ORIGIN OF SOCIAL AND HEALTH POLICY

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Abstract: This article traces the origins of social and health policy from a historical economic/labour relations point of view. The transformation of labor relations is presented, due to an important economic event - the separation of labor from capital, which becomes the cause of new needs - insurance. The nature of social relations, originating from work, is the reason for the emergence of society's values: social justice, social equality and social protection, on which social policy and its aspects - health policy and medicine policy - are built. Inequalities as a social phenomenon are discussed in detail. A comparative characterization has been made between the two instruments of social policy for covering inequalities - cost coverage and cost reimbursement.
Historical changes in man's attitude to work, and more precisely the loss of the means of production, is the reason for the emergence of inequalities in society and the emergence of a new type of need to ensure the existence of the workforce and its preservation, which is carried out through social policy in general and in individual areas, including health policy. They aim to reduce social/health inequalities using different tools, approaches and mechanisms. In healthcare - insurance and provision. In medicine policy, the tools that extinguish social inequalities are the two processes - reimbursement and pricing.
The result of the economic regularities become the reason for the development of further policies aimed at extinguishing inequalities. Social/health relations are united with production and represent a dynamic process that transcends national boundaries and social systems.
Keywords: inequalities, social policy, health policy, reimbursement, insurance relations

1. INTRODUCTION

SOCIAL AND INSURANCE RELATIONS

Beginning of social and insurance relations

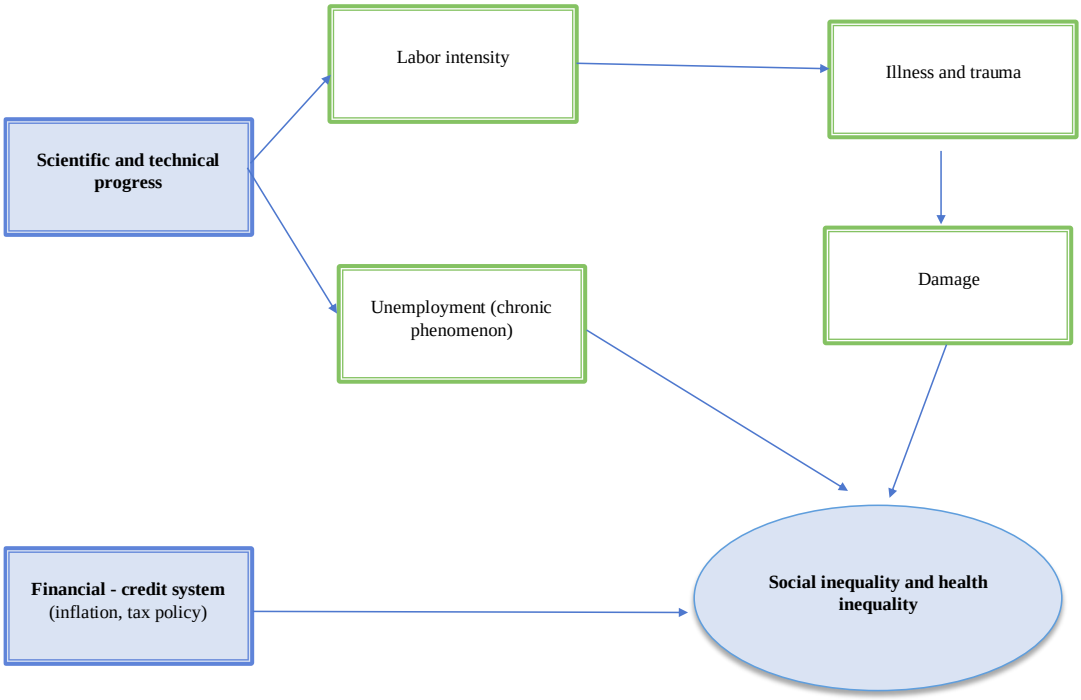
The nature of social and insurance relations is encoded in the attitude of man to work in the labor process and its organization.
The first forms of insurance relations arose during feudalism within the guilds as workshop insurance, and its financial basis consisted of the contributions that were at the expense of the working members of the workshop. As part of the feudal production relations, they are subordinated to the basic regularities of their development. Since the insurance relations during feudalism functioned only within the workshops and the association, they were characterized by differentiation and a lack of relative independence.
The key moment in the history of production relations - the separation of labor from capital leads to a change in man's attitude to labor in the labor process and its organization, and with this a transformation of insurance relations occurs, which lose their characteristics: of differentiation and acquire socialization.
Thus, the new economic structure of capitalist society grew out of that of feudalism. The workshop worker is an immediate producer, but he is separated from the means of production, respectively from the means of existence, and turned into a hired worker who has only his labor power (without the means of production) at his disposal. The subjugation of labor by capital, respectively of the worker by the capitalist, is to such a high degree that it leads to economic dependence.
The imposed economic dependence of the workers creates a situation where the workers are deprived of the opportunity to sell their labor power /due to illness, occupational accident, reduction of working capacity, unemployment, etc./ lose the main and only source of their existence.
At the end of the 19th and the beginning of the 20th century, their development was such that it inevitably led to the emergence of social insurance as a form of support for the disabled

2. DEVELOPMENT FACTORS OF INSURANCE RELATIONS

The main factor in the era of capitalism for the development of insurance relations is scientific and technical progress and the consequences of its implementation in production, as well as the financial - credit system.
The achievements of scientific and technical progress throw workers out of the sphere of production, as a result of which the unemployed increase and the demand for labor decreases. The process of throwing workers out of production takes on a chronic character. Unemployment becomes a mass social phenomenon, which leads to a decrease in working capacity and an increase in the intensity of insurance risks.

Scientific and technical progress is the reason for increasing the intensity of work, which leads to an increase in exploitation on the one hand, and on the other hand to an increase in morbidity and trauma**.**
The influence of the financial-credit system as a factor for the development of insurance relations is in the spheres of: financing of social insurance, taxation, inflation, price policy.
Inflation and tax policy have a negative impact on the development of insurance relations, because the inflationary increase in prices leads to a decrease in the purchasing power of working people and to an increase in the cost of living. These processes have a negative impact on people receiving social benefits such as the unemployed, sick and disadvantaged, thus creating and deepening social inequalities in society (Figure 1).

Figure 1 Development factors of insurance relations



Health inequalities do not arise randomly and by chance. They are socially determined by circumstances beyond the individual's control. These circumstances put people at a disadvantage and limit the possibility of a longer and healthier life. Health inequalities contradict the principles of social justice and are avoidable.
Seeking health equity can be defined as action to eliminate health disparities between population groups, such as rich and poor, that are considered unjust. Health inequalities are defined as systematic differences in health that can be avoided through appropriate policy interventions and which are therefore considered unjust. There are three criteria for evaluating a fair health system:

1) Equal access to health care for those equally in need of health care;
2) Equal use of health care for those who have equal health care needs;
3) Equal (fair) health outcomes (measured by quality-adjusted life expectancy)

The first and second points are related to the concept of health care equity in terms of access, use of the health service and quality of performance. The third point concerns equity in health care.

3. SCOPE OF SOCIAL POLICY - SOCIAL AND HEALTH CARE

Social policy is the part of the government of a country dealing with society and social issues which are in the areas of 'health, citizen services, criminal justice, inequality issues, education and labour. A key aspect of social policy is the study and regulation of social inequalities.
Social policy is built on the basis of the three values of society: social justice, social equality and social protection. The definition of the term "social justice" is based on the concept of human rights and equality and means: "a higher degree of economic egalitarianism achieved through redistribution of income". Social equality, on the other hand, is an established level at which all individuals within a given society or isolated social group have the same status in

relation to their civil rights, freedom of speech, property rights, as well as state-provided equal access to social goods and services. According to the Vienna Declaration and Program of Action of 1993, social equality also means equality in the field of health care, economic equality (in the area of income), and equality within the framework of the countries' social security systems.

Social protection is the most important element of social policy. It covers "all interventions by public or private bodies and organizations aimed at relieving households or individuals of the burden of certain risks or needs, provided that neither simultaneous reciprocal nor individual measures are involved". In order for the state to carry out a large-scale and effective social policy, it must have the necessary financial resources.

The realization of state expenditures and the spending of funds for the social sector must be coordinated with the policy of collection and accumulation of revenues in the country's budget (Vrachovski, Yordanov, & collective, 2008). The financing of social protection in Bulgaria is carried out from two main sources - the mandatory and voluntary social security contributions or direct financing from the state budget.

The funds for the implementation of social policy in Bulgaria are a significant element of the Consolidated Fiscal Program (CFP). . It is a mechanism for implementing social policy in Bulgaria. According to the CFP, the expenses incurred by the state for the implementation of its social policy compared to the country's GDP in the period 2000-2015 increased from 14.35% to 18.39%, which is an indicator of the expansion of the scope and opportunities for the development of social policy. The increase in the amount of funds spent on social protection is an argument for a stable and sustainable social policy in Bulgaria. (Taner Ismailov 2017).

The European system of integrated social protection statistics (ESSPROS) (Glossary: European system of integrated social protection statistics (ESSPROS)//ISSN 2443-8219, 2016) introduces the statistical unit "social protection scheme". A key element of ESSPROS is the core module (Core system), which contains data on the provided social assistance and benefits, their financing, as well as on the income and expenses of the units charged with ensuring social protection (European System for Integrated Social Protection Statistics, 2016). According to ESSPROS and the specific features of the national social policy, eighteen social protection schemes are included in the Republic of Bulgaria (Kolev, 2005).

The "Europe20220" strategy is an actual tool of social policy and is aimed at reducing inequalities with specific information documents: Active employment policies, Adequacy and sustainability of pensions, Health care and health systems, Skills for the labor market, Poverty and social inclusion, Tax systems, Wage determination systems.

The "Europe 20220" strategy shows that the scope of social policy reaches all activities in society, the foundation of which are the three values - social justice, social equality and social protection.

4. EVALUATION OF INEQUALITIES

A study within the framework of the European project funded by the executive agency for health and consumers - AIR "Addressing the intervention in the regions" covering 13 countries found that progress in health equity strategies at national and regional level has been achieved by countries such as France, Portugal , Poland and Germany. On the other hand, Spain, Italy and Belgium have a variable situation depending on the region. However, the results of the study show that the health equity management system varies in terms of commitment, resources and tools.

The study highlights the weakness of the governance system for most countries in terms of evaluation actions and the impact of interventions to reduce inequalities, as well as the difficulties in having a clear and integrated vision between the national and regional levels.

5. REIMBURSEMENT AS A TOOL FOR REDUCING SOCIAL INEQUALITY

Under the term "reimbursement" (eng. reimbursement - payment of compensation) should be understood "The act of returning money to someone who has spent it on you or lost it because of you or the amount that has been returned" (Cambridge Dictionary) .

Other sources define the word reimburse as: "Payment of expenses or losses incurred" , or "Making a refund or payment of an equivalent" , or "Promise or return, third-party reimbursement, third-party payment" .

More generally, the term "reimbursement" is generally accepted in international health practice to denote the process by which the health system affects the population's access to medicines and medical services.

The reimbursement system is a socio-economic system, the purpose of which is to ensure the availability of drugs and pharmaceutical care in general, the subject of which are the authorized bodies that make compensation payments from certain funding sources, the object is certain categories of diseases and patients.

The main operating principle of the reimbursement process is the provision of economic (price) and physical (availability on the country's market) availability of drugs for the entire population, which is implemented through

state price regulation mechanisms. The main task is to minimize the costs of the civil and state budget for the purchase of medicines.

Factors in the organizational structures of reimbursement systems in different countries include:

- The sources of funding,
- The conditions for providing compensation,
- The methods of price regulation by the state,
- The principles of selection of drugs for compensation and others.

In Europe, the differences in the methods of providing compensation are determined primarily in the choice of criteria for recipients and levels of compensation, which are:

- Consumer category (socially unprotected strata of the population, suffering from chronic or serious diseases and others);
- Type of pharmaceutical assistance (hospital, outpatient);
- The value of purchased drugs for a certain period;
- Properties of the drug (inclusion in the "positive list", price).

The components for determining the prices and volumes of compensation are:

- Obtaining permission to sell the drug;
- Compliance of the medicine with the criteria of efficacy, safety and quality;
- Negotiations with institutions that pay benefits.
- In the world, reimbursement systems function on the basis of two socio-economic strategies, which are conventionally divided into two separate systems:
- The state system for medical and pharmaceutical assistance (of a purely social nature) - drugs are generally provided as part of primary medical care, inpatient treatment and are financed from sources of the state budget, social insurance funds and mandatory medical insurance;
- Non-state system (predominantly private pharmaceutical care) - takes place in the conditions of increasing price competition, includes replacement of drugs with analogues, control of wholesale and retail prices and allows the use of sources of financing and compensation of drug costs both through public donations , as well as through donations from charitable foundations.

The main goal in the reimbursement system is to achieve stable sources of financing and reduce drug costs. This is achieved through the selection of effective reimbursable drugs, their rational use, establishment of budget allocations and socially justified participation of patients in the payment of drug costs.

Compensation of funds: How does it work in practice?

Depending on the characteristics of the health system of a given country, the following reimbursement mechanisms are used:

for insured persons, it is based on the patients' presentation of an invoice for the amount spent on treatment by the insurance company - there is no direct connection between the insurance fund and medical or pharmacy facilities (valid in France and other countries);

- for pharmacies and medical institutions: they come directly from the insurance company on the basis of an agreement between the insurance fund, the medical institution and the pharmacy (valid in Germany and other countries).

Difference between coverage and reimbursement

Coverage: Determined by local or national policies of private or public payers that determine the conditions and payers for medical and surgical expenses incurred by the insured if the services meet the conditions specified in the policy's coverage plan. As such, coverage of a condition does not equate to full reimbursement of service costs (to the provider providing the services) if certain conditions specified in the policy are not met. Therefore, it is important that both providers and patients understand such limitations and create programs that work within these conditions to ensure appropriate reimbursement for these services.

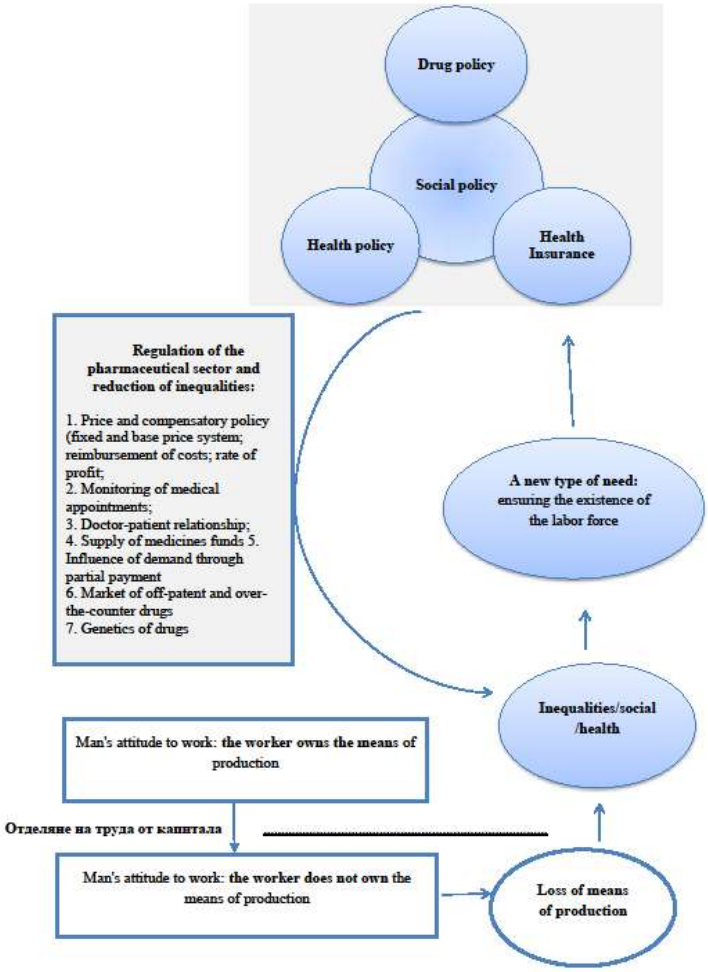
More security for the patient/insured person because the terms are agreed, the services are purchased in advance and are limited in the policy.

Reimbursement: Private health insurance companies or public payers may reimburse the insured for expenses incurred from an illness or injury, or pay the provider directly for the services provided. It is often misunderstood that coverage for a condition equates to full reimbursement for these services. In reality, reimbursement amounts depend on the policies, restrictions, and conditions that must be met for the patient, as well as the appropriate use criteria that govern the testing for the condition being treated.

Less certainty for the patient/insured person because the terms are not agreed with the patient/insured person, the services are not pre-purchased by him and there are variable reimbursement criteria, for example, the cost of a drug or a new laboratory test method.

Historical changes in man's attitude to work, and more precisely the loss of the means of production, is the reason for the emergence of inequalities in society and the emergence of a new type of need to ensure the existence of the workforce and its preservation, which is carried out through social policy in general and in individual areas, including health policy. They aim to reduce social/health inequalities using different tools, approaches and mechanisms. In healthcare - insurance and provision. In medicine policy, the tools that extinguish social inequalities are methods such as regulation of medicine prices, reimbursement of costs, monitoring of medical appointments, changes in the doctor-patient relationship, supply of medicines and their wholesale and retail trade, influence of demand through partial payment, generic and over-the-counter market, drug genetics (Figure 2).

Figure 2 The historical changes of man's attitude to work



The result of the economic regularities become the reason for the development of further policies aimed at extinguishing inequalities. Social/health relations are united with production and represent a dynamic process that transcends national boundaries and social systems.

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