

Universal Health Care in Georgia


Achievements and Challenges

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Universal Healthcare in Georgia

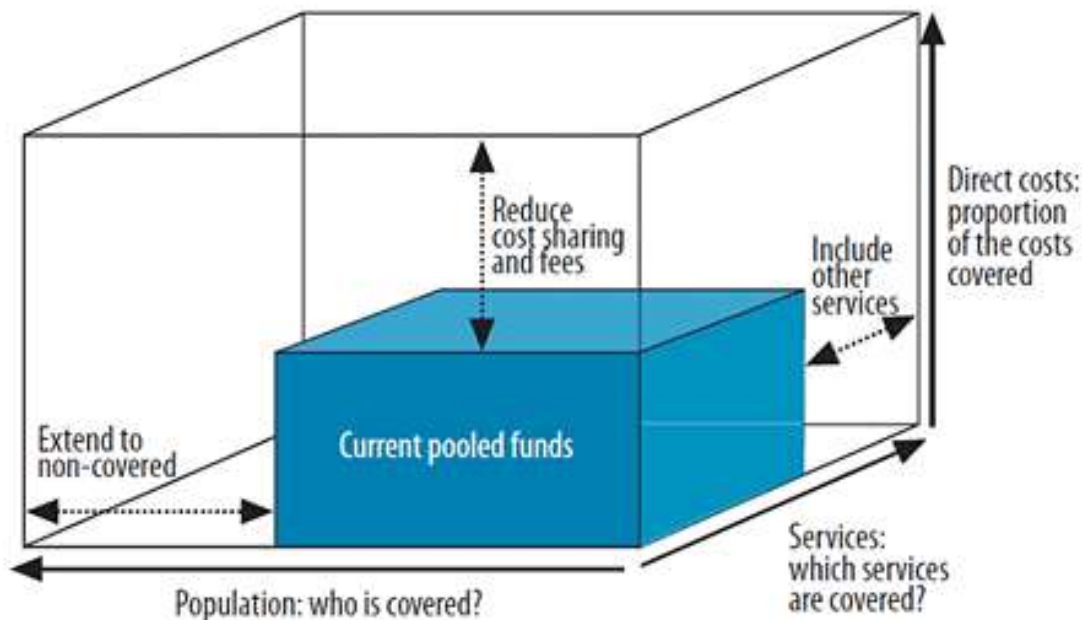
- In 2013 the government of Georgia started implementation of Universal Health Care.
 - The goals of UHC are: to increase geographic and financial access to primary and urgent hospital services
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Universal Healthcare

Universal coverage can be described as the attainment of complete insurance coverage of a population for the costs of a specified package of priority health care. The target has two dimensions: breadth and depth.

Breadth refers to the proportion of a population group covered by the insurance scheme; the target is 100% of all citizens of a country.


Depth relates to the types of service included in the benefits package.



Kutzin, 1998

Three dimensions to consider when moving towards universal coverage

Universal Healthcare (Breadth)

- In 2012 about 51% of the population are covered with Health Insurance. About 2 millions of persons had no insurance and in most cases, were unable to cover the medical expenses from own pocket. It shall be mentioned that the number of visits to primary healthcare per person was 2.1 and with this indicator Georgia ends up second in comparison to European countries.
 - To settle the problem, Universal health program has been introduced since 2013. 2 300 000 uninsured persons became the beneficiaries of the Universal Healthcare programme.
 - The programme aims at providing financial support for accessibility to healthcare. First time in the history of the country the state programme extends to citizens of the country, as well as holders of neutral identification cards/neutral travel documents and individuals without citizenship status.
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Universal Healthcare Package (Depth)

Universal health care programme cover

- ambulatory consultations of a family physician,
- planned and urgent out-patient service,
- Laboratory and diagnostic services
- urgent in-patient treatment,
- planned surgical operation (including daycare inpatient);
- Chemotherapy, hormone therapy and radiation therapy;
- Childbirth and caesarean section (for everyone)

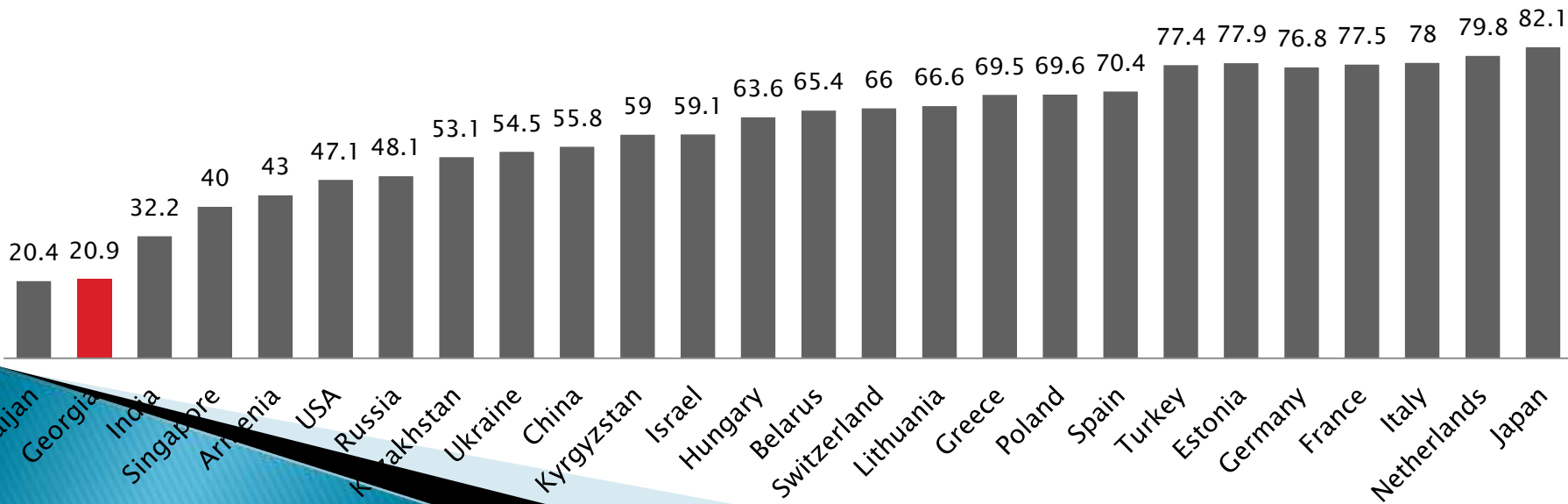
Since 2017, the state program for providing medicines for chronic illness has been approved



Government Spending on Healthcare

- ▶ The share of government spending on health care is an important indicator for healthcare financing in the country.
- ▶ According to World Health Organization, state health spending should comprise more than 40% of overall health care expenditures; in the countries, where this indicator is lower than 40%, the state has a limited responsibility for resolving the problems facing the healthcare sector. (Georgia – 21%)
- ▶ Despite the fact the health budget had increased two times in the past years, the state health expenditure is still low compared to other countries in Europe. Georgia should increase the financing of healthcare.

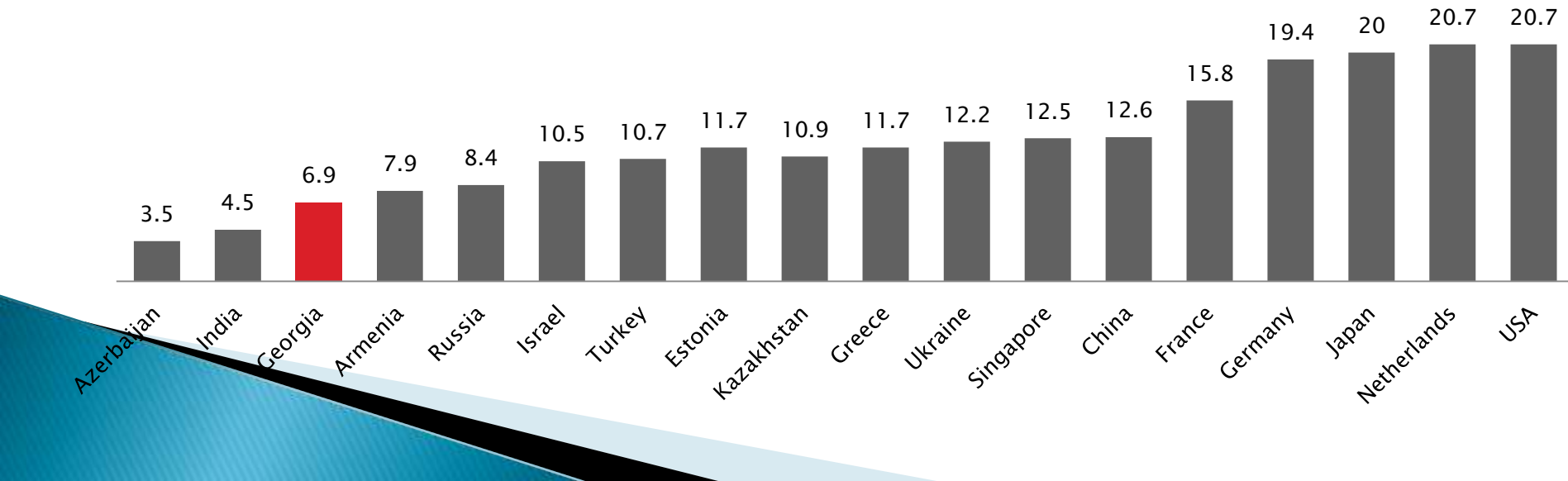
Fig. 1. The share of government healthcare in total healthcare expenditures (%).



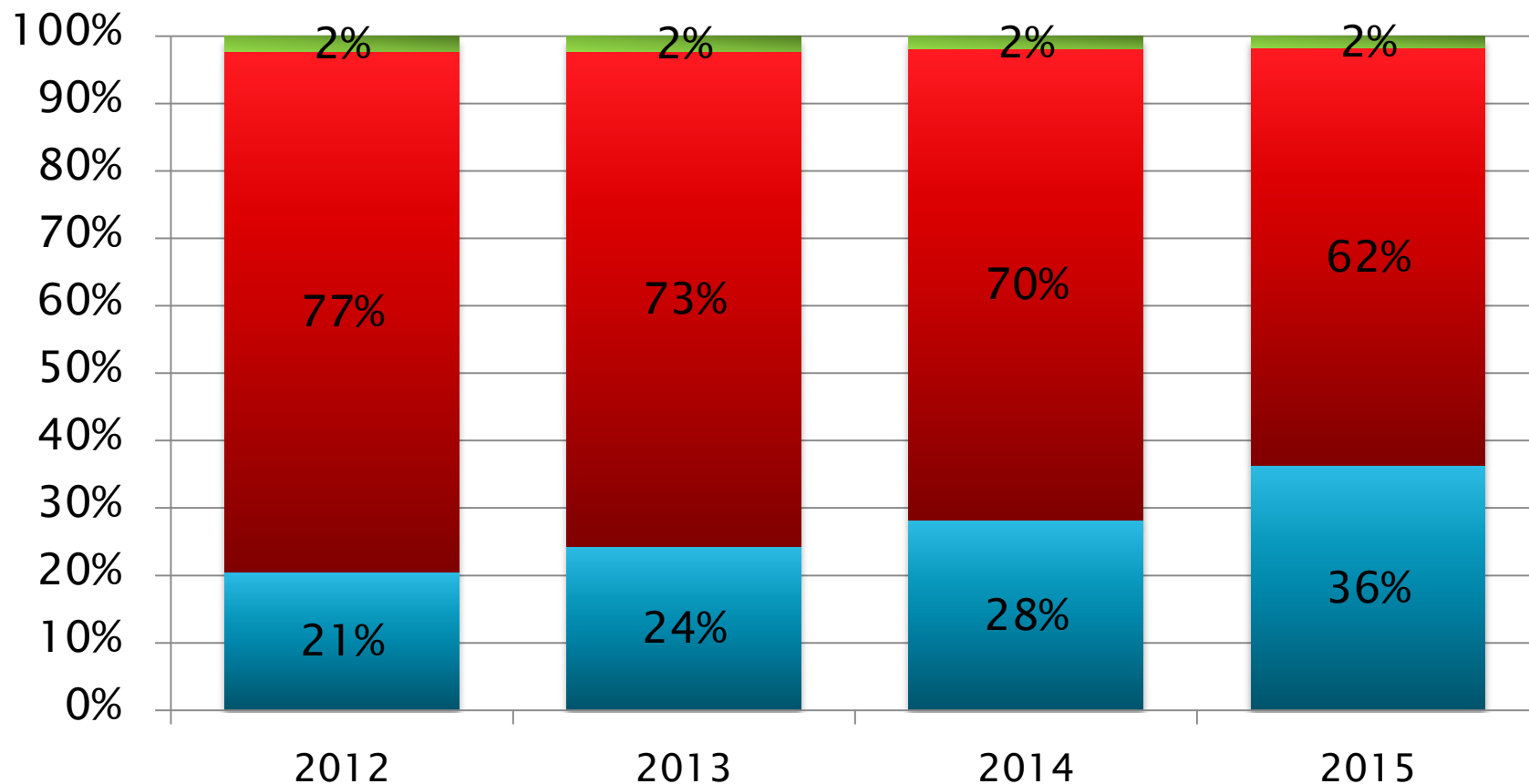
Government spending on healthcare in total public expenditures

- ▶ The state's attitude towards health sector is also demonstrated by government spending on health care in the total public expenditures. As per World Health Organization, the share of government spending on healthcare shall comprise minimum 15% of total public expenditures
- ▶ 7% in Georgia

Fig. 2. The share of government healthcare on overall public expenditures (%).



The structure of the total expenditure on health care



■ International assistance

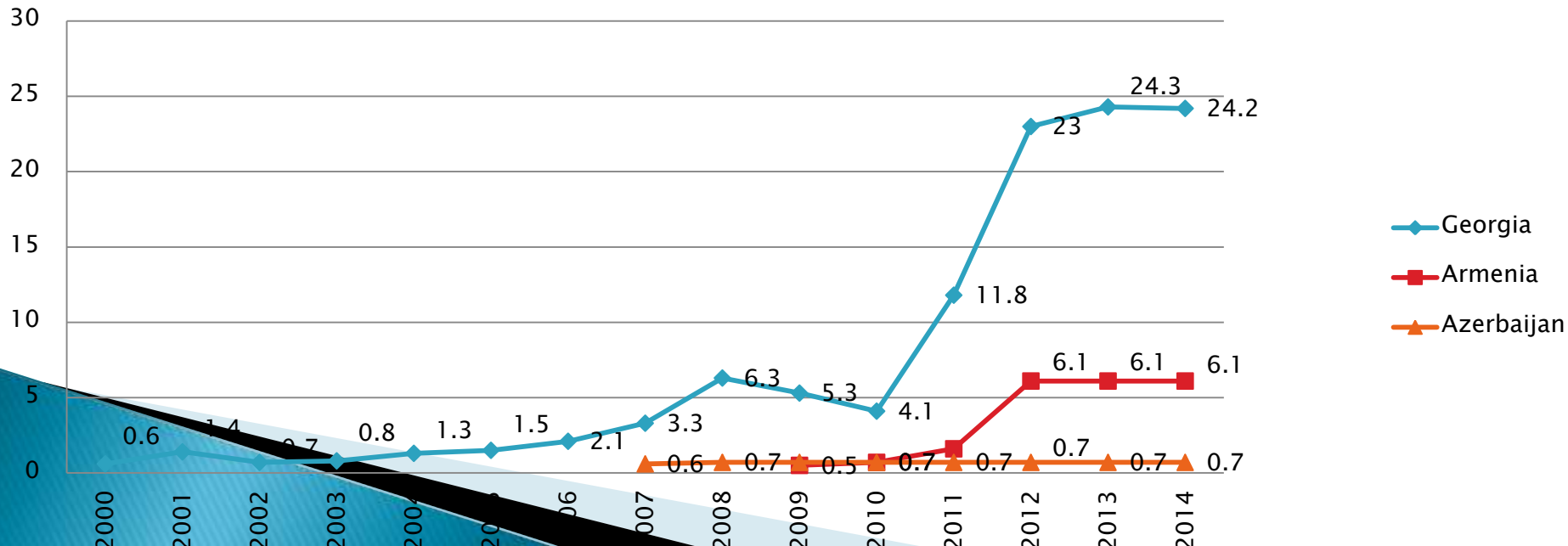
■ Private

■ State

The share of private insurance in private healthcare expenditures

- ▶ High share of direct out-of-pocket expenditures has a negative impact on the accessibility of healthcare and leads to impoverishment of the patients due to catastrophic healthcare costs. Relatively lower indicator of out-of-pocket expenses in Georgia indicates to the growing development of private health insurance, which is a positive development. The share of private health insurance in private health care costs comprises 24.2% in Georgia, 6 % in Armenia, 0.7% in Azerbaijan

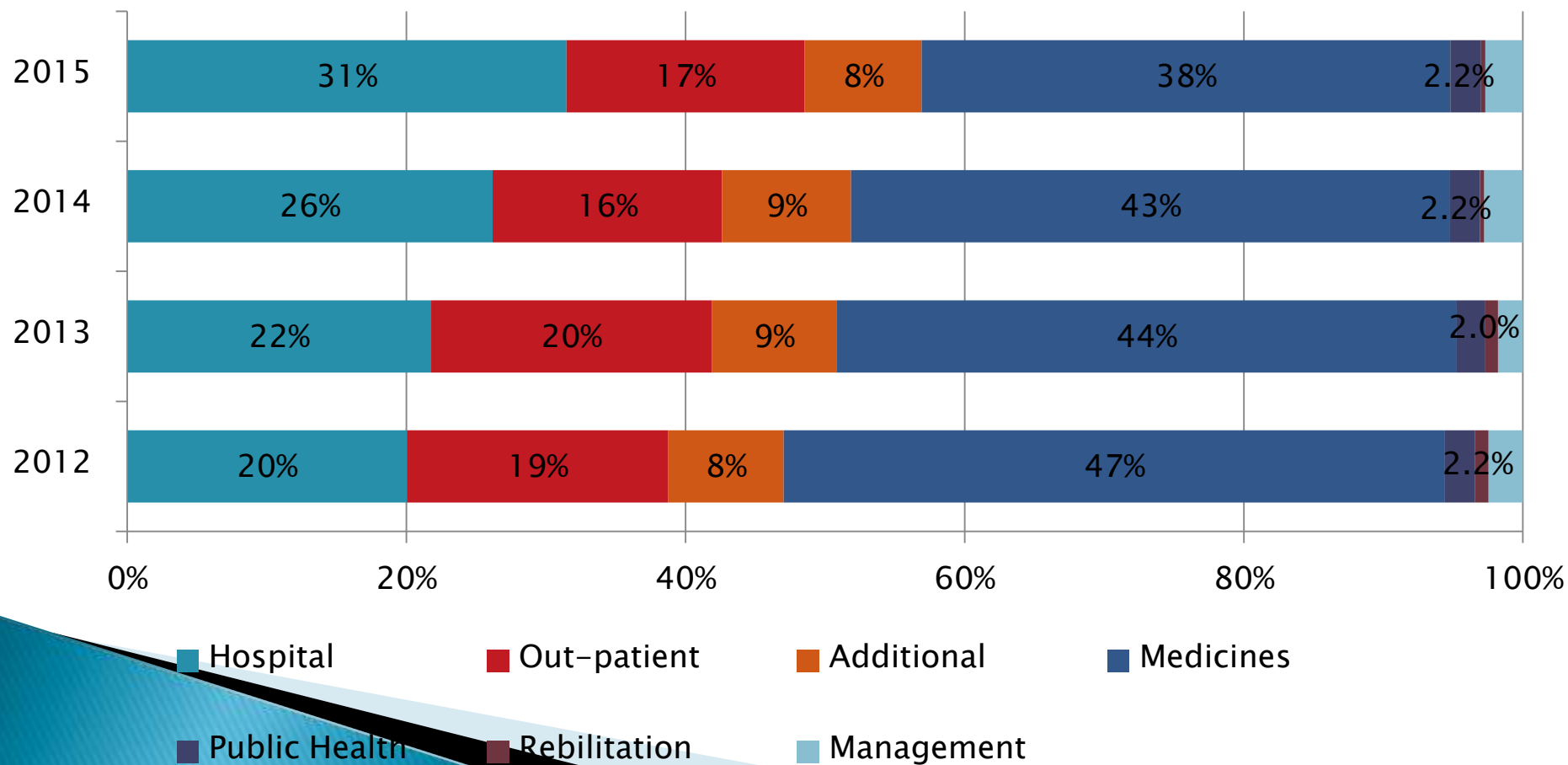
Fig. 3. The share of private insurance in private healthcare expenditures (%).



Distribution of total expenditures on health care according to the types of service


The share of **Medications** spending on healthcare expenditures is **38%**, **OECD Average: 16%**, **Average Income Countries: 20-30%**

The majority of outpatient medicines are paid from “out-of pocket”



Medication funding component

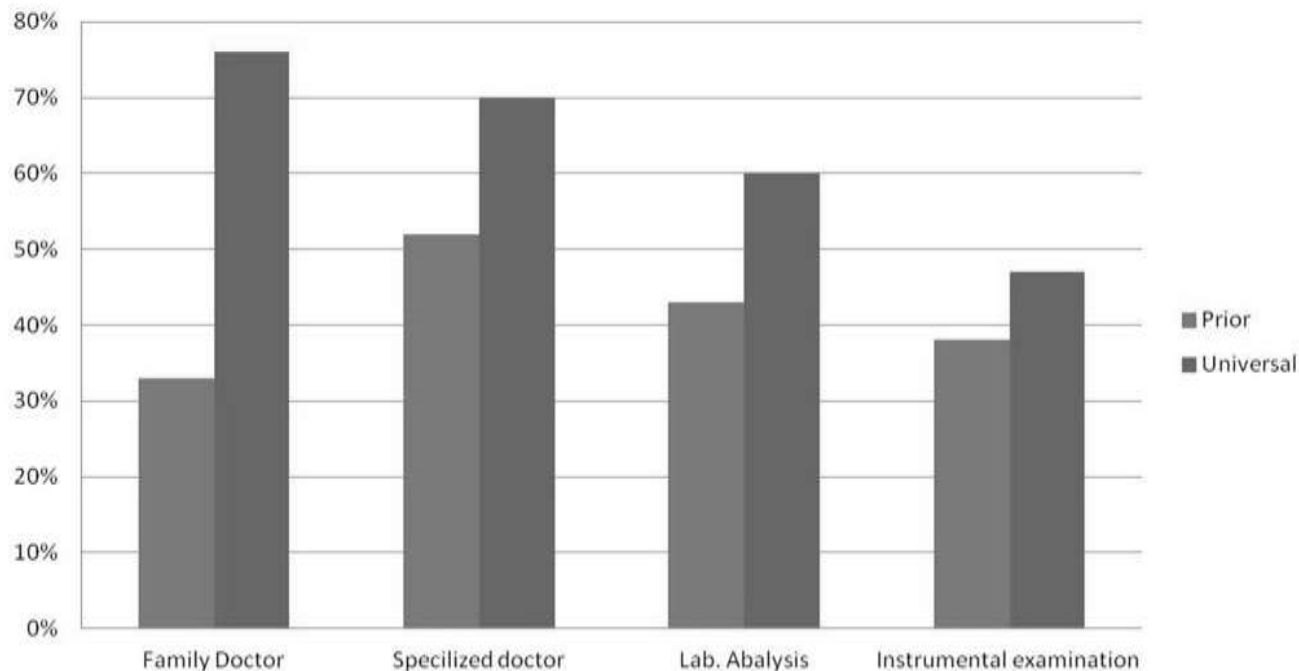
For Reducing financial burden on medicines:

- ▶ From summer 2017, a **medication funding component has been added to the universal healthcare programme, Namely:**
 - ▶ Medication for chronic heart and cardiovascular diseases
 - ▶ Medication for chronic lung diseases
 - ▶ Medication for diabetes (type 2)
 - ▶ Medication for thyroid diseases
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Visits to family doctor

After introduction of Universal Health programme, the visits of population for medical services have significantly increased. According studies, before introduction of Universal Health programme, 23% of respondents consulted family doctor, 67% did not address at all. After introduction of the programme, 49% of respondents have addresses 1 to 3 times, 27% more than 3 times, 21% of respondents didn't address at all


Diagram 1: Percentage comparison of Visits of beneficiaries prior and after introduction of Universal Health Programme



Primary Health Care Problems

- **More resources are directed towards treatment than prevention**
 - **The number of outpatients services is 2.3 per person (up to 7.5 in European countries).**
 - **Patients purchase medicines without the family doctor's prescriptions and are being treated for self-medication. As a result, the share of medication costs (about 40%) in the total cost of health care is very high.**
 - **The trust of family doctor is low.**
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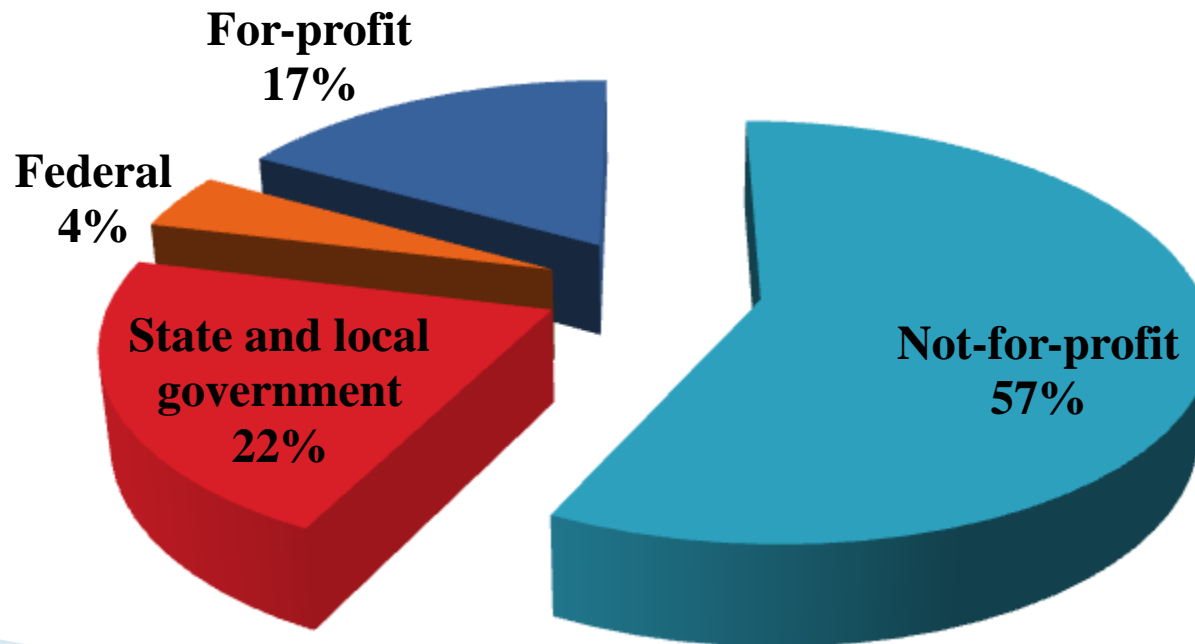
Primary health care solutions

- Promoting the development of a family doctor institute;
 - It is necessary to support continuous medical education of family doctors;
 - Optimal geographical distribution of primary care system and increase accessibility;
 - Improve physical infrastructure of primary healthcare system;
 - Development of primary health information systems;
 - Increase salary of primary healthcare personnel
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Forms of Ownership of Hospitals

- There are several forms of ownership of medical organizations: Nonprofit, For-profit, State-owned, Public-private partnership.
- Such diversity is mostly due to the particularities of the medical market.

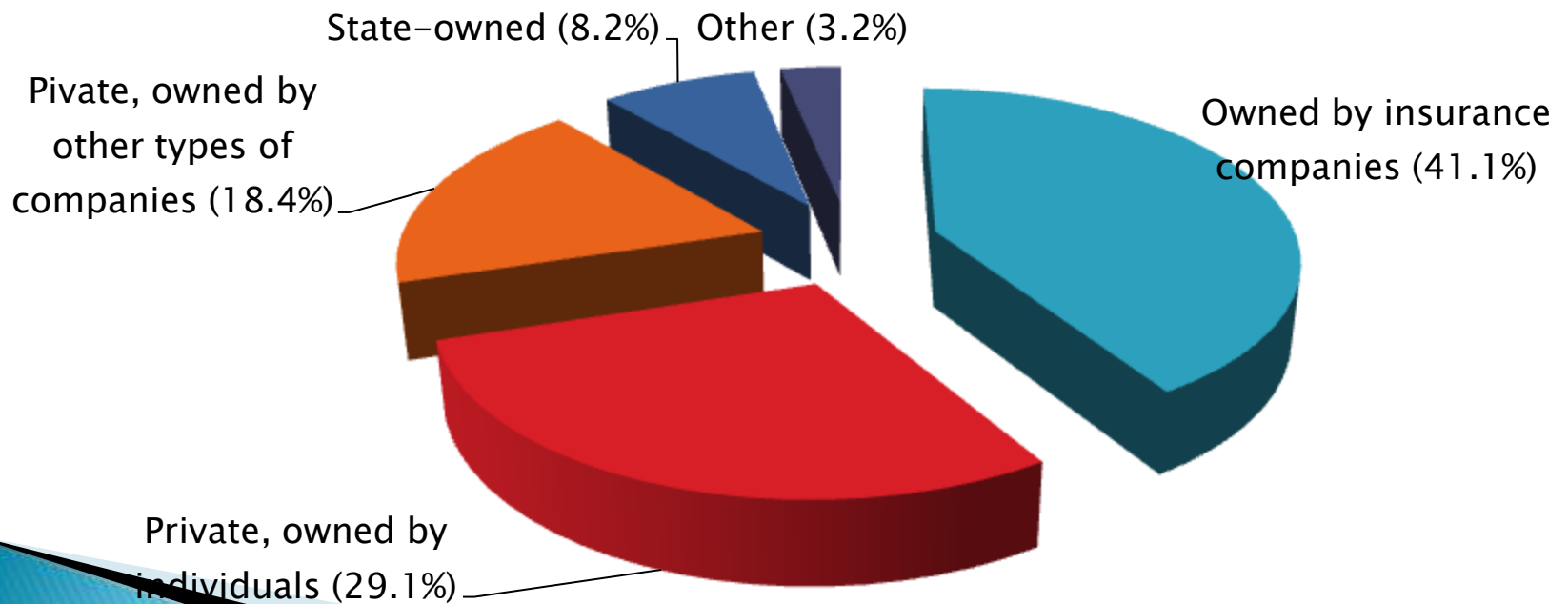
Forms of Ownership of Hospitals in USA




Forms of Ownership of Hospitals

- However, there are predominantly two forms of ownership in Georgia – for-profit and state-owned.

Forms of Ownership of Hospitals in Georgia



Different Forms of Ownership of Hospitals

- The health care market demanded the existence of different forms of ownership, which comprises private nonprofit, private for-profit, state-owned, as well as public-private partnership organizations.
 - It is necessary to promote nonprofit health care organizations.
 - It seems that there is no sufficient motivation for function of non-profit hospitals. Despite the fact that Tax Code envisages tax benefits, it's only on the paper and doesn't provide maximum result.
 - Different forms of ownership of the medical organizations will increase the competition between different forms of ownerships, which will improve access to health care services.
 - Most importantly, this will bring Georgia closer to the experience of the European countries.
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Multiple VS Single-Payer System

- There is single-payer system in Georgia;
- Problems in single-payer health care systems: Insufficient government resources and Rising health care costs.

Growing trend to move away from centralized government control and introduce more market-oriented features:


- Private sector involvement in health care provision and financing to improve systems efficiency;
- Incorporate market mechanisms such as:
 - competition among insurers and providers,
 - cost sharing,
 - consumer choice.

Managed competition

Managed competition leaves the provision of health care in private hands but within an artificial marketplace run under strict government control and regulation.

Key elements:

- **insurance from a private insurers (non-profit and for-profit);**
 - **Individuals have a choice of insurers & providers;**
 - **Insurers Choice – any providers, selectively contracts;**
 - **Providers Choice – Insurers, agreement contracts**
 - **Government sets a standard benefits package;**
 - **Insurers may compete on price, cost sharing, and additional benefits.**

 - **Germany, Netherlands, Switzerland, Israel, Ireland, Belgium**
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Recommendations

- **Increasing state investment on health care**
 - **Implementation of cost-containment mechanisms**
 - **Reform Primary Health Care and increase demand for prevention services**
 - **Development Different Forms of Ownership of Hospitals**
 - **Development Managed Competition in Health Care System**
 - ▶ **Encourage the appointment of generic medicines, conduct an informational campaign to increase demand for generic medicines**
 - ▶ **Improve the quality of care**
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