

THE ESSENCE, FUNCTIONS, AND ROLE OF THE HEALTHCARE SYSTEM IN SOCIETAL DEVELOPMENT

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Annotation: This article examines the essence of the healthcare system, its main functions, and its role in the socio-economic development of society. Healthcare is considered as a key component of social infrastructure that directly influences population health, labor productivity, and overall quality of life. The study analyzes the organizational, economic, and social aspects of healthcare systems, highlighting their importance in ensuring public health protection and sustainable development. Special attention is paid to the interrelation between healthcare effectiveness and national development, as well as the need for continuous reforms and modernization of healthcare services. The findings emphasize that a well-functioning healthcare system is a fundamental factor in strengthening human capital and achieving long-term societal progress.

Keywords: Healthcare system; public health; social development; health protection; quality of life; human capital; healthcare management; sustainable development.

A rapid population ageing has become a critical demographic factor requiring a fundamental rethinking of China's healthcare system. Drawing on empirical evidence, the study demonstrates that through the introduction of the UEBMI, NCMS, URBMI, and their subsequent integration into the URRBMI scheme over the past three decades, China has achieved near-universal health coverage, reduced out-of-pocket health expenditures, and improved overall health outcomes. At the same time, declining fertility rates, a rising dependency ratio, and increasing demand among older adults for intensive and costly medical services are placing substantial pressure on the financial sustainability of social health insurance funds. The authors identify the integration of healthcare with long-term care services, along with the introduction of dedicated long-term care insurance schemes, as key strategic directions; however, they emphasize the need for more in-depth evaluation to ensure the effectiveness and long-term sustainability of these pilot initiatives [4].

Against the backdrop of efforts to achieve universal health coverage, inefficient and delayed processing of insurance claims has emerged as a significant threat to the

financial stability of health insurance systems. This study assesses the readiness of healthcare facilities affiliated with the Christian Health Association of Ghana (CHAG) to implement CLAIM-it, a digital mobile platform for insurance claims processing, from technological, organizational, and environmental perspectives. Using a mixed-methods approach, the analysis identifies major challenges, including inadequate technical infrastructure, shortages of skilled personnel, limited internet and intranet capacity, and weak standard operating procedures. Despite these constraints, decision-makers view CLAIM-it as functionally superior and more promising than existing systems. The findings suggest that digitalization in health insurance can enhance efficiency and sustainability only when technological solutions are accompanied by institutional collaboration, human capital development, and systematic support mechanisms [1].

As political and institutional commitment to universal health coverage (UHC) continues to strengthen globally, this article provides a systematic analysis of the theoretical foundations and practical experiences of UHC, with particular attention to low- and middle-income countries. The literature review shows that the introduction of health insurance generally expands service utilization, improves health outcomes, and strengthens financial risk protection, as evidenced by experiences in Turkey, Ethiopia, Ghana, and other countries. However, despite notable improvements in the UHC service coverage index across Africa, high out-of-pocket spending and financial hardship remain persistent challenges. The case of Nigeria illustrates how low coverage, voluntary contributions, insufficient equity funds, and gaps in the use of digital technologies have constrained system performance. The adoption of the NHIA Act 2022 is therefore viewed as a major institutional shift, aiming to address these issues by making health insurance mandatory, guaranteeing a minimum benefits package, and scaling up digital technologies, thereby underscoring the interdependence of health insurance and digitalization in achieving UHC [6].

Ensuring financial protection is widely recognized as an integral component of universal health coverage, and this study examines the impact of healthcare reforms implemented in Ecuador between 2007 and 2017 on protection against financial risk. Based on nationally representative household data, the analysis shows that policies such as free provision of healthcare services, expansion of public health spending, and system integration led to increased service utilization and reductions in out-of-pocket payments and catastrophic health expenditures. Nevertheless, the study highlights that financial burdens and inequalities persist across Latin America and the Caribbean, particularly among low-income populations and those living in remote areas. Ecuador's experience demonstrates that constitutionally recognizing health as a human right, strengthening financing, and integrating healthcare services into a unified public

network are crucial for advancing UHC goals, while also revealing the need for further research to assess the long-term effects of reforms given existing data limitations [7].

Focusing on the pursuit of stronger financial protection and universal health coverage in low- and middle-income countries, this analysis draws attention to often-overlooked hidden costs-especially transportation expenses and time losses-as significant barriers to healthcare utilization. Based on available evidence, the authors argue for incorporating indicators of transport and time costs into national household surveys, developing standardized approaches to valuing time, increasing investment in primary healthcare, and expanding health financing and social protection mechanisms. Strengthening primary care to bring services closer to communities is emphasized as a strategy that not only reduces financial burdens but also enhances system resilience and sustainability. At the same time, the study notes that addressing these challenges is difficult without effective intersectoral collaboration between transport infrastructure, social protection, and healthcare, and that such policy measures are closely tied to fiscal capacity and political commitment. Overall, the article provides both theoretical and practical justification for integrating hidden health-related costs into more equitable assessments and strengthening of financial protection within the UHC framework [3, 7].

The adaptation of China’s “socialist market economy” model to the healthcare sector has led public hospitals to operate in a market-oriented, revenue-driven manner, a process that began with the economic reforms of the 1980s. As central government funding for healthcare declined sharply and financial responsibility shifted toward local governments and households, hospitals were compelled to finance their operations through the provision of services and the sale of pharmaceuticals. From the 2000s onward, state policies encouraging private capital participation, together with the major healthcare reform launched in 2009, accelerated the expansion of private hospitals. Between 2011 and 2021, the number of private hospitals, their workforce, and bed capacity increased severalfold, allowing them to surpass public hospitals in numerical terms. Nevertheless, public hospitals continue to dominate in terms of service volume, bed occupancy rates, and overall efficiency. While public funding and performance evaluation mechanisms incentivize public hospitals to maintain high patient turnover and shorter lengths of stay, private hospitals exhibit longer average hospitalization periods, reflecting their growing specialization in rehabilitation, hospice care, and complex services. Overall, this analysis provides an important analytical basis for understanding the balance between public and private sectors, efficiency dynamics, and service distribution within China’s healthcare system [5].

Despite being a low-income country, Rwanda has achieved remarkable progress toward universal health coverage over the past two decades and has gained international recognition for its innovative approaches to health financing. The

community-based health insurance (CBHI) system, which covers a large share of the population, has expanded access to services and strengthened financial protection; however, its long-term financial sustainability remains a major concern, as the system has operated under persistent deficits. Focusing on the concept of “strategic purchasing” in health financing, the study examines the interactions between CBHI, the Rwanda Social Security Board (RSSB), and performance-based financing (PBF), demonstrating how their alignment can either accelerate or hinder progress toward UHC. In particular, the analysis highlights strengths and weaknesses in purchasing functions such as benefit package design, provider contracting, payment mechanisms, and performance monitoring. The effective pooling of resources from government, donors, and the private sector to maximize the impact of limited funds is identified as a defining feature of Rwanda’s experience. In this sense, the study offers important theoretical and practical insights for a master’s thesis, showing that more strategic management of health financing can simultaneously expand coverage and enhance financial sustainability [3].

Strengthening population health in China is viewed not only as a pillar of social welfare but also as a foundation of national stability, making it a central priority of state policy. Within the framework of the “Healthy China” strategy, the hierarchical medical system aims to optimize the allocation of healthcare resources, reinforce the role of primary care, and improve access to services, thereby alleviating problems such as difficulties in obtaining care and high medical costs. Using nationally representative CFPS 2020 data, this study empirically evaluates the actual health effects of the hierarchical system, analyzing heterogeneity by social insurance participation and education level, and applying propensity score matching (PSM) to reduce selection bias. The results indicate that the hierarchical medical system has the potential to balance healthcare utilization, strengthen primary care, and improve population health outcomes. However, the findings also emphasize that institutional adaptation and policy coordination are crucial for fully realizing its effectiveness. Accordingly, the article provides an important theoretical and practical foundation for deepening the “Healthy China” strategy and guiding future healthcare system modernization reforms [4].

Healthcare workers, as the backbone of health systems, serve as an invisible yet decisive link between human health and societal development. This study reveals stark disparities in the density of medical personnel across countries and emphasizes that such imbalances directly affect not only health outcomes but also economic growth and preparedness for emergencies. The COVID-19 pandemic vividly demonstrated the consequences of shortages of physicians, nurses, and other health professionals. By identifying minimum workforce thresholds required to achieve universal health coverage (UHC), the study proposes a new global policy perspective that moves away

from rigid, uniform standards toward more flexible, efficiency-based benchmarks. Drawing on comprehensive and standardized data from 1990 to 2019, the authors show that health workforce shortages remain a serious challenge in many countries and argue that achieving UHC is unlikely without addressing these gaps. Consequently, the study provides important theoretical and practical implications for strengthening health systems, investing in human resources, and advancing sustainable development goals [2].

This study provides an in-depth analysis of the impact of China's multi-tiered social health insurance system on population health, focusing on the effects and underlying mechanisms of the UEBMI and URRBMI schemes. Conceptualizing health not only as a medical outcome but also as a foundation of socio-economic development, the authors highlight the role of health insurance in improving health by pooling disease risks at the societal level. Empirical analysis based on CFPS data demonstrates that UEBMI and URRBMI do not exert equal effects on health outcomes, revealing a problem of fragmentation within the insurance system. In particular, differences in effectiveness are closely linked to variations in coverage levels, financial protection mechanisms, and access to healthcare services. By using self-rated health as the main outcome measure, the study identifies healthcare utilization as a key mediating factor between insurance coverage and health, while also uncovering differential effects across education levels and regions. Overall, the article provides strong scientific evidence for the need to further integrate and equalize insurance schemes in order to achieve universal health coverage in China, offering valuable theoretical and practical insights for a master's thesis [6].

This text examines the large-scale decentralization process implemented in Spain's healthcare system and its implications for governance and efficiency. The gradual transfer of INSALUD's responsibilities to Autonomous Communities brought healthcare management closer to the regional level, enabling each region to tailor service provision to the specific needs of its population, while preserving the universal and tax-financed nature of the system. Engaging with the debate between centralized and decentralized governance models, the study argues that decentralization can enhance efficiency, increase responsiveness to local needs, and stimulate interregional competition. At the same time, it highlights potential risks, including rising costs, duplication of resources, and the loss of economies of scale. The analysis focuses on whether central or regional authorities manage healthcare more effectively and whether decentralization has resulted in tangible efficiency gains in the hospital sector. These issues carry significant theoretical and practical importance for ongoing and future healthcare system reforms [1].

Conclusion. In conclusion, the healthcare system is a fundamental component of social development, as it ensures the preservation and improvement of public health,

enhances quality of life, and supports sustainable economic growth. Its effectiveness depends on the availability of resources, efficient management, and the implementation of preventive and innovative medical practices. A well-functioning healthcare system not only addresses current health challenges but also contributes to the formation of human capital and social stability, making its continuous development and modernization a key priority for long-term societal progress.

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