

# Obstacles in the Development of Nonprofit Hospitals in Georgia



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## Abstract

The most common form of ownership of medical establishments worldwide is a nonprofit organization. In contrast, the number of nonprofit medical institutions in Georgia is very scarce, while private profit organizations hold about 90% of the medical market. The goal of the research is to study the factors that affect the development of nonprofit hospitals in Georgia. Since there are very few nonprofit medical institutions in Georgia, we hypothesize that there is not enough motivation for functioning of such institutions. For the purposes of this research, six in-depth interviews were conducted with managers and experts of nonprofit organizations. As the research demonstrated, there is no sufficient motivation for functioning of the nonprofit form of medical organizations. Although the Tax Code provides tax benefits, they exist only in a token way and do not support the development of nonprofit medical organizations. It is necessary to improve the tax benefits provided for nonprofit hospitals in the Tax Code and share the world experience in order to increase number of nonprofit organizations in Georgia. It is recommended for Government to give more support to nonprofit organizations, in order to increase their functioning efficiency and bring incentive for development of new nonprofit medical institutions.

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