

# POLITICS AS AN ELEMENT OF PUBLIC ADMINISTRATION IN THE FIELD OF DRUG SUPPLY IN UKRAINE

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## Abstract:

The formulation of the research task and related issues is due to the relevance of one of the most important problems of pharmacy management, namely, the problem of forming an effective, real and effective policy of drug supply to the population of Ukraine. As the current practice of implementing this policy shows, at present, there are significant difficulties in the country in the field of accessibility of medicines for the population, first of all, we are talking about affordability. The article presents arguments in favor of the fact that, despite the existence of industry legislation, numerous programs and concepts that are regularly updated, the policy of providing the population with medicines in Ukraine does not solve the tasks of providing the population of Ukraine with high-quality, effective and safe medicines and their rational use. At the same time, as the real situation with the provision of medicines to the population shows, the program-target method used in Ukraine does not make it possible to effectively implement the policy of pharmaceutical assistance, and therefore this approach requires revision. In this regard, the science and practice of public administration are faced with the task of revising the methodological foundations for the formation of a policy for providing the population with pharmaceutical assistance based on a marketing approach that creates conditions for the transition to a "real" policy of pharmaceutical assistance, to solve the problems of providing medicines to the population in the conditions of the COVID-19 pandemic.

**Keywords:** drug provision, policy, covid-19, program and target planning, marketing planning, model, public administration, public resource system.

## Introduction

Health is a fundamental human right. Access to medical care, which includes access to essential medicines, is one of the main prerequisites for the realization of this right. Essential medicines play a decisive role in many aspects of modern

healthcare. The availability of high-quality drugs, affordable at a price, and their rational use is undoubtedly the most important aspect of public administration, in connection with which the issues related to the development of appropriate state policy are being updated.

According to experts, the national drug policy is both a commitment to certain goals and a guide to action. It expresses and sets the order of priorities of medium - and long-term goals set by the government for the pharmaceutical industry, and identifies the main strategic ways to achieve them. The National Medicines Policy outlines the framework within which the pharmaceutical sector can be coordinated, including the activities of the public and private sectors, all the main participants in the pharmaceutical industry.

The national drug policy, presented and published in the form of an official government statement (declaration), is important because it is an official documentary confirmation of the goals, plans, decisions and obligations of state authorities. Without such a formal political document, there can be no general picture of what needs to be done. As a result, some measures taken by the government may contradict each other, since various goals and areas of responsibility are not clearly defined and understood (National drug policy, 2006: 15).

As stated in the Resolution of the Cabinet of Ministers of Ukraine "On approval of the State Strategy for the implementation of the state policy of providing the population with medicines for the period up to 2025", providing the population with medicines and the level of their availability is an integral component of the state policy in the field of healthcare, which is aimed at creating a patient-oriented system, as it is implemented in developed European countries. The state strategy is a system of actions, measures, regulatory legal acts, priorities defined in the healthcare system, aimed at solving a set of interrelated problems in the field of providing the population with high-quality, effective and safe medicines (Resolution of the Cabinet of Ministers of Ukraine, 2018a).

The problem of drug supply is becoming particularly relevant at the present time. In the context of the COVID-19 pandemic, the Ukrainian pharmaceutical care system must overcome the challenges associated with both responding to the epidemic and providing pharmaceutical care in new conditions. Despite the fact that the situation is quite difficult for Ukraine, nevertheless, the state needs to prevent any interruptions in the provision of

pharmaceutical assistance to the population, in providing the population with medicines.

In such conditions, it is especially important to consider the policy of providing the population of Ukraine with medicines from a critical point of view, indicating the possibilities of its further development.

### **The history of the Issue**

Analyzing the historical stages of administrative and legal support of pharmaceutical legal relations, we believe that it is advisable to consider this legal phenomenon not from ancient times, but from the moment of the emergence of systemic pharmaceutical activity, which led to the need for its legal regulation. Since the XVIII century, pharmacy institutions have been actively formed in Ukraine and their legal regulation is carried out. So, since 1609, the pharmacy ordination "Lekta digna", published in Lviv, was in effect, which describes the rights and obligations of pharmacists; 26.02.1611. King Sigismund III approved the charter of the Lviv pharmacy shop (perfume shop), which, in particular, defined responsibility and limited competition in the pharmacy business. In 1810, the first private pharmacy was opened in Kharkov by the pharmacist G. Wenzel. At the same time, in order to carry out official activities, the pharmacy had to be included in the "Russian Medical List". Permission for the opening was granted by the Minister of Internal Affairs after the pharmacist passed an exam at the Department of "Medical speech, Pharmacy and medical literature" at Kharkiv University. The activity of pharmacies was regulated by the Pharmacy Charter of 1789 (Strelchenko, 2019).

The above indicates that since the XVIII century in Ukraine there has been a systematic pharmaceutical activity, its legal regulation and state management of this sphere. Over time, the administrative and legal support of pharmaceutical legal relations has only expanded, and the issues of drug supply to the population of Ukraine and the development of appropriate policies have been in the focus of attention of the Ukrainian government since independence in 1991, although the foundations of the pharmaceutical supply policy were laid back in the USSR. Statistics

show that in the Soviet Union, Ukraine was in second place in terms of pharmaceutical production and produced about 30% and 800 names of medicines. Ukraine was a leader in the production of vitamins, antibiotics, antipyretics and anti-inflammatory drugs, some cardiovascular drugs, plant extracts, sterile bandages and first aid kits. However, since the middle of 1992, enterprises have felt an acute shortage of raw materials. The production of more than 50 names of vital medicines has stopped, the level of provision of which to medical institutions and the population has decreased to 35% (Chernykh, 2002).

In the future, the policy of drug supply to the population of Ukraine was based on a program-targeted approach, which involved the development of a plan and resource provision based on the goals of the state policy in the field of drug supply to the population in the further search and determination of effective ways and means to achieve them.

It was on this basis that a Comprehensive program for the development of the medical industry for 1997-2003 was developed, which was approved by the resolution of the Cabinet of Ministers of Ukraine No. 1538 of 18.12.1996 (Comprehensive program, 1996), which determined the development of medical equipment and the production of medicines. Thanks to the implementation of this program, pharmaceutical production is expanding in the state. So, if in 1992 about 800 names of medicines were produced, then in 2005 - more than 4000 (Khovpun, 2020).

In the future, the Cabinet of Ministers of Ukraine adopted the "State target scientific and technical program for the development of the latest technologies for the creation of domestic medicines to ensure human health protection and meet the needs of veterinary medicine for 2011-2015" (Scientific and technical program, 2011), the program for combating the

production and distribution of counterfeit medicines for 2003-2008 (The program, 2003), as well as the State Strategy for the implementation of the state policy of providing the population with medicines for the period up to 2025" (Resolution of the Cabinet of Ministers of Ukraine, 2018a).

On the basis of program-target planning, the Ministry of Health of Ukraine approved the Concept of Development of the pharmaceutical sector of the healthcare industry of Ukraine for 2011-2020, which identified promising areas and tasks of the pharmaceutical industry and was aimed at creating an appropriate regulatory framework regulating pharmaceutical activities, development of a national policy in the pharmaceutical field when determining social priorities in providing the population with medicines for affordable and effective pharmacotherapy and prevention of diseases of the population (The concept, 2010).

On October 19, 2017, the Law of Ukraine "On state financial guarantees of medical services for the population" (No. 2168-VIII of 19.10.2017) was adopted (The Law of Ukraine, 2017). With this new legislative act on healthcare financing, the government guarantees full payment for providing patients with the necessary healthcare services and providing medicines included in the package of medical guarantees at certain rates. As part of the reform of the healthcare system, the Government of Ukraine is taking measures to ensure fair access to essential medicines, vaccines and medical technologies with proven quality, safety and effectiveness for the population. At the same time, the level of availability of medicines in Ukraine is one of the lowest in Europe, ranging from 12 to 100%, depending on the category of the drug.

The average indicator of the availability of medicines at the category level in all regions was 80.10% (Table 1).

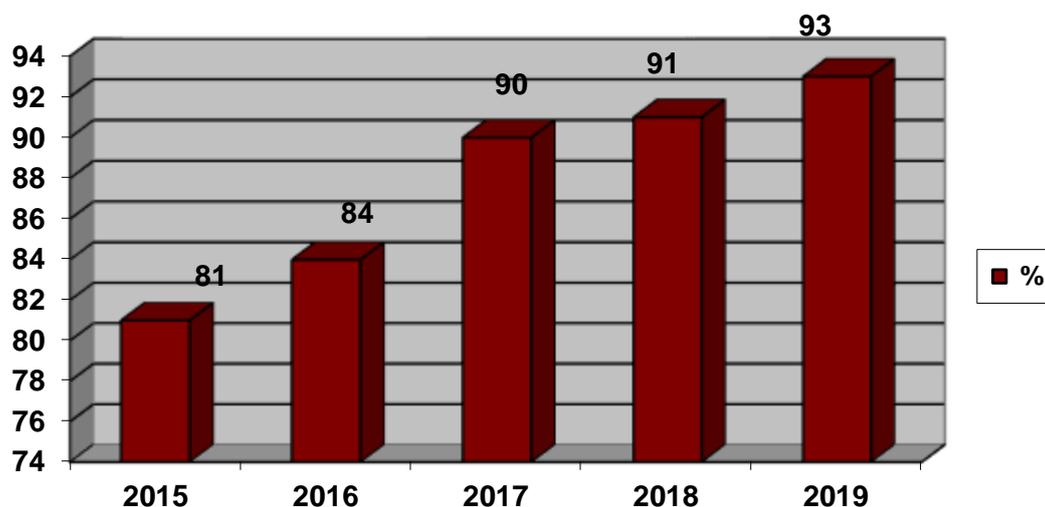
**Table 1.** Availability of medicines by category of medicinal product (Resolution of the Cabinet of Ministers of Ukraine, 2018b).

Category of the medicinal product	Availability of medicines	Number of establishments with available medicines
Angiotensin converting enzyme inhibitors	100.00%	81

(enalapril)		
Anti-allergic drugs (dexamethasone, prednisone)	100.00%	81
Basic painkillers (paracetamol)	100.00%	81
Diuretics (hydrochlorothiazide, spironolactone, furosemide)	100.00%	81
Calcium channel blocker (amlodipine)	98.77%	80
Gastrointestinal reflux (omeprazole)	98.77%	80
Nonsteroidal anti-inflammatory drugs (ibuprofen)	98.77%	80
Antiprotozoal drugs (flucanazole)	97.53%	79
Beta-2 agonist in the treatment of asthma (salbutamol)	95.06%	77
Betablockers (atenolol)	95.06%	77
Cephalosporins (ceftriaxone)	95.06%	77
Proticonvulsive agents (carbamazepine; magnesium sulfate trihexyphenidyl; sodium valproate)	93.83%	76
Hypothyroidism (levothyroxine)	91.36%	74
Biguanides (metformin)	90.12%	73
Cardiac glycoside (digoxin)	90.12%	73
Antithrombotic agents (acetylsalicylic acid)	87.65%	71
Antithrombotic agents (acetylsalicylic acid)	87.65%	71
Nitrates (isosorbide dinitrate; glyceryltrinitrate)	86.42%	70
Oxytocin	86.42%	70
Maternal and child health (folic acid)	85.19%	69
Antidepressants (paroxetine, amitriptyline)	80.25%	65
Sulfonylureas (gliclazide; glibenclamide)	80.25%	65
Oral rehydration salts	72.84%	59
Aminoglycosides (gentamicin)	71.60%	58
Statin (simvastatin)	71.60%	58
Contraceptives (levonorgestrel / ethinyl estradiol)	50.62%	41
Inhaled corticosteroids (beclomethasone; budesonide)	43.21%	35
Neuroleptic (chlorpromazine)	38.27%	31
Insulin	20.99%	17
Opioid (morphine)	12.35%	10

It should be noted that political instability and a sharp economic downturn, which currently characterize the situation in Ukraine, have led to a significant increase in the cost of medicines out of the pocket of patients. The WHO publication, which investigated the issue of financial protection of the population in Ukraine, since 2012, showed that medicines and inpatient services were the main factors of

expenses that were "catastrophic" for the population. According to the results of the survey of household budgets, the percentage of those who experience problems when purchasing medicines, when it is necessary to carry out unplanned exorbitant costs for the purchase of medicines, has significantly increased (Figure 1.)



**Figure 1.** Dynamics of the number of households that reported problems related to the purchase of medicines in Ukraine (compiled by the author according to Resolution of the Cabinet of Ministers of Ukraine (2018b)).

In addition, according to the results of a household survey, 22.6% of citizens who needed to purchase medicines could not do so, mainly due to price inaccessibility (Resolution of the Cabinet of Ministers of Ukraine, 2018b).

Thus, despite the existence of sectoral legislation and numerous programs and concepts that are regularly updated, the policy of providing the population with medicines in Ukraine does not solve the tasks of providing the population of Ukraine with high-quality, effective and safe medicines and their rational use (Resolution of the Cabinet of Ministers of Ukraine, 2018a), creating conditions for improving health, increasing the duration and quality of life of the entire population of Ukraine (The concept, 2010).

At the same time, as the real situation with the provision of medicines to the population shows, the program-target method used in Ukraine (in

order to justify the volume of drug provision, needs for medicines, approaches to budget cost allocation, pricing, etc.) does not make it possible to effectively implement the policy of pharmaceutical assistance, and therefore this approach requires revision.

## Discussion

The study of scientific literature has shown that there are different approaches to the problem of using the methodology of program-target planning in world science.

In the Ukrainian scientific world, this methodology is considered as based from the point of view of the possibilities of policy formation in a particular sphere of public administration (Akulyushin, 2016; Steblyanko, 2015; Teplitskaya, 2013).

Western researchers (Pollitt, 2017; Denhardt, Denhardt & Blanc, 2014; Wholey, Hatry & Newcomer, 2015; Jay & Hyde, 2012) are not so united in their assessment of this approach. They note that the methodology of program-target planning has significant shortcomings that could not be corrected during the long period of its use.

Summarizing the opinions of critics of the methodology of program-target planning, it can be stated that their statements are constructive, since the program-target planning method really looks quite attractive, since it allows to structure problems to a large extent and outline ways to solve them, but it has a number of significant drawbacks:

1. Methodological incompleteness. To date, there are no clear, well-established definitions for a wide range of conceptual provisions for the development and implementation of integrated programs, there is no unified point of view of researchers on the fundamental concepts of program-target planning and management, the ratio of the plan and the target integrated program. As a result, it is necessary to adapt program methods to already existing methods of planning and management. All this significantly limits the scope of the application of the program-target approach, which is most effective for solving well-studied problems, since it is relatively easy for them to conduct a study according to the scheme "goal – system of measures – management system".

2. Program-target planning is mainly used to improve existing management systems, and not to solve new problems. This situation is also related to the lack of a scientific base on this issue. When creating new management systems, program managers prefer to use the old proven methods to reduce the risk. However, this is not always the optimal approach, which does not benefit the program being created.

3. The "irrelevance" of the planning information base. As a rule, program – target planning is based on the prerequisites used in the development of previous plans, as a result of which these programs become obsolete already at the creation stage.

4. Insufficient efficiency. Sometimes, many years pass from the moment of the appearance of a problem to the moment of the

implementation of a program to solve it, during which society is irreparably damaged by ignoring the problem. For example, the problem of environmental protection was hushed up for decades, until finally special programs were created. Sooner or later, problems still "come to the surface", but it is obvious that the sooner a particular problem is detected and solved, the more damage will be prevented.

All of the above is suggestive, which can be summarized in the form of conclusions:

- due to objective circumstances, program-target planning is not able to solve the problems associated with the development of an effective drug supply policy for the population of Ukraine;

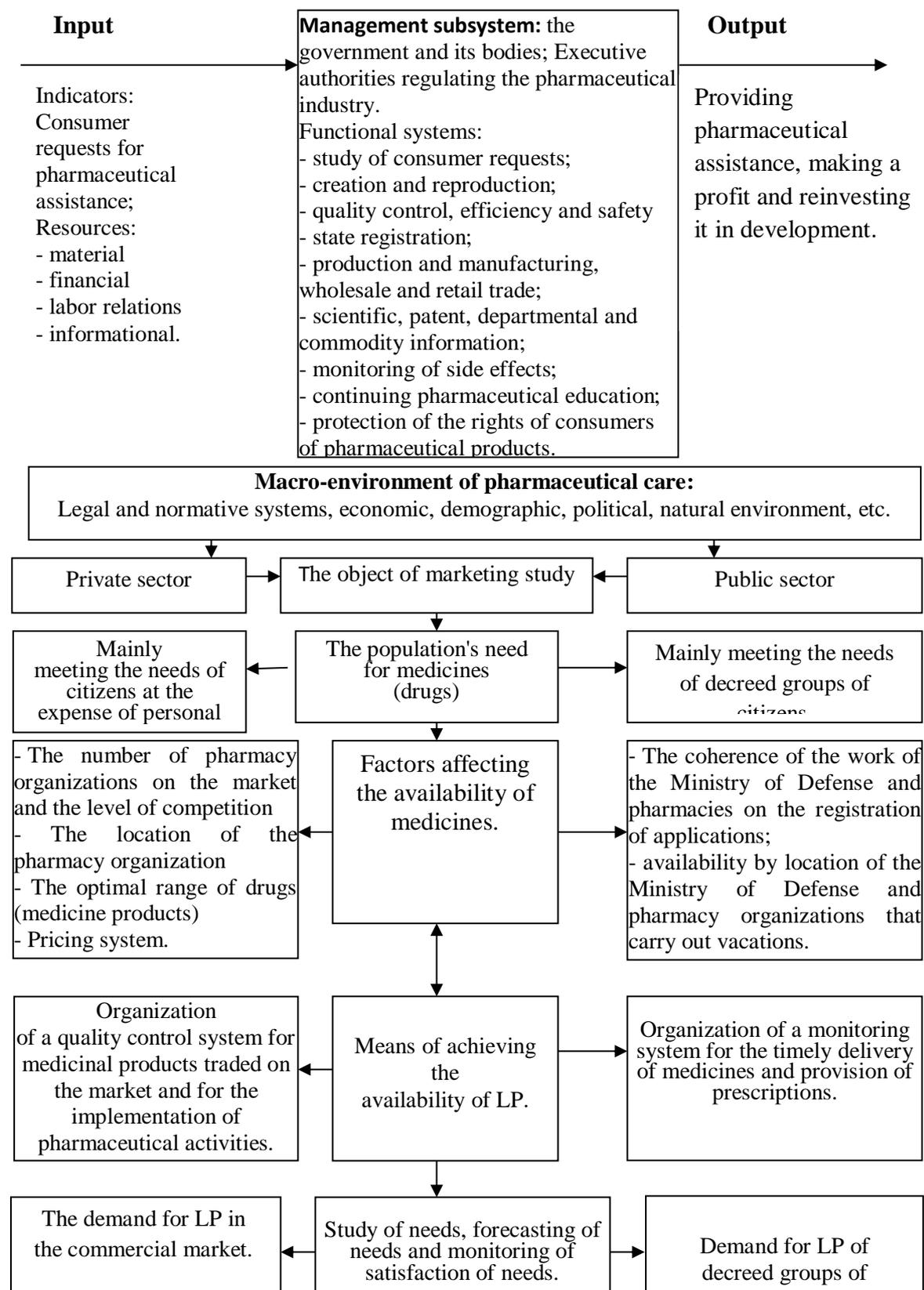
- at present, especially in the context of the COVID-19 pandemic, conditions are being formed for other approaches to the formation of a drug supply policy that will give this policy the necessary "flexibility", as well as make it possible to quickly solve the problems that have arisen based on the goals of this policy.

The solution to these problems is seen in the use of a marketing campaign in the process of providing the population with medicines and developing an appropriate policy.

This policy is based on the provisions that ensure the provision of pharmaceutical assistance, the level of which is determined by modern achievements of strategic management and marketing, including in the field of management of the pharmaceutical industry (Brown & Grundy, 2011; Cook, 2021; Ly, 2013).

The model of the long-term policy of providing the population with medicines proposed by the authors of this article is presented in Figure 2.

This model differs from the model of program-targeted planning in its "reality" from the point of view of the information bases of planning (marketing information), which makes the policy of providing medicines realistic and effective through the use of marketing planning tools (Table. 2), which is especially important in the context of the COVID-19 pandemic.



**Figure 2.** Recommended model of Ukraine's drug supply policy based on the use of marketing approaches.

**Table 2.** Fundamental differences between the marketing policy and the policy of program-targeted planning in the framework of solving the problems of drug supply to the population of Ukraine (compiled by the author).

<b>Program-target approach</b>	<b>Marketing approach</b>
Associated with medical organizations.	They are connected with consumers of pharmaceutical goods and services.
Performs the exchange of social guarantees for LP by decreed groups of citizens.	Performs the exchange of funds of the population
Purpose: to provide citizens with guaranteed medical care and at the same time to achieve profitability of the enterprise.	Goal: to ensure maximum profit and competitive advantages in the pharmaceutical market
It is provided with a guaranteed receipt of funds from the state and the MHI funds.	It is provided due to the growth of the population's solvency.
The main factors affecting the volume of consumption are the need of the population to provide guarantees to citizens for receiving medical care and the incidence of socially significant diseases.	The main factors affecting the volume of consumption are medical and demographic indicators of the state of health and income of the population.
The main factors affecting the volume of consumption are medical and demographic indicators of the state of health and income of the population.	It is focused on providing various segments of the population, including profitable market segments.
Advantages: state property and related benefits of lease payments. Stability of the flow of money and commodity masses.	Advantages: economic independence, the ability to improve the level of services provided, vary pricing and the range of non-medicinal products.

In the transition to this model, the policy of the executive authorities focuses not on the formation of "abstract" current plans, but on the creation of a holistic long-term policy using data obtained as a result of marketing research, which allows us to accurately and objectively assess the needs of the population in drug provision and form plans based on the data obtained, taking into account the real capabilities of the domestic pharmaceutical sector.

The result of the implementation of this model of ensuring the policy of providing the population of Ukraine with medicines should be the achievement of maximum availability of

medicinal care to the population when receiving all types of medical care.

### **Conclusion**

Thus, the current situation with the provision of medicines to the population of Ukraine depends on the methodological foundations of the formation of an appropriate pill. Currently, this policy is based on the methodology of program-targeted planning, which, due to its inherent limitations, cannot solve the strategic task of providing the population of Ukraine with high – quality, effective and safe medicines and their rational use, creating conditions for improving health, increasing the

duration and quality of life of the entire population of Ukraine.

In this regard, the science and practice of public administration is faced with the task of revising the methodological foundations for the formation of a policy for providing the population with pharmaceutical assistance based on a marketing approach that creates conditions for the transition to a "real" policy of pharmaceutical assistance, to solve the problems of providing medicines to the population in the conditions of the COVID-19 pandemic.

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