
Russia Healthcare Overview

- The average life expectancy in Russia has been declining. In 2009 it was 62.77 years for males and 74.67 years for females. The largest contributing factor to the relatively low life expectancy is the high mortality among working-age males due to preventable causes such as heart disease, accidents and violent crimes. A significant proportion of deaths are due to alcohol abuse, tobacco smoking and causes that are amendable to healthcare. Very high adult mortality paralleled by European average birth rates lead to faster depopulation rates in Russia compared to the most developed countries.
- One of the leading causes of death is cardiovascular disease, which is responsible for 57% of all deaths in Russia. This is followed by cancer and mortality from external causes. Russia has a high rate of HIV infection (570 thousand diagnosed cases) and one of the world's highest tuberculosis rates, ranking 12 in TB incidence with 70 people dying from the disease each day.
- Russia is the world leader in smoking and alcohol abuse. According to a survey reported in 2010 by Russia's Health and Social Development Ministry, 43.9 million adults in Russia are smokers. Among Russians aged 19 to 44 years, 7 in 10 men and 4 in 10 women smoke. It is estimated that 330,000 - 400,000 people die in Russia each year due to smoking-related diseases. Russia has very high rates of alcohol use with consumption exceeding 15 liters of pure ethanol per person per year, and is a world leader in hard liquor consumption leading to 570 thousand excess deaths annually.
- Russia faces major public health challenges going forward, including very high rates of premature, and cardiovascular deaths, and deaths from external cause, as well as cancer mortality, TB and HIV epidemics. There is a large unmet need for further complex healthcare reform.

Healthcare Financing and Insurance

- The pharmaceutical market in Russia in 2009 was US\$14.58bn and expected to reach nearly US\$17bn in 2010. Per capita expenditure is estimated at just US\$109, among the lowest in the Europe – although higher than some markets such as Romania and Ukraine. And substantially higher than many other ex-Soviet states. Drug spending, which currently accounts for around 1.25% of GDP still a low figure for the CEE region. Russia's spending on medicines compared to other countries like Germany (1.7% of GDP), France (1.6%) or Poland (2.3%) leaves significant opportunities for growth in the mid and longer terms. President Medvedev stated that in 10 years the pharmaceutical market is expected to be worth 1.5 trillion Rubles (about US\$50bn) - reaching European standards for drug consumption.
 - Prescription drugs account for approximately 70% of drug spending, with OTCs representing the remainder, a high percentage for the region. In volume terms, consumption consists overwhelmingly of low-cost generics, although in value terms the generics market share is smaller at around 37%, if OTC products are excluded.
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- While the reimbursement (DLO) channel is becoming increasingly important with more government money being spent through several programs (about 20%), out-of-pocket retail remains the main market segment, accounting for about 65% of the market and growing faster than other segments at a CAGR of 20% from 2005 through 2010.
 - In local currency the Russian pharmaceutical market has grown sustainably at double-digit rates during the last several years with a compounded annual growth rate of 17% from 2005 to 2010. Its potential for growth remains considerable, although much development is required before this potential can be fully realized. By 2012, the total pharmaceutical market is expected to reach US\$23bn, mainly driven by increasing penetration of pharmaceutical products. The forecasts estimate that growth will continue at an annual rate of 13.6% per year (in US dollar) over the 2010-2015 period. Market sales under BMI's latest forecast is now expected to reach US\$31.25bn by 2015.

Healthcare Progress

- Spending on healthcare has grown fourfold since 2001.
- Infant mortality has fallen by one-third. Birthrate and life expectancy have been on the increase in several recent years.
- In 2009 Russia invested 1.2 trillion rubles (about \$40 billion) in health care.
- Cardiology units, trauma and other specialized centers are being set up across the country, however primary health care develops at a very slow pace.
- Russia will open 190 additional health centers for children and teenagers in the near future.
- The compulsory medical insurance premium grew from 3.1 to 5.1% of the payroll, The 3 first years surplus of 460 bln. Rubles is expected to be spent on the healthcare modernization project.
- Russia has given \$250 million to the Global Fund to fight AIDS, tuberculosis and malaria.

References:

http://hdr.undp.org/en/reports/nationalreports/europethecis/russia/Russia_NHDR_2010_EN.pdf
