



## Health Innovations as One of the Economic Development Vectors

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### Abstract

The article discusses issues related to innovations in medicine. The essence of innovation is revealed. The main trends in the development of health care in the Russian Federation are identified. Recommendations on improving the development of the healthcare sector are given.

**Keywords:** Healthcare, Innovation, Innovation process, Economy, Population, Health, Human capital, Health capital, Health care reform

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### Introduction

Innovation is the result of intellectual activity, imagination, creativity and rationalization of man. Innovations bring to the market in the form of products with new useful properties. Innovation enhances the user experience. Electric cars, Internet banking, 3D printing or an e-government website are examples of innovations that solve tasks faster, more efficiently and easier.

An idea becomes an innovation when it turns into a sought-after product. Innovation should be consistent with trends in the selected field and be economically in demand, to offer the audience what it lacked. Innovation is often confused with inventions, discoveries or modernization, but there are still differences between these concepts. Innovation comes from combining existing elements into fundamentally new combinations. For example, the iPad would hardly have become revolutionary without iTunes, which has radically changed the way you purchase and listen to music. Innovations are applied in nature and are aimed at benefiting or improving the efficiency of services.

In the process of turning ideas into a medical product, service, technology, economic relations are realized between the creators of innovations, owners of resources and consumers of innovations. At different stages of the innovation process, a different ratio of labor, capital, and entrepreneurial resources is required. The success of innovation lies in the appropriate, optimal use of these resources. The innovation process requires great efforts and painstaking work. The desire to acquire new knowledge, interest in new ideas contributes to the creation and implementation of innovations in medicine.

In a market economy, the health of every person as a component of the health of the entire population becomes a factor determining the potential of its capabilities. The measure of socio-economic, cultural and industrial development of the country determines the level of health of the people. The healthcare industry is a collection of organizations and an individual engaged in medical activities under the supervision and control of state and local health care authorities, and is one of the main priorities in most countries in terms of sustainable and stable growth in the welfare of the population.

Today, innovations in healthcare are in demand more than ever. Domestic institutions in the healthcare industry have highly qualified

personnel capable of conducting basic and applied research not only in medicine, but also in related fields, developing and implementing innovations, and managing large-scale innovative projects. Innovations in healthcare are understood as the embodiment of a good idea into what can be achieved, implemented, used in medicine to improve the quality of medical care, protect health, and prevent disease<sup>[1]</sup>.

Participants in innovation processes pursue their interests: business is interested in maximizing profits in the shortest possible time, scientists aim to be the first to gain new knowledge, innovators, using the latest scientific achievements, are aimed at quickly returning from the use of innovations; the education system does not always provide relevant information, does not fully contribute to the formation of a system of moral and ethical values. It should be noted that economic development should be subordinated not only to market goals, the achievement of personal enrichment, but also to more high order - improving the well-being of people, creating conditions for unlocking human potential, self-improvement on the basis of continuous updating of knowledge, raising the cultural level<sup>[2]</sup>.

The started optimization of the network of medical institutions, carried out under the pretext of reducing inefficient costs, has a rational start. This is primarily about shifting the emphasis to outpatient care, creating well-equipped medical centers of various profiles, staffed by highly qualified specialists, and properly routing patients. But, unfortunately, the main motive for the current optimization, which was started without serious preparation and necessary calculations, apparently, was an attempt to simply save on health care financing. To this end, the idea of an excessive number of doctors and hospital beds in Russia compared to other countries began to be circulated (15% more doctors and 20% more hospital beds compared to the "new countries" of the EU). However, if we take into account the differences with the same countries in population density and in patient flows (30–50% more per 100 thousand populations), it turns out that primary care physicians in Russia are on average 1.6 times less than normal, and hospital beds are 25% less. If equal, for example, with Germany hospitalization rates for patients with cardiovascular diseases, the total mortality rate from them is almost 3 times higher in Russia than in Germany, and premature mortality is almost 5 times higher, which indicates a much greater need for hospital beds in Russia<sup>[3,4]</sup>. Essentially damaging is the idea of the possibility of transferring the therapeutic burden to the doctors of polyclinics, which, as a result of the constant shortage of doctors in this link and low salaries, are forced to work at 1.5 or even 2 rates. Therefore, essentially spontaneous reduction of hospitals and beds in them, unreasonable closure and unification of different medical institutions, a sharp decrease in the availability of medical care has already led to a surge in mortality, although it is the indicator of mortality reduction that is key to determining the effectiveness of the health care system. In just 8 months of 2015, compared with the same period in 2014, the mortality rate of the able-bodied population in Russia increased by 1.2%, and in Moscow even by 4.4%. Moreover, a particularly high increase in mortality occurred in the age group of 35–44 years<sup>[5]</sup>.

In the current economic situation, health care is seen as a system of institutional relationships, within the framework of which medical services are provided and the human right to health protection is ensured on a massive scale. Such relationships are determined by the applied medical technologies and depend on the functioning of the economic and political systems in the context of the transition to an

innovative development path<sup>[6]</sup>.

The main goal of improving the healthcare sector is to improve health by increasing the availability and quality of medical care for all segments of the population, developing medical institutions and creating a healthy lifestyle with the rational use of material and labor resources.

The healthcare sector has been developing rapidly in recent years and is acquiring a new qualitative level, characteristic of a market system of economic relations. Thanks to advances in medicine and pharmaceuticals, the possibilities for treating many serious diseases have expanded. Consequently, the needs of the population for health care services at the highest level have increased.

Despite the crisis in the global economy, in the field of healthcare there are innovative changes being carried out by the federal center and the constituent entities of the Russian Federation, which are fully consistent with the areas of necessary transformation.

Over the past few years, there has been a rethinking of the role of healthcare in the economy, since this area has a huge impact on the socio-political system of the state. The overall situation in the country depends on how well the healthcare sector functions.

For the Russian healthcare sector today it is necessary to solve a number of problems:

Form an effective legislative framework and monitor the interests of healthcare in government and administration (in the political sphere); Reduce the threshold for high mortality and the incidence of newborns (in the field of medicine);

Increase budget financing in the field of compulsory and voluntary life and health insurance of citizens (in the financial and economic sphere);

To develop a rational structure for managing the healthcare system, which will allow to differentiate powers between the Federal Center and the constituent entities of the Russian Federation (organizational and managerial sector).

Thus, the prompt solution of these problems will improve the health and well-being of the population, which contributes to the economic and social development of the country.

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