An extended abstract of the paper on the subject of:

**INNOVATIVE FOUNDATIONS OF THE MUNICIPAL HEALTH SYSTEM DEVELOPMENT**

**Problem statement.** Healthcare is an important social component of the state, a determinant part of its social policy, which is to provide for accessibility of medical aid for all the society members irrespective of their income.

The modern socio-economic and demographic situation, a continuing aggravation of the people’s health assign the state a task of finding new innovative mechanisms for transformation of its healthcare sphere.

**Recent research and publications analysis.** Research into the problems of improving organization, development, and financing of the healthcare institutions system in Ukraine has been conducted by Z. Hladun, I. Hrytsiak, D. Karamyshev, V. Moskalenko, V. Liekhan, V. Lobas, Ya. Radysh, I. Rozhkova, H. Slabkyi, N. Solonenko, O. Vashev. However, the subject of local government bodies’ role in introduction of innovative technologies for the healthcare system development needs further study.

**The paper objective** is determining the basis for the municipal healthcare system development and substantiation of proposals as to innovative transformations of the area.

**The paper main body.** Organization of a high-quality medical service for the population of a certain territory presupposes execution of a broad range of duties by local governments with regard to public healthcare.

In order to solve the problems of the municipal healthcare system, a session of Kharkiv Municipal Council adopted the Comprehensive Program “Innovations in Priority Areas of Healthcare Development in the City of Kharkiv for 2011-2020”.
The Program’s objective is introduction of innovation processes into the priority areas of healthcare development in the city of Kharkiv under the existing legal conditions, limited financial, material, and labor resources.

Its main tasks are as follows: provision of the sick people with costly medications for vital causes; ensuring delivery of timely highly-technological medical aid to newborn babies; forming organizational, scientific and technological, economic, and methodological prerequisites for the municipal healthcare informatization.

Sources of funding the fulfillment of the Program’s tasks are the state and local budgets, as well as special budgetary funds.

Conclusions of the research. Considering that the financial, economic, and legal mechanisms for administration of the healthcare system belong to the state, it is necessary, when forming the state healthcare policy, to take into account the accumulated experience of introducing innovation technologies into municipal healthcare systems. This approach in the country’s present economic and legal situation makes it possible to use the scarce financial, staffing, energy and material resources of public healthcare institutions in a more rational way to improve the quality of timely and highly-professional medical aid to the population.