
The Formation, Characteristics, Development Trends and Problems of the Medical Insurance Services Market in Uzbekistan

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Abstract: In this article characteristic features of insurance system in Uzbekistan, particular medical insurance and its formation and peculiarities were discussed. Moreover, historical view of medical insurance in Uzbekistan and its development were noted.

Key words: strategy of action , leasing, financial institutions, insurance functions, social development, The health budget system, insurance package.

INTRODUCTION

Today, in the strategy of action on five priority areas of development of the Republic of Uzbekistan in 2017-2021, issues of improvement of the insurance market, development of the management system of insurance companies were discussed. In the III priority direction of the strategy of action "... the task is to expand the volume of insurance, leasing and other financial services to the account of the introduction and quality improvement of their new types, as well as to develop the stock market as an alternative source of capital attraction and placement of free resources of enterprises, financial institutions and the population"[1] . Insurance is a crucial element of an economic system. Its future development will unavoidably induce reforms of the entire economic system. Insurance implies that entities accumulate a portion of their assets and use them to recover losses from unfavorable weather conditions and other risks. There is no other sector like insurance where the State plays such a decisive role.

LITERARY ANALYSIS

The State performs insurance functions and oversees respective operations. Insurance is so sensitive due to its public importance. Any insurable event is often perceived as a catastrophe for the insured, thus giving rise to an insurable event in the national economy, and production chain gap. Entering into an insurance contract, the insured can recover its property status quite quickly, mend disrupted business relations ties for reproduction. Considering the global nature of insurance, reinsurance and globalized economic processes in particular, it is necessary to examine each functional part of the Uzbek economic system from global perspectives. Scholars conducted multiple studies into the role of insurance, including mutual insurance in economic and social development. Some researches determinethe position and functional role of mutual insurance in the modern insurance market[2].

In the conditions of a market economy, medical insurance is indeed an alternative to budgetary financing of this sector. The development of medical insurance arises from the need to bring additional funds to the health sector. In particular, in the case of the search for additional sources of financing of the health sector, one of the necessary conditions in ensuring the success of reforms in this area is the development of medical insurance. Even if medical expenses in individual cases do not occur often, in general their value can be quite large, as well as individual persons can not fully qualify for medical services without medical insurance. In the form of social protection of the population of Health Insurance, Health develops as an addition to the budgetary

system. The health budget system also performs its functions within a given period of time. In all developed countries of the world, great importance is attached to the state health system. The state assumes the main functions of the system of maintaining the health of the population.

To organize a fair and efficient system of health care, it is proposed to introduce such a mechanism of compulsory health insurance, which would provide for the use of three main insurance packages. Moreover, each insurance package must include a list of medical services that a patient can receive on a free and paid basis. In recent years, Uzbekistan has been implementing measures aimed at the phased introduction of a compulsory health insurance mechanism. No wonder. The availability of high-quality medical services to the population is an urgent problem not only for Uzbekistan, but also for other CIS countries, including the EAEU. This mechanism is already successfully operating in the Russian Federation, Kyrgyzstan and some other countries. The introduction of an effective mechanism of compulsory health insurance will create conditions for increasing the competitiveness of domestic human capital, create favorable opportunities for its reproduction, and therefore for sustainable development of the national economy in the long term. The government of the republic plans to introduce a compulsory health insurance mechanism in 2021. In order to radically reform the health financing system, it is planned to adopt a law on compulsory health insurance in 2020 and develop organizational measures for the implementation of the new system. As an experiment, this year it will start operating in the Syrdarya region. Currently, it is necessary to develop effective approaches to this mechanism. In our opinion, any medical institution operating in Uzbekistan is obliged to provide first emergency aid to the patient who applies, conduct an initial examination and give an appointment for further treatment, regardless of whether it is private or public[3]. At the same time, in a state institution, all services should be provided to him free of charge. In commercial institutions, they are paid only for an amount that exceeds the cost of guaranteed free medical services, including emergency ones.

RESULT AND DISCUSSION

Health insurance holds a crucial role in providing healthcare services and financial protection for individuals and families. The concept of health insurance can indeed be traced back to ancient times when mutual aid and assistance were practiced. However, modern health insurance as we know it today emerged in the late nineteenth century and has evolved significantly over time. An interesting historical academic aspect to consider is the development of health insurance in Germany. In the late nineteenth century, German Chancellor Otto von Bismarck introduced the pioneering social insurance program, known as the “Sickness Insurance Law” of 1883. This legislation marked the first government-led efforts to provide health insurance to the working class. The law mandated that certain workers contribute a portion of their wages to a sickness fund, while employers also made contributions. In return, these workers received medical coverage, sick pay, and access to healthcare services. This system laid the groundwork for the development of health insurance systems in other countries around the world. Returning to the United States, it’s fascinating to note that the roots of health insurance can be found in response to workplace accidents during the era of industrialization. Mutual benefit associations and fraternal organizations emerged in the late 1800s, offering financial aid to members during times of illness or injury. These early forms of health insurance relied on member contributions to cover medical expenses. The Franklin Health Assurance Company of Massachusetts holds the distinction of introducing the first official health insurance policy specifically covering injuries from train or steamboat accidents in 1850. This was followed by the establishment of other insurance companies that primarily focused on accident and injury coverage rather than general healthcare. Moving into the early twentieth century, the concept of employer-sponsored health insurance gained prominence. In 1929, a group of teachers in Texas created Blue Cross, a prepaid hospitalization plan that formed the foundation for modern health insurance. Blue Cross expanded nationwide, and in 1939, Blue Shield was created to cover physician services. Eventually, Blue Cross and Blue Shield merged to form the association we know today. Government involvement in healthcare took a significant step forward with the Social Security Act of 1935. This act laid the foundation for the introduction of Medicare and Medicaid in 1965, which provided healthcare

coverage for elderly individuals, low-income individuals, and those with disabilities. These programs aimed to ensure access to necessary medical services for vulnerable populations. Over time, various reforms have shaped the healthcare industry. The Health Maintenance Organization (HMO) Act of 1973, for example, promoted cost-effective healthcare delivery through HMOs. These organizations gained popularity as a response to rising healthcare costs. Managed care organizations, such as Health Maintenance Organizations (HMOs) and Preferred Provider Organizations (PPOs), became prominent in the healthcare industry during this period. In recent times, the Affordable Care Act (ACA), signed into law in 2010, aimed to increase access to health insurance and implement significant reforms in the industry. It introduced provisions such as guaranteed coverage for pre-existing conditions, the establishment of health insurance marketplaces, and subsidies to make coverage more affordable for individuals and families. Throughout history, health insurance has continuously evolved to meet changing needs and challenges in healthcare. Today, it remains a vital component of modern healthcare systems, offering financial protection and access to necessary medical services. As healthcare systems continue to evolve globally, understanding the complexities and implications of health insurance is vital for policymakers, healthcare providers, and patients. The objective of this literature review is to analyze and synthesize existing research on various aspects of health insurance, including its impact on access to care, cost containment, and quality of healthcare. Several Uzbek scientists have investigated health insurance perspectives in the Uzbekistan insurance market. The investigations carried out by Uzbek scientists on mandatory health insurance in Uzbekistan explore the challenges and opportunities associated with health insurance in the country. They offer valuable insights into the current state of the system and identify potential areas for improvement. The analysis of factors influencing the effectiveness of health insurance provides valuable information for policymaking and system enhancement. By analyzing health insurance schemes in the country, the researchers draw important lessons and provide recommendations to optimize their functioning and improve healthcare outcomes. The investigation into the role of health insurance in improving healthcare access in rural areas of Uzbekistan sheds light on the potential impact of insurance schemes on underserved populations. Furthermore, the examination of the implementation of public-private partnerships in health insurance assesses their effectiveness and discusses potential benefits and challenges. In summary, the scientific research conducted by Uzbek scholars on mandatory health insurance demonstrates their commitment to understanding and improving the healthcare insurance system in Uzbekistan. The research provides valuable insights that can serve as a basis for policy development and system reform to enhance healthcare outcomes for the entire population[4]. In Uzbekistan, also, Dr. Mukhammadjon Rasulov, a professor at the Tashkent Medical Academy, specializes in health economics and health insurance systems. His research examines the effectiveness and efficiency of health insurance schemes in Uzbekistan, as well as their impact on population health outcomes. Dr. Rasulov's work has published in various scientific journals and has informed policy decisions related to health insurance in Uzbekistan.

CONCLUSION

To sum up all given facts above it should be noted that Insurance services are one of the means of protecting the economy from all sorts of financial risks. However, such services in Uzbekistan's financial market have yet to attain significance. Over the past six months of this year, the volume of insurance premiums collected by the organizations in the sector grew 1.5 times compared to the same period last year. But in terms of per capita indicator, each person has had 50 thousand sums of insurance premiums. The share of this sector in the gross domestic product of our country reached only 0.4 percent. For comparison, this figure is 11 percent in South Korea, 6 percent in Germany, 1.5% in Russia. One of the causes of problems in the field is the low attractiveness of insurance services. Thus, for the past six months insurance premiums were collected in total for 887 billion soums, and insurance compensations reimbursed to customers for the same period amounted to only 11 percent of this amount. In the world, this figure averages 50-60 percent. In the current context of rapid globalization, the socio-economic role of the insurance market in

society is growing. Further development of the financial market in our country, expansion of coverage of clients with quality financial services, support of insurance activities, guaranteed and consistent implementation of protection of the interests of consumers in the sector are provided. Although the scientific work of economists of our country provides quantitative and qualitative indicators of the development of the insurance market, it is observed that the insurance relationship is not sufficiently studied as a whole through systematic research. In particular, insurance activity is a means of financing the damage (loss) that a person may suffer from insurance events such as work capacity, health, life, property, liability.

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