“FROM COMPETITION TO NON-COMPETITION AND OUT-OFPOCKET PAYMENTS IN THE GEORGIAN INSURANCE SYSTEM”

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ABSTRACT BOOK

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In Georgia, in the period 2007-2010, there was a growing trend to move away from centralized government control and introduce more market-oriented features, including (1) private sector involvement in health care provision and financing to improve systems efficiency; (2) incorporation of market mechanisms such as competition among insurers and providers, cost sharing, market prices of goods and services, consumer choice. The recent health care reforms, after 2010, move the Georgian health care system from competitive to non-competitive health care market. After the new elections in 2012, the objective is to establish a single social insurance system run by a state insurance company.

There are various causes of out-of-pocket patient payments in Georgia. Supply-side factors include the inadequate and insufficient official income of health personnel, and the lack of transparency in the administration and management of provider units. Demand-side factors are related to: (1) cultural reasons: paying providers has been a cultural norm in Georgia since socialist times; several patients admitted that they used to pay providers also during the “old Soviet days”, although on a different scale; (2) gratitude: “. . . when a doctor saves your life you want to thank them”, i.e. patients are willing to pay physicians to express gratitude; (3) desire to support doctors: Georgian population believes that health workers are suffering from the same economic hardships as the others; people are willing to help by paying directly in exchange for medical services; (4) lack of trust: respondents and providers expressed a complete distrust in the government. There are also contextual factors, such as the government’s underfunding of health services, poor definition of the benefit package (BBP), and overcapacity in the delivery system.

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