020 / Accounts Chamber, 09.11. URL: <https://ach.gov.ru/audit/9-mon-2020>

In particular, only 31% of the funds allocated for purchasing equipment for cardiovascular centers was spent in the first nine months.¹

5.8.3. Consolidating the position of state in health care

Combatting the new coronavirus infection suspended for several months the preparation of the next package of strategic health care reforms, but in the fall of 2020, several important management innovations were approved at once. It has to be emphasized that principal adopted initiatives were developed in accordance with Instructions of the President of the Russian Federation with their deadlines of implementation completed in 2020. Most of the independent proposals of the CMI Fund and the Ministry of Health of Russia were not supported by other participants and remained outside the law.

The crucial event of the year in the health care legal regulation was the adoption of amendments to the CMI law, introducing the so-called federal segment of the basic CMI program, thus, a separate amount of funds covering medical care provided by federal medical organizations with distribution and control over spending maintained directly by the Federal CMI Fund.² With an insignificant volume of the federal segment (in 2021, 5.2% of the total funds allocated to finance the basic CMI program³), the new law creates a dangerous precedent for abandoning fundamental insurance principles. Proposed new rules for organizing the activities of the federal segment:

- abolish independent quality control and availability of medical care. The Federal CMI Fund becomes both the manager of funds and the sole controller of effective spending;
- restrict competition between health care organizations. Insured individuals lose the opportunity to choose between organizations of the federal and territorial segments, which will inevitably result in a decrease in the system's patient focus;
- identify federal medical organizations into an independent health care subsystem, making it difficult to coordinate the work of federal and regional institutions operating in the same territory.

None of the listed norms was necessary to solve the initial problem, i.e. to ensure a sufficient amount of funding for federal medical centers without prejudice to the implementation of territorial CMI programs. Respective inter-territorial calculations could be made based on the allocation of the federal segment of basic CMI program with the distribution of the respective volumes according to decisions of a specialized federal commission created under the Federal CMI Fund or the Ministry of Health of Russia involving all stakeholders and preserving

1 *Grosheva M.* Regions purchased only 30% of the medical equipment needed to combat CVD in 2020 / *Medvestnik*. 24.09.2020. URL: <https://medvestnik.ru/content/news/Regiony-zakupili-tolko-30-neobhodimogo-dlya-borby-s-SSZ-medoborudovaniya-v-2020-godu.html>

2 Federal Law dated 08.12.2020 No. 430 "On Amendments to the Federal Law "On Compulsory Health Insurance in the Russian Federation."

3 Bill No. 1027745-7 "On the Budget of Federal Compulsory Medical Insurance Fund for 2021 and for Planning Period of 2022 and 2023"/ System for Ensuring Legislative Activity, 30.09.2020 / URL: <https://sozd.duma.gov.ru/bill/1027745-7>

existing mechanisms for monitoring the quality and availability of medical care, protecting patients' rights by medical insurance organizations (MIO hereunder). In this situation, dismissal of non-state actors from federal segment can be viewed as a ready signal of state regulators to return the distributive system of healthcare financing. This trend is confirmed by other regulatory changes.

Along with exclusion of MIO from servicing the federal segment of CMI program, the amendments adopted to the CMI law deprived medical insurance organizations of the authority to conduct medical and economic control and reduced the standard of expenses to administer CMI to 0.8-1.1% (0.5-1% according to the initial draft which made it possible to set the standard obviously insufficient for profitable activity¹). At the same time, MIOs have finally lost the right to receive income from savings of CMI funds.²

A number of discussed but not yet taken measures assumed increased pressure on private medical organizations: transition to a declarative procedure for inclusion in the registers of medical organizations participating in the implementation of the territorial CMI program (as opposed to the notification procedure), abolition of a direct legislative ban on refusal to provide medical care, included in the program of state guarantees, transition to rigid patient routing assuming possible restrictions on seeking health care in medical institutions of other subjects of the Russian Federation and small private medical organizations (proposed by the draft of a new procedure for providing medical care for cancer).³

A provision prohibiting to charge for medical care provided in excess of the planned values approved by decision of the Commission for developing territorial CMI program has been in effect since last year, however, only this year there has been a change in judicial practice with regard to this issue. Medical organizations received massive denials of claims requesting payment for such assistance.⁴ Eventually, it is proposed to further tighten the requirements for private medical organizations, including the possibility of limiting the volume of their activities in the subject of the Russian Federation and involving them to provide state-guaranteed medical care in an emergency.⁵

Likewise, a top-down system continues to build-up. In November, the Government of the Russian Federation was authorized to establish a unified system of remuneration for employees of the state and municipal institutions,

- 1 *Grishina T.* MIOs diet prescribed to insurance companies // "Kommersant". - 2020. – No. 201/P.-S.
- 2 Order of RF Ministry of Health No. 1024n of September 25, 2020 "On Amendments to Rules of Compulsory Medical Insurance, approved by Order of RF Ministry of Health No. 108n of February 28, 2019, and a Standard Form of Contract on Financial Support of Compulsory Medical Insurance, approved by Order of the Ministry of Health and Social Development dated 09.09.2011 No. 1030n."
- 3 Passport of the draft departmental act "On Approval of the Procedure for Providing Medical Care to Adult Population with Cancer" / Federal portal of draft regulatory legal acts, 03.08.2020. URL: <https://regulation.gov.ru/projects?fbclid=IwAR3vuRjFFwI9L9FISMNHJmUDSMLkmXx9K4nddu8euQC4knyN2G3sr8MKjg#departments=11&StartDate=3.8.2020&EndDate=3.8.2020&npa=106759>
- 4 Clinics were deprived of the opportunity to receive CMI funds through the court for provided medical care/ Medvestnik, 14.09.2020. URL: <https://medvestnik.ru/content/news/U-klinik-otnyali-vozmojnost-dobyvat-sredstva-OMS-za-okazannuu-pomosh-cherez-sud.html>
- 5 *Galayants S.* Doctors of private clinics can be recruited to work in state medical institutions during epidemics / Vademecum, 18.06.2020. URL: <https://vademec.ru/news/2020/06/18/vrachey-chastnykh-kliniki-mogut-privlech-k-rabote-v-gosmeduchrezhdeniyakh-v-period-epidemiy/>

including for health care workers (Instruction of the President of the Russian Federation dated 02.10.2019).¹ Health care will be the first industry to introduce a unified salary system. It is envisaged to take it into effect in all subjects of the Russian Federation from January 1, 2022.² At the end of November, a bill was submitted to the State Duma establishing mandatory approval to appoint heads of health authorities in the subjects of the Russian Federation³ by the RF Ministry of Health (Instruction of the President of the Russian Federation of 02.09.2019).⁴

The new position of the Ministry of Health of the Russian Federation with regard to private market actors raises concerns of other state regulators. Instructions to strengthen control over respect for rights of private medical organizations and MIOs were expressed by the Federal Antimonopoly Service,⁵ the Federation Council⁶ and the President of the Russian Federation.⁷

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With a relatively successful pandemic experience, the state of national health care is inferior to the “pre-coronavirus” period in all key indicators. The recovery rate in the availability of medical care and public health will directly depend on timing of harnessing the spread of the virus. Today, the most likely scenario for the end of the epidemic within the country is the mass vaccination during 2021. The full recovery of health and provision of medical care indicators even under the most favorable scenario, may take several years.
