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## Public-private partnership - socio-economic and innovative development of university clinics

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### Abstract

**Objective:** To substantiate the development of university clinics (UC) through innovative entrepreneurship based on the mechanism of public-private partnership (PPP). **Materials and methods.** The general scientific methods of analysis, synthesis, integration, interpretation of scientific data, as well as systemic and structural-functional approaches. The information base of the study was the scientific works of domestic and foreign experts in innovation and PPP. **Introduction.** The unsatisfactory financing system for university clinics determines the existence the outdated material and technical base, lack of modern medical technologies, low level of staff remuneration, and lack of economic motivation to work in the staff. All this requires improving UC's management. International experience accumulated over the past 25-30 years suggests that one of the main mechanisms for improving public health management is innovative entrepreneurship. The organization of PPPs as the main direction of development of medical faculties, ensuring the interaction of education, science and innovation, as a key element of state policy to stimulate the health sector, cooperation in the framework of the "knowledge triangle" can be traced to Norway example. Currently, one of the priority areas for the development of PPP mechanisms is the implementation of an economic policy for the accelerated development of innovative entrepreneurship. This is due both to the very nature of global competition, based on the advanced use of advanced innovations, and to the competition intensification between economic systems for

development resources. Innovation is a driver of economic growth and a significant competitive advantage. **Results.** In the article presented the development of UCs focused on their innovative functioning as a high-tech medical sector and is consistent with their targeted program planning based on the complex relationship of three systems: the State, the UC and the scientific cooperation system (university). The economic component makes it necessary to introduce a new form of organizing the activities of the UC on the principles of PPP. **Conclusions.** In the article presented the process of UC development based on the principles of PPP is scrutinized.

**Key words: innovative development of university clinics; public-private partnership.**

**Introduction.** State funds today remain the basis for university clinics (UC) financing. However, they are not enough to raise the technological level of clinics, increase the motivation of medical personnel to provide free high-tech medical care at the level of modern standards, ensure the purchase of modern medical equipment, the constant rise in price of which necessitates an even greater increase in government financing. The conscious need has ripened for using other ways to attract investment in the system, in particular PPP's mechanisms.

In Europe over the past three centuries UCs have gradually grown into centers of medical discoveries and innovations [5]. There none of such a type in Ukraine. To ensure a high-quality medical education, it is necessary that students get into an actively working medical team as soon as possible. However, the lack of own clinics in Ukrainian universities does not allow to bring together the educational, scientific, diagnostic and medical components. In order to train highly qualified doctors, satisfy population's medical needs and introduce existing doctors to the world scientific achievements, it is necessary to create UCs based on the principles of PPP.

**The objective.** To substantiate the development of university clinics through innovative entrepreneurship based on the mechanism of public-private partnership.

**Results.** Effective modernization of UCs on the basis of PPP requires improving the role and place of the state as a business partner, creation and functioning of a triple public-private-university partnership, necessary for the consolidation of a university, the state and business. Association should be understood as a complex of interconnected strategic decisions ensuring the implementation of long-term program tasks - the creation of university medical

clinics with a new look on the principles of PPP, development of constituent medical facilities, including patients admission, intensifying of scientific and technical cooperation and medical students training.

The basis of the ongoing changes should be innovation, accelerating the pace of investment in UCs and their commercialization. By innovative activity one should understand socio-technical and economic process of introducing into UCs practice innovations leading to an increase in the system efficiency.

An integrated approach to the development of UCs based on PPP principles will require coordination of the activities of state authorities and local self-government, the need to take into account the presence and activity of all participants of the innovation process (university clinics and their specifics, business structures, universities and their activities).

The development of UCs should take place in close contact with business, which is actively involved both in the venture stage of the innovation chain and acts as the customer and end user of researches and developments, otherwise the latter will remain unclaimed.

Legal registration of PPP partnerships between the state and participants is carried out by a special agreement (agreement, contract). The state is developing and approving as a normative act a model of such an agreement with reference to UC, but at the same time, for each clinic, the agreement is a specific document with its own characteristics and features.

One of the main incentives for the state to the development of UCs based on PPP principles is to attract to the clinics - facilities of state universities - private-sector financial resources. This will reduce the burden on the budget, expand the range of services provided to the population in UCs and improve the quality of scientific and educational processes. At the same time co-financing of PPP projects by the state remains, in particular, to the payment of free medical services for certain groups of the population in accordance with existing legislation.

The development and strengthening of the world universities positions is inextricably linked with the creation of high technologies, scientific and technical potential increase, and increase of investments in innovative projects [5-9].

For Ukrainian UCs innovation should be considered as a systemic situation in the process of creating high-tech medical technologies, taking into account the formation of public demand for modern medical services. The task of scientific cooperation should be to implement the program of expanded reproduction of UCs in accordance with the increased achievements of medical science and the requirements of patients, based on the widespread

use of promising and break - through technologies and innovative solutions typical for key high-technology areas.

Today it is obvious that leadership of UCs under the conditions of limited budgetary funds and competition is impossible without a powerful public-private innovation system. The development project of UCs should be based on the mechanism of private business attraction and formation of entrepreneurial innovation.

PPP and innovation should become the new paradigm of doing business [10]. It should be based on the widespread use of external research and development projects, knowledge and innovations from universities and research organizations, from individual developers and innovative companies in order to accelerate the creation and launch of competitive products and technologies on the market.

From the foregoing follows the program and target setting for the development of UCs project:

- Attracting private investment in the development of clinics' infrastructure using PPP mechanisms;
- implementation of infrastructure innovation projects to ensure the quality of the forecasting activities of the UK.

We associate the priority implementation of PPP mechanisms with the creation of management companies as independent business entities, their further development as integrated corporate structures, since they combine the capitals of the state, private business and other partners and achieve a synergistic effect (interaction effect) of social, production, marketing, innovation, etc. It is on the basis of PPP mechanisms as the most flexible organizational and legal form that combines the features of an economic entity and a governing body, great prospects appear in terms of implementing UCs effective development.

The methodology of scientific and technical forecasting should be based on an expert assessment of the strategic directions of socio-economic and innovative development of UCs, identifying areas of technological break - throughs that can affect clinic's economy in the medium and long-term perspective.

The socio-economic format of UCs work objectively follows from joint projects with business on the basis of public-private partnership tools, which involves close contacts with state structures at various levels and civil society institutions.

The use of PPP form in the development of UCs can ensure the implementation of the following main components:

- development of programmatic oriented interaction of clinics on the principles of PPP with academic science. The integration of medical practice, science, education and business in the formation of an innovative system, the development and mastering of advanced achievements of science and technology, that is, the long-term forecasting of promising areas for the development of high technologies in a clinic based on PPP principles;

- introduction of innovative projects in UCs with the involvement of world high-tech medical companies, based on private capital investments, including foreign, under the PPP framework;

- organization of interaction with foreign clinics, invitation of foreign specialists to Ukraine, aimed at improving the qualifications of medical personnel;

- carrying out financing of scientific research having prospects for commercialization;

- improving the quality of services provided - through the establishment of more qualified management and state control;

- reducing of costs through innovation and more flexible management system introduction;

- more efficient use of equipment and facilities;

- multichannel financing by injecting state financial resources, private investors and other partners into PPP projects.

It should be noted that UCs development after the organizational period will be financed mainly from operating income, therefore, a business plan should be developed with the aim of providing better service at the best price that could satisfy the widest range of users of the services provided.

### **Conclusions:**

PPP in the sector of university clinics and the effectiveness of the implementation of innovative projects for their development should and will be a new priority in the healthcare system of Ukraine.

PPP can make a significant contribution to improving of university clinics system in Ukraine due to the investment and innovation component, optimizing public spending, creating conditions for technological acceleration and stable development of university clinics.

**The prospects for further research** are to justify and develop an optimized model of a university clinic based on the principles of PPP and a constructive concept of its management.

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