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# FORMATION OF STRATEGIC DEVELOPMENT MODELS OF UKRAINE'S HEALTH CARE SYSTEM

The article presents the features of different approaches to strategic planning of the health care system and suggests ways to address this issue.

The development of the health care system contributes to the development of the state, its economic development, the growth of human capital, and at the same time the strengthening of social and political stability in the state. When formulating goals and objectives, it is necessary to pay attention to the current state of affairs. The European Regional Office of the World Health Organization characterizes the current state of health of the Ukrainian nation with a low level of life expectancy, extremely high rates of morbidity and mortality, lack of opportunity for Ukrainian citizens to receive adequate medical care. Financial, managerial, structural, personnel, economic, organizational, legal, and other mistakes prevent the full use of human capital and a set of social and economic measures that in one way or another contribute to achieving high health and increasing the quality of life of the Ukrainian people.

There is a need to shape the priority of health in society as a decisive factor in the successful development of the country and to define in law as the responsibility and direct duty of everycitizen.

*Key words:* strategic management; health care system; planning; strategic models; strategic goals; health care functions; comparative analysis.

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## ФОРМУВАННЯ МОДЕЛЕЙ СТРАТЕГІЧНОГО РОЗВИТКУ СИСТЕМИ ОХОРОНИ ЗДОРОВ'Я УКРАЇНИ

Система охорони здоров'я України знаходиться у доволі складному стані, що  $\varepsilon$  підставою для пошуку нових підходів до стратегічного управління в охороні здоров'я України.

Стратегічне планування становить суть сучасного управління та реалізується через тактичні рішення, що складаються з управлінських та оперативних рішень, про що і буде вестись мова. Управлінські рішення стосуються управління розподілом ресурсів, які необхідні для виконання завдання, а оперативні рішення — для використання ресурсів при виконанні конкретних дій.

Виходячи з того, що брак системності та комплексності у здійсненні підходів до стратегічного управління в системі охорони здоров'я, висвітлення питань вдосконалення державного регулювання стратегічного управління охорони здоров'я зумовлює потребу в подальшому дослідженні цього питання, розробці методологічного забезпечення, актуалізує практичне й наукове значення дослідження.

У роботі представлені особливості підходів стратегічного планування в системі охорони здоров'я та пропонуються нові напрями рішення цього питання.

Розвиток охорони здоров'я сприяє розвитку держави у цілому, зростанню людського капіталу, економічному розвитку, а також зміцненню політичної і соціальної стабільності в державі. Європейське регіональне бюро Всесвітньої організації охорони здоров'я характеризує сучасний стан здоров'я в Україні вкрай високими показниками захворюваності та смертності, низьким рівнем тривалості життя, відсутністю можливості повною мірою отримувати громадянами належну медичну допомогу. Фінансові, структурні, управлінські, кадрові, організаційні, економічні, правові, та інші помилки не дають повною мірою реалізовувати людський капітал та проводити комплекс економічних і соціальних заходів, які сприяли б досягненню належного рівня здоров'я і збільшенню тривалості якісного життя.

Давно назріла потреба сформувати в суспільстві пріоритет здоров'я як визначального фактору успішного розвитку країни.

*Ключові слова*: стратегічне управління; функції охорони здоров'я; система охорони здоров'я; планування; стратегічні цілі; стратегічні моделі; порівняльний аналіз.

**Problem statement and relevance.** Addressing public health requires a combination of efforts, systemic approaches aimed at improving health and quality of life throughout life. Today, almost the only way to solve health problems is a strategically oriented public policy, the main task of which is to make human health a priority of the state. And the main idea of such a policy should be to ensure civilizational progress on the basis of human-centeredness and national security.

The health strategy must be in line with society's desire to achieve health well-being. Medical facilities operate in a unique environment in which the balance between public and personal interests is very unstable. Medical strategists, therefore, should not only blindly perform their tasks, ignoring how their decisions will affect the cost and quality of treatment, as well as its availability to the public. Thus, a cooperation strategy is more likely than a competition to be more promising to meet the needs of local communities. The role of the leader is not only related to the initiation of strategic planning, but also to the implementation, integration and evaluation of this process.

Thus, we see that the essence of strategic planning is the ability to correctly determine the future of the organization to achieve the state to which we strive to make the organization the way we want to see it in the future.

Analysis of recent research and publications. The strategy for the development of health care should have the means, incentives, methods to develop the relevant area, transforming it into a comprehensive system of alternative and innovative solutions for the implementation of functions and ensuring the optimal allocation of resources.

The implementation of the strategy should create appropriate conditions for ensuring the health of the population, affordable medicine, which will be implemented on the principles of the rule of law and equality of citizens. State regulation of the strategic development of the health care system is a scientific achievement of a number of leading domestic scientists.

A significant contribution to the general theory and methodology of strategic development of the health care system of Ukraine was made by domestic researchers M. Bilynska, Y. Voronenko, M. Golubchykov, V. Knyazevych, V. Lazoryshynets, G. Slabky, II Yakovenko and others. Some issues of creating organizational, legal, economic and institutional conditions for improving the state regulation of strategic development of health care in Ukraine have been studied by such Ukrainian scientists as Z. Gladun, M. Koretsky, T. Koropetska, M. Martyniuk, V. Sychenko and others.

However, the lack of system and complexity in the formation of approaches to strategic management in health care, coverage of issues of improving state regulation of strategic development of health care in Ukraine necessitates further study of this issue, development of modern methodological support, actualizes scientific and practical significance of our research.

The purpose of the work is to analyze the approaches and substantiate the functional and organizational model of scientific support of strategic planning in health care in Ukraine.

The objectives of the work are to reveal the components of the management strategy in health care; analysis of approaches to identifying and evaluating health functions; disclosure of approaches to the analysis of factors of influence and assessment of health care functions.

**Presenting main material.** Today, the health care system of Ukraine is in an extremely difficult state, and therefore it is time for new approaches to strategic management in the health care system.

Strategic plans are the essence of management tactics and are implemented through tactical decisions that include management and operational decisions, which will be discussed later. Management decisions relate to the allocation of resources to perform a task, and operational - the use of resources to perform specific actions.

Analyzing the business environment helps to identify the factors that affect health care. Factors are divided into internal and external. Internal factors determine the strengths and weaknesses of health care providers. External factors cannot be controlled by the entity, they either open up new opportunities for development or create threats that need to be managed. The analysis helps to understand the current state of health care, helps to identify possible trends and actions needed to achieve the goals.

It is recommended to use widely used strategic models for consistent and thorough analysis. For example, the analysis of internal factors using the Porter value chain model [1]. This model identifies the strengths and weaknesses of internal health processes, and identifies activities that increase efficiency.

It is recommended to analyze the competitive environment using the Porter's five forces model [2]. The study of external factors and market trends is proposed to be based on the analysis of PESTEL [3].

The analysis of external factors is important, when it focuses on identifying weaknesses and risks and identifying areas that should be developed. This requires a high level of objectivity and professionalism on the part of those who perform such analysis. In terms of resources, the analysis can often be performed by external experts, employees of the strategy department. [4].

An important aspect of the analysis is to identify and evaluate health care functions that create value for Ukrainian citizens - owners and consumers. Creating value in modern conditions is an increase in economic, social and other benefits. Activities that do not increase value should be discontinued. The rest of the functions must be implemented with maximum efficiency. It is recommended to look for alternative and innovative solutions for the implementation of the function and ensure optimal allocation of resources. The essence of efficiency maximization is to find competitive advantages in every aspect of health care functions. The set of all activities that increase value is called the value chain.

It is important to note that even if most of the functional units of health functions are effective, the inefficiency of at least one part of the process can usually lead to a negative outcome for the enterprise as a whole. This effect is called the bottleneck effect [5].

The analysis of internal factors is important both for individual organizations in the health care system operating in a competitive environment, and for natural monopolies or economic entities that provide social (non-commercial) services, as it contributes to the effectiveness of activities.

Porter's recommended value chain helps management analyze specific actions, increase efficiency, and provide competitive advantage. Porter's value chain is an organizational model of how health care works, which includes the most common business functions.

Porter's model and other models can help management to characterize the functions performed by the entity and to appoint responsible persons. Once the role and importance of each activity has been established, the strengths and weaknesses of health care can be identified.

Activities that are critical and effective need to be strengthened. It is recommended to improve extremely important but inefficient activities, and to stop unnecessary activities.

It is necessary to conduct a comparative analysis of the above activities and their effectiveness: comparisons in competitive markets should be made within the country, and comparisons with similar foreign ones. Such a comparison provides an objective assessment of the effectiveness of current activities, identifies possible ways to improve efficiency and can help identify competitive weaknesses and / or strengths.

After conducting an internal analysis, it is necessary to assess the company's position in the market. Competitive advantages are assessed not only from the standpoint of the enterprise itself - the analysis should also take into account how this enterprise is evaluated by other market participants: consumers, suppliers, companies producing alternative products or services, existing and potential competitors.

Such market participants are well defined in Porter's Five Forces model. This model is often used to assess competition and formulate business development strategies.

Based on the analysis of external factors, the manager must assess the factors influencing the company or industry. It is recommended to group macroeconomic and sectoral external factors according to the PESTEL model: political, economic, social, technological, environmental and legal factors. By identifying the most important changes that occur at the time of analysis or may occur in the future, management can assess their potential impact on health care activities.

The PESTEL model described above does not provide answers to specific questions, but helps to assess the environment in which the entity operates in strategic and structured aspects, and to focus on the most important factors. activities may require the identification and analysis of additional factors. It is necessary to assess not only the current situation, but also past dynamics and possible changes in external factors in the future.

We also offer Minzberg's 5P strategy, a model that will also help you develop your strategy by studying it from five different perspectives. Mintzberg first wrote about the 5P strategy in 1987. [7] Each of the five "P's" is an alternative approach to strategy development.

A good strategy should have a plan. The list and course of action you intend to take, or a set of rules you intend to follow.

The purpose of the plan is to take you from where you are now, to where you want to be.

Planning usually immediately comes to mind when people think about developing a strategy. Planning tools include:

- First, PEST analysis, SWOT analysis, and brainstorming tools help you identify opportunities.
- Second, change management and project management techniques to help you plan for achievement.

However, the problem with planning is that the plans are designed specifically and in advance. Planning is an integral part of strategy development, but it is not enough to ensure the development of an excellent strategy.

Mintzberg argues that in a competitive environment, you can use techniques that competitors do not expect from you [8].

In business, there is no way to avoid competitors. Such techniques are a special tactic to try to outwit competitors to lead the wrong way [9].

After analyzing the factors, it is recommended to select the key factors that affect the results of health care activities and its further development. It is recommended to group the conclusions of the analysis according to the SWOT model (strengths, weaknesses, opportunities and threats) [10]. SWOT analysis should be closely related to the analysis of internal and external factors. Porter's value chain model helps to understand the strengths and weaknesses of the enterprise, as well as possible ways to increase its efficiency. Analysis using PESTEL models and Porter's five forces looks at external factors and helps companies identify their capabilities and assess potential threats.

It should be noted that in the SWOT model, the internal factors of the enterprise are strengths and weaknesses, and external factors (which the enterprise cannot control directly) are opportunities and threats.

The results of the analysis summarized in the SWOT model are the basis for determining the scenario of activities, strategic directions and goals. These results of the analysis should also be taken into account when developing an action plan and setting short- and medium-term objectives.

It is important that the strategic document presents a critical assessment of environmental factors. In addition, it should be noted that this analysis should take into account dynamic changes. Therefore, in the strategic document it is advisable to provide information on the activities of health care facilities and the industry as a whole for a period of at least the last 3 years.

In the process of analyzing external factors, it is very important to develop several scenarios. Their assessment is particularly important for health care, which depends to a large extent on uncontrolled external factors, especially political and economic ones.

Scenario analysis allows you to take into account the possible impact of changes in external factors, allows you to prepare the activities of health care facilities and the industry for possible changes and strengthen their position in the market.

Before setting a long-term direction for the strategic development of health care, management must clearly understand what is the main activity, what are the competitive advantages and role at the state level. This information should be presented in a concise and clear statement of the mission - clearly defined their commercial, social and other goals in society.

**Conclusion.** The formulation of a package of strategic goals is one of the most important stages of strategic planning, as it affects the setting of long-term and annual goals, as well as the identification of those responsible for their implementation.

One of the strategic directions should be to ensure operational efficiency, which forms the basis of the development plan and is taken into account when determining operational and financial indicators for the strategic document.

Operational efficiency involves optimal use of resources. This provides maximum value for owners and consumers - citizens of Ukraine, improves the quality of services and reduces their price.

The final strategic document should contain strategic goals and indicators. It is recommended to describe each health goal, as it is a contribution to the strategic direction. It is also necessary to briefly outline the potential risks and factors that may significantly affect the activities of the industry as a whole.

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