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# FUNCTIONAL NON-INTEGRATION OF PUBLIC HEALTH SYSTEMS AND THE CREATION OF EXTRA INCOME IN A COVID-19 PANDEMIC CIRCUMSTANCES[1]

**Abstract**

It is completely impermissible and no justifications can be found at all for the non-integration of a state health system in a crisis situation in which it must function completely optimally-a crisis situation like the conditions of a declared epidemic and pandemic situation. State health system defined as the totality, networking and harmonization of work and the level of real functionality of absolutely all health facilities that exist within the state community. In such conditions, health systems must be fully integrated, including in relation to differences in the ownership status of separate health facilities that exist and operate within the health system. The state, the executive power must take over the management of the health system of the state defined in this way. Thus, the entire health system, regardless of the ownership status of individual health facilities, must be transformed and function as a public health system. The state must not, at any cost, must not allow the epidemic and pandemic crisis to be used by individual health facilities, by definition commercial ones, those that are private or shareholding owned, to obtaining extra income and extra profit. And if that still happens, then those health facilities must be subjected to socially appropriate and fair extra taxation.

**Keywords:** Public health system; epidemic and pandemic crisis situation; extra income and extra profit; extra taxation; state interventionism and state regulation.

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## INTRODUCTION

The national, including the Macedonian, public health system faced the COVID-19 pandemic burdened with several distinctly negative and limiting conditions. Several such limiting conditions can be listed and analyzed that had a distinctly negative impact on the demonstrated functional performance of the national public health systems, including, of course, and the Macedonian public health system. One of those limiting conditions is the determination, or the impotence as a political determinant, of the Macedonian government to establish full integration of the national public health system. In particular, it means to integrate and merge them into one optimally functional public health system of all health facilities regardless of their ownership status. In this sense, the Macedonian pandemic experience is only one of many of the same or similar national pandemic experiences. In this way, the governments, including the Macedonian government, allowed private health institutions to realize extra income and extra profit during their commercial operations, to the detriment of the integration and functionality of the national public health systems and in general to the detriment of the overall social integration and cohesion. Something that is quite normally subject to some kind of extra taxation. This is the topic of this text, which is a sociological text, that is, in terms of the special sociological disciplines, this text is a text from the special sociological areas of medical and economic sociology.

## THE PANDEMIC NON-INTEGRATION OF THE PUBLIC HEALTH SYSTEM AND THE TOTAL SOCIETAL DISINTEGRATION

We are very precisely and clearly talking about a specific integration and functionality of the Macedonian public health system, we emphasize, that system is defined strictly medically-sociologically, we are talking about the integration of the entire system of health care, that is, of public health, integration of all health facilities, of all levels and of all types(Сасајковски, 2021). And with a special emphasis on providing a really necessary and mandatory level of integration and functionality in circumstances and conditions of a declared pandemic, regardless of the ownership status and ownership structure of the individual health facilities. At the same time, by focusing on several essentially and fundamentally important policies, measures and activities as the competences of state interventionism in such pandemic circumstances and conditions (Sasajkovski, 2020), and which primarily should and must move along the line of taking over management from on the part of state interventionism, with the introduction of work obligations that also implies the impossibility of arbitrarily leaving the workplace or moving from one health facility to another, with the division of more specific health procedures, operations as the primary activity of certain health facilities, of course while leading account for their specialization and for the more specific medical profile of the employed staff (for example, whether it is a general or specialist hospital and what kind of specialist health facility), price control of separate health procedures and operations, that is, of, conditional speaking, health services, through the unification of prices for the same such procedures, operations and services.

The non-establishment of the really necessary level of quality of integration and functionality of the health care system, that is, the public health system defined medical-sociological as Helath Care, certainly contributed to the emergence of excess mortality, for example, through the inaccessibility and impassability of the health care system for timely and adequate prevention, diagnosis, control and treatment of a whole range of diseases that are unequivocally life-threatening.

Thus, full integration of the health system has not been carried out in conditions of a pandemic, the health system has not been integrated in its entirety-institutions from primary, secondary and tertiary activities, as well as other health organizations, for example laboratories which, of great importance in this the context is to point out that they, and not only private hospitals, they achieved high incomes in conditions when public, state laboratories did not have the capacity or did not have the managerial ability to respond to the needs of their activity and determination of positive cases of the virus, as well as a range of other necessary laboratory activities in the existing epidemic circumstances.

The importance of the phenomenon and theory of social capital cannot be omitted here, even though in the history of sociology, in the history of sociological theories, there is a certain reservation, or contradiction, regarding its theoretical and methodological use value and usefulness in sociological research. We specifically define the term social capital as the level of integration and cohesion of the social community that means, should mean one of the set of factors that have the strongest and most decisive influence on the functionality of the social community and thereby influence the level of satisfaction of interests, needs and goals of both the social community as a collective and the members of the community as individuals, as persons, as citizens. The non-integration and completely problematic functionality of the public health care system, in a very direct, brutal and destructive way emphasized, strengthened and even deepened the economic-sociological differences that quite realistically and objectively exist within the Macedonian society. After all, the Gini coefficient is unacceptably high, as a coefficient that demonstrates and measures the inequality of the distribution of the Macedonian national wealth.[2] Through the existing arrangement, integration and functionality, i.e. dysfunctionality, of the Macedonian public health care system in the specific epidemiological conditions, unfortunately, it has to be underlined practically countless times extremely significantly, the economic-sociological differences and oppositions, or the social differences as commonly spoken, those differences in the current epidemiological circumstances and conditions dramatically manifest, flare up, expand, deepen and in various ways, forms and contents even multiply, which is of particularly important social negativity and perniciousness precisely in the field of the specific social area, the area of public health care, an area which in the most direct, most essential and most fundamental way and with the same power refers to elementary humanism, to elementary philanthropy, to the existing level of historical-civilizational and historical-cultural progressive growth and development , refers to the basic value principles, standards and measures of such civilizational growth and development. And in favor of the brutal, inhuman commercialism and predatory profitability that has permeated the field of public health care. In this context, the non-integration of the public health care system, especially

2 World Bank, Gini index-North Macedonia, www. data.worldbank.org/indicator/SI.POV.GINI?locations=MK

in the conditions of a declared pandemic, in an extremely precise and clear way, in a way of complete significance, reflected and almost brought to the extreme limits, to the extreme consequences, the basic contradiction and the basic conflict of modern society, practically of modern capitalist society-the unequal distribution of the national wealth. In the face of such social destruction, dramatically and traumatically manifested and negatively "upgraded", the health system in its entirety, the public health care system, all the various individual facilities, which are included in that system regardless of their ownership status and their ownership structure, those facilities essentially, fundamentally, inevitably, should, even must, be treated by the social community, that is, by state interventionism, as an instrument of the social community and of the total social interest, as resources and as capital, as parts, elements and structures of the national wealth, that is, its distribution (Bhandari, 2009).

## THE FUNCTION AND POWER OF STATE INTERVENTIONISM

The role of the market and the role of state interventionism in the distribution and redistribution of national wealth, including the role of the market and state interventionism in the distribution and redistribution of income in the social area of the health care system, specifically in the part of that system in which private initiative, entrepreneurship and investments are legally regulated and allowed, they are not controversial in themselves. It is not disputed that a market of health activities can be formed, but it is also not disputed that state interventionism must have serious regulatory competences in accordance with the nature of the activity, that is, by the very fact that in that market there should be an activity related to of human health, both as individual health and as public health, national health, health of the social community as a collective. A system that by its very nature and structure as a system of public interest, a system of the widest public interest as a system that takes care of the health of individual members, of the citizens of the social community and the health of the overall social community as public health, as national health , in their dialectical unity, essential and thoroughly inherent, consistent and convergent must be subject to the most developed, drastic state interventionism, including appropriate supervision. Interventionism that refers to all individual segments and stages from the establishment of the institutions to their final activity as organizations, as institutions that are included in the health care system, i.e. in the overall system for public health care, something that practically means a complex of the issuance of appropriate permits, licenses, concessions, etc. for the initial registration of work, until the prices of their services and their income and their profit. A finding which, as a content and as a meaning, of course, essentially refers to private initiative and entrepreneurship in the field of health care, that is initiative and entrepreneurship which by their essence and nature are commercial activities, in contrast to the activity of public, state facilities which by definition are not commercial facilities, but which, nevertheless, as far as possible, must be managed and operated in accordance with the best principles, postulates and practices. Clearly, until the commercial and profit interest penetrates into the social-humanistic untouchable zone of their nature as public facilities of the most essential and broadest social interest, which is actually the interest of protection

and care for the public, for the people's health. That is why, for example, these subjects, by rule and by definition, are not subject to bankruptcy proceedings. (Mwachofi, 2011).

When talking about private initiative and private investments in the field of health care, it must be emphasized that it is directed in a race for profit, which means that it is directed only in those medical specializations that at the given moment are really commercial, that are really profitable , with an emphasis that in the Macedonian legislation, private initiative is not allowed in those medical specializations that enter into a somewhat broader definition of the term public health. This is generally the field of activity of the Institute of Public Health, as a state professional body whose competence is the management of the care and protection of public health, and that primarily in relation to diseases that are infectious diseases and that have the treatment of collective diseases, in a certain narrower definition of the term collective disease. So, a definition that is not primarily medical-sociological, but is primarily biological-medical with a certain narrower meaning. And this is so even in the USA where the field of health care is to the greatest extent commercialized and generally market-oriented, practically it is completely commercialized on the basis of private and shareholder initiative and entrepreneurship, including health insurance, except for the two health insurance plans-for the young and for the elderly. The fact is that until the emergence of the current epidemic and pandemic in Macedonia, the private initiative in infectious medicine practically did not exist. And, in general, globally, as a specialization within medical activity and science, it was in a certain way marginalized as a specialization that does not have a bright, i.e. highly profitable, actuality and future, because, obviously superficially and wrongly, it was considered that infectious diseases, with a clear an allusion, of course to the spaces of the global, economically-sociologically developed, West, or the global North, to a large extent are diseases of the past, that these are diseases that have been overcome and diseases that appear only after longer periods of their non-existence (Gubb, 2009). But the completely negative Macedonian experience shows that after the declaration of the epidemic and when it became clear that infectious medicine as a specialization can be commercial and be a profitable specialization, and a very profitable one at that, almost in an instant the private initiative turned to infectious medicine as well. And at the same time by taking over the scarce infectious disease specialist staff from the public, from the state healthcare, something that the state authorities simply could not allow at practically any cost. A takeover that certainly took place on the basis of better, probably much better, material and financial conditions and benefits. But in order to achieve this, to prevent precisely such recruitment, the management of the entire health care system, that is, the entire public health care system within its wider scope as Helath Care, had to be undertaken, and at the same time, and as an inevitable, essential and turning measure, among other things, to introduce a work obligation in the field of health protection, the field of public health care. Speaking in this context, it can also be underlined that our Macedonian experience is, to a large extent, negative in the sense that it is set on the foundations of commercialism and profitability in an extremely radical way, even with dimensions of unscrupulousness and inhumanity, emphasizes the reality of a general lack of interest in investing in medical scientific research. Even in public health, state health, that is, in the field of higher education and scientific activity and research in our country, apart from a medical faculty or faculties, there never existed and now there are no institutes for medical research with a general

medical setting. So, not institutes within the Faculty of Medicine of the University of Ss. Cyril and Methodius with their specialist placement, as they exist. For example, in the post-Yugoslav areas, such institutes are the Institute for Medical Research at the University of Belgrade, the Institute for Medical Research at the MMA in Belgrade, the Institute for Medical Research and Occupational Medicine at the University of Zagreb. At this point, let's dwell only on them.

## EXTRA INCOME, EXTRA PROFIT, EXTRA TAXATION

Realization of extra income and extra profit, in conditions of declared epidemic and pandemic by health facilities in their wider determination, with the very important inclusion of biochemical laboratories, by health facilities in private ownership and placed on the basis of commerciality and profitability as the true meaning, as the true interest and as the true purpose of their establishment and operation, must be treated by the state interventionism in the same way as the treatment of all other commercial and profitable market entities that made extra income and extra profit during the epidemic and pandemic period. It should be emphasized once again: this was a practice in the conditions of an epidemic and a pandemic, it is an area, the area of health care, the area of public health care as defined in this text in a medical-sociological context, an area that cares about human and individual and collective, national, public health as one of the greatest values of a truly humane human life, public health, as a fundamental value and as a fundamental pillar on which human welfare is founded and built, and on which human life is confirmed as truly human life in accordance with the current understandings of the highest reaches of historical-civilizational and cultural-civilizational growth and development, but it is an area that through privately owned health facilities in the specific epidemiological and pandemic circumstances and conditions was and still is exclusively available, only to those citizens who belong to the social classes or strata with material-financial ability and power to do so. Or, for citizens to sell movable or immovable property, or to take on debt in different ways, so that they can be treated in privately owned health facilities, including in cases where public, state health facilities, due to capacity insufficient for real needs, were not available for all latent patients. Thus, the lowest possible bottom, or, perhaps, the highest peak, of dehumanization of the health care system, that is, of the public health care system, has been reached. In this way, precisely in the social field of health care, i.e. in the social field of public health care, the most drastic and radical possible relativization, compromise and disparagement of the fundamental historical-civilizational and cultural-civilizational values and principles took place. These are the values and principles of the modern humanism, on which modern society and its historical-civilizational and cultural-civilizational axis rest theoretically, conceptually and ideologically (Merone, 2021). Or, perhaps, something completely expected and normal happened from the point of view of the real and true foundations and rules on which the modern capitalist society is established and functions. Probably, that's exactly what happened: a direct clash and conflict of exposing and significantly marking the

real social relations, those (neo) liberal capitalist relations, of their real nature and structure, and not of their declared or ideologized nature and structure, took place (Eliason, 2015).

This empirical knowledge, that is, this dehumanization, made possible through the failure of state interventionism to establish an integrated and functional system of health care in circumstances and conditions of epidemic and pandemic, system available under equal conditions to members of all social strata in accordance with the real needs to satisfy and fulfillment of the social function of health care in strict accordance with humanitarian values, principles, postulates, standards and criteria, the realization of extra income and extra profit, essentially on non-market bases and in epidemic and pandemic circumstances and conditions that decisively enabled the realization, and not only to private healthcare facilities but also to all other economic entities affected that benefit from these non-market circumstances and conditions, in an extremely strong and essential way they imposed the need that cannot be deviated from with any real reasoning, the need for extra taxation of that extra income and extra profit achieved in those circumstances and conditions. Something that is already undertaken and implemented precisely in countries with a developed, stabilized and long tradition of capitalist, (neo)liberal market economy (Deaton, 2021).

For the taxation of extra income and extra profit, the existing tax legislation can be used, if it is really possible, that is, if it contains one or more specific provisions that regulate exactly this case. But it is very important to point out something that is probably of crucial importance for the legality and even more so for the social legitimacy of this conditionally called extraordinary, extra taxation. It is the emphasis of the necessity to avoid some so-called creative interpretations of the existing tax regulation. An interpretation that can later be challenged in administrative and judicial proceedings, and perhaps even in international arbitration proceedings. This emphasis refers, very clearly, to the legality of the procedure for the possible adoption of a special law on extraordinary taxation, if a completely realistic and objective conclusion is reached on an expert and scientific level that the existing tax legislation does not allow it. It is certain that in the governmental phase of drafting such an extraordinary law and then in the parliamentary procedure, there will be strong "side" involvements and influences from interested commercial entities, including, quite clearly and naturally, also from privately owned health facilities, whose interests will certainly be negatively affected by such extra, extraordinary taxation. So, if possibly the application of the existing tax legislation can actually have certain legal problem, then, of course, it is possible to adopt a special law for taxation of the extra income and extra profit. That special law, depending on the specific circumstances and the reality of the achievement of the set goal, can be one-time, but it can also be applied multiple times. In any case, the adoption and application of such a law or the application of existing tax legislation can be quite successfully rationalized and defended both in political and in any legal procedure by strongly emphasizing, arguing and proving unscrupulous use for the realization of extra income and extra profit, i.e. excessive income and excessive profit, to the extraordinary market circumstances caused by the emerging epidemic and pandemic. That means in conditions in which some market entities in a (neo)liberal non-market way and in (neo) liberal non-market conditions, that is, in conditions of a certain heteronomous suspension of regular market legalities, achieved excessive, extra, income and excessive, extra, profit, and, on the other hand, in the same degraded and compromised market conditions and in

the same markets, some other market entities realized an excessive loss of both income and profit (Rosembuj, 2020).

## CONCLUSION

In the circumstances and conditions of an epidemic and pandemic, one of the most primary and essential duties of state interventionism is to establish a fully integrated system of health care, i.e. care for public health, generally through appropriate policies, activities and measures to undertake the management of the entire system of health protection, which means, literally with all health facilities regardless of their ownership status and character. Only in this way will the commercialism of privately owned health facilities be tamed. In the conditions of an epidemic and pandemic, privately owned healthcare facilities, as strictly for-profit facilities, due to not taking the necessary policies, activities and measures of state interventionism in the direction of taking over the management of all health facilities, regardless of their ownership status, achieved extra income and extra profits. Because of that, their extra income and extra profits must be extra taxed, through progressive taxation with more progressive tax rates and with a low capital value, a low capital limit from which those progressive tax rates will be applied.

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