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**DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS
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Global Forum on Competition

Competition in the Healthcare Sector – Contribution from Kazakhstan

- Session II -

1 December 2025

This contribution is submitted by Kazakhstan under Session II of the Global Forum on Competition to be held to be held on 1-2 December 2025.

More documentation related to this discussion can be found at: oe.cd/chthc.

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1. Plenary: The role of competition authorities in shaping accessible healthcare markets

1. To date, the current model of financing healthcare organizations (polyclinics, hospitals) is aimed at priority financing of public health institutions, which is confirmed by data for 2024, according to which 701 state medical institutions were paid out of the total amount of financing for medical services – 2.5 trillion tenge in the amount of 1.93 trillion tenge or 76%, and 570 billion tenge or 24% was paid to 1,274 private medical organizations. Thus, private medical organizations are funded by the state on a residual basis, which ultimately leads to state monopolization of the medical services market.

2. Experience in the fight against the 2020 pandemic has shown that private medicine is able to quickly and efficiently carry out laboratory diagnostics of coronavirus infection, which in turn served as a driver for the antimonopoly authority to pay attention to the development of private medicine.

3. In order to develop private medicine, the Agency, within the framework of the Council's activities to identify and eliminate barriers, as well as to implement a Roadmap for the development of competition in the healthcare sector from 2020 by amending existing legal acts, has removed the following administrative barriers restricting competition in the healthcare sector, in particular:

- laboratory studies of HIV infection on a paid basis by eliminating duplication of permits (amendments have been made to the Law on Permits and Notifications) and expanding access to work with this type of disease (a list of particularly dangerous diseases has been approved).
- the requirement to include a healthcare organization in the regional development plan was eliminated (this requirement did not allow timely participation in the procurement of Guaranteed amount of free medical care (GAFMC) and Compulsory social health insurance (CSHI));
- in the field of procurement of medicines, the norms allowing domestic producers with long-term contracts for the supply of medicines to re-participate in the competition have been excluded (on June 6, 2022, the Rules for Organizing and Conducting the Purchase of Medicines were amended "The nomenclature does not include medicines and (or) medical devices registered by domestic producers, as well as for which has a signed long-term supply agreement");
- the requirement to provide oncological care only by government organizations has been eliminated (amendments have been made to provide oncological care regardless of ownership);
- private laboratories are allowed to conduct research on coronavirus infection COVID-19 and syphilis;
- private medical organizations are allowed to read mammographic images (1-reading) and conduct perinatal screening;
- the barrier on the transfer of dental offices in schools to state-owned enterprises has been eliminated;
- the norm on price regulation of medical equipment was eliminated (on April 6, 2024, the head of state, within the framework of the Law of the Republic of

Kazakhstan "On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Doing Business", amended Article 245 of the Code "On the Health of the People and the Healthcare System");

- a standard has been developed for providing medical care to people infected with HIV, regardless of their forms of ownership and departmental affiliation, who are licensed to practice medicine;
 - there is no barrier for suppliers of medicines when participating in the procurement of medicines when determining the need for medicines in terms of establishing additional and (or) alternative forms (tablet, capsule, suspension, solution) and dosages in dosage forms, clinical protocols, and subsequent inclusion in the list of units;
 - the anticompetitive criterion for selecting suppliers in the market for the purchase of medicines and medical devices under the GOBMP has been eliminated, and on June 18, 2021, the norm providing pharmaceutical manufacturers with foreign participation with an advantage over Kazakhstani manufacturers was eliminated due to the accrual of additional 2 points.
4. As a result of the measures taken, private medical organizations have received, among other things, access to the provision of medical services within the framework of GAFMC and CSHI.
5. In addition, in order to systematically address the issue of creating conditions for attracting private investment, the Agency proposed legislative amendments to the Code of the Republic of Kazakhstan "On Public Health and the Healthcare System", providing for: the introduction of the institute of co-payment for medical services; the inclusion of depreciation and capital expenditures in the medical tariff; prioritization of construction and modernization of healthcare infrastructure at the expense of private investments.
6. However, due to the limited budgetary resources needed for implementation, these legislative amendments are currently not supported by the Ministry of Health.
7. Taking into account the limited budget resources and underfunding of the healthcare sector as a whole, it seems advisable to liberalize the healthcare sector by reducing state participation and eliminating unequal financing for the development of private medicine.

2. Break-out session 1 - Beyond Price in Healthcare Markets: Access, Quality and Equity

8. In 2019, as a tool to reduce the reduce on the national budget and ensure the financial stability of the healthcare system in Kazakhstan, a system of compulsory social health insurance was introduced, based on the joint responsibility of the state, citizens and employers on the principle of "healthy pays for sick."
9. However, the current health insurance system cannot be called optimal, because despite the increase in health care costs to 2.5 trillion tenge or 3.3% of the country's GDP (at the time of the introduction of (CSHI), health care costs amounted to 1.3 trillion tenge or 2.8% of GDP), the level of discontent among the population towards the quality of and the efficiency of the provision of medical services (according to the 2024 opinion poll, citizens' satisfaction with the quality of private medical services is higher than public 52.4% versus 49.6%).
10. As a result, citizens seek help from private medical organizations for a fee at their own expense.

11. In general, the monopolization of the Social health insurance fund (SHIF) of the CSHI market does not allow developing competition, and therefore improving the management of CSHI administration to potential competitors - private insurance companies. At the same time, according to international experience, private compulsory health insurance is widely used in the USA, Turkey, etc., where the share of private compulsory insurance ranges from 40 to 68%.

12. The Agency proposed to change the approach of the further functioning of the CSHI by gradually "leaving" the SHIF from operational functions such as the accumulation of deductions and contributions, as well as the purchase and payment of medical services to healthcare entities.

3. Break-out session 2 - Competition Risks Across the Pharmaceutical Value Chain: Pricing, IP and Vertical Integration

13. At the Agency's initiative, work has begun on the transition to decentralization of outpatient drug provision using a co-payment mechanism. The project provides for providing patients with the opportunity to choose a drug according to an appropriate international nonproprietary name through a Social Wallet. This will increase the availability of medicines, provide a targeted approach, and empower patients.

14. The pilot project was launched in Astana on July 1, 2025 and covers patients with arterial hypertension who are on dynamic observation. The purpose of the pilot is to evaluate the effectiveness of the co-payment model and determine the prospects for its scaling to other regions and groups of diseases.