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### **Access to Medicines for Pension Age Population in Georgia**

The pension age population belongs to the largest risk group within the insurance sphere. Healthcare for pensioners often represents catastrophic expenses and has become the major reason for their impoverishment. Families in Georgia spend about 60% of all their healthcare expenses on medicines, this being one of the highest rates across the world. There is some evidence that the high costs of medicines are due to a combination of factors, including insufficient usage/administering of generic medicines, lack or inadequate utilization of prescription mechanisms, insufficient financial limit for medicines within the state healthcare programs, and aggressive marketing by the pharmaceutical industry.

The government has been trying to decrease the out-of-pocket spending via different strategies, including universal health coverage (UHC). Since February 2013, the Universal Health State Program came into force, targeting two million of uninsured citizens and providing a basic package for primary health care and emergency services.

Pension age population form the largest at-risk group within the insurance sphere. The most rapidly increasing and unaffordable share of healthcare expenses falls upon medicines. This paper examines financial access to medicines and the satisfaction with the insurance policy within the Georgia State Health Insurance Program for pension age population.

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Using a randomized selection method, 500 pension age persons were interviewed by means of direct questioning.

According to the Social Service Agency, there are 45,455 pension age recipients of medical insurance in Tbilisi with a total of 673,183 pension

age population across the country (National Statistics Service of Georgia, 2013). Out of the 500 persons (62.4% women and 37.6% men) interviewed. The sample population covered all the districts of Tbilisi. The interviews took place in clinics. The largest segment of the interviewed population was between the ages of 71-75 (35.2%).

While the Georgia State Health Insurance Program for pension age population includes some compensation for medicines, medical insurance does not provide guarantee for financial accessibility to medical service. The results show that out-of-pocket payment is the most common health financing mechanism in Georgia. The cost of healthcare for pensioners often represents catastrophic expenses and becomes the major reason of their impoverishment. Based on the results, medication expenses represent one of the most important components of the medical service for the insured pensioner population. Over 55% of the pensioners have to buy medications at least once a month and 34% purchase them at least once or twice a week. Most of the interviewed insured population believes that buying medicines, combined with low financial accessibility to relevant medical services, is the most significant problem for their families.

The awareness level of the insured persons about medication coverage and payments for medical services provided by the insurance package within a certain limit is low. The majority of those interviewed (64%) stated that their out-of-pocket expenses exceeded this limit; 20.4% exceeded that amount by 80 GEL or more. The fact that 32.8% of the insured population cannot afford medications prescribed by their doctors also points out at low financial accessibility for medicines. The majority of those insured did not know that the insurance company compensates medicine expenses within the policy annual insurance limit. Additionally, 58.8% of those who have to pay for certain types of medical services covered by the state insurance program out of their pockets were not aware about the limits.

Reduction of catastrophic healthcare expenses should become the chief aim of the government health policy. It applies to the high-risk population, those under the poverty line and the pension age population, as well as to

those with chronic diseases. Accordingly, based on the findings, it is reasonable to expand the insurance program for the pension population and also provide more reasonable coverage of medication expenses.

**Keywords:** Georgia, health insurance, catastrophic out-of-pocket payments, financial access to healthcare, pension age population