



Modernizing Health Care in Armenia

Synopsis

The Health System Modernization (HSM) project has helped Armenia's most vulnerable citizens increase their geographical and financial access to quality basic health services, through infrastructure development, more modern equipment in rural health facilities, and enhanced knowledge and skills among primary health care (PHC) providers. Roughly 89 percent of the people are now covered by retrained family medical providers compared to 47 percent in 2006. Moreover, improving the quality of the principal regional hospitals and health care providers and developing the PHC infrastructure in rural areas will eventually reorient regional patient flows from the capital Yerevan to local health facilities.

Challenge

During the last two decades, Armenia's social sectors, including its health care system, have faced enormous economic difficulties. Sharp decreases in state allocations to the health sector, high out-of-pocket payments, dilapidated infrastructure, the lack of modern diagnostic equipment, and poorly motivated medical staff all combined to impede access to quality health services, leading to an increase in mortality and morbidity rates, especially among adults. As a result, there was concern that people with health problems would avoid the use of health services altogether, primarily because of financial barriers. The main challenges in Armenia's health care system are thus to ensure better access to quality health services, reduce individual payments, reallocate the health budget toward the more cost-effective PHC system, and rationalize health service provision, including by optimizing excess capacity in the hospital sector.

Approach

The HSM project has been designed to improve the organization of the country's health care system to provide

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More Results



150

rural PHC facilities were improved through new construction and renovations between 2004 and 2011

more accessible, higher quality, and more sustainable health care services to the population, the most vulnerable in particular, and to better manage public health threats. To this end, the project continues to support government efforts to: (i) complete the family medicine-based PHC reform that was launched in 1996; (ii) consolidate the hospital sector to minimize the waste of scarce resources and improve the quality of care; and (iii) strengthen the government's capacity for effective stewardship in policy making.

3000

medical practitioners were retrained in family medicine

Results

Between 2004 and 2011, the HSM project supported the following key outcomes:

- About 1,400 physicians and 1,600 nurses were retrained in family medicine.
- The infrastructure of 150 rural PHC facilities was improved through new construction and renovations.
- Three hospitals in Yerevan ("Yerevan State Medical University," "Surb Grigor Lusavorich," and "Surb Astvatsamayr" Medical Center (MC)) were renovated and provided with modern biomedical and IT equipment.
- Seven regional hospitals were fully modernized: Kotayk region Hrazdan MC (population 105,300), Tavush region Ljevan MC (49,200), Armavir region Armavir MC (121,500), Ararat region Ararat MC (95,500), Argatsotn region Aparan MC (22,400), Syunik region Goris MC (44,700), and Gegharkunik region Gavar MC (57,800). All were renovated and provided with modern medical equipment and furniture.
- 726 managers of hospital facilities received management training developed by international consultants.
- Health System Performance Assessment reports for 2006, 2008, and 2009 were developed, published, and distributed among stakeholders, demonstrating the positive impact of the government's health reforms on health care quality and access.
- National Health Account (NHA) reports for 2004–10 were developed and published, presenting valuable information on the sources and volumes of financial flows in the sector, and providing an opportunity for decision makers to assess and revisit the results of the ongoing reforms and make essential policy adjustments.
- The modernization of the health system contributed to: (i) an infant mortality rate decrease from 14 (per 1,000 births) in 2002 to 10.8 in 2008; (ii) an under-five mortality rate decline from 16.6 (per 1,000 live births) in 2002 to 12 in 2008; and (iii) a maternal mortality rate drop from 37 (per 1,000,000 live births) in 2004 to 29 in 2009.

MORE INFORMATION

» **Health System Modernization Project APL phase 1**, June 10, 2004–June 30, 2010

» **Health System Modernization Project APL phase 2**, March 8, 2007–December 31, 2014

Bank Contribution

The HSM project is a two-phased Adaptable Program Lending (APL) to support the reform of the health sector in Armenia in three main areas: developing PHC, optimizing hospital facilities, and modernizing and strengthening government institutional capacities. The first and second phases of the project—APL1 and 2—were supported by IDA credits of US\$19 million and \$22 million, respectively; the government's contribution was \$2.8 million to APL1 and \$7.17 million to APL2. In December 2010, the Bank Board approved a \$19 million additional financing (AF) IBRD loan to APL 2, which became effective in June 2011.

Partners

There is a strong partnership among the key development partners in Armenia's health sector.

The country's health reforms were jointly supported by the U.S. Agency for International Development (USAID) and the World Health Organization (WHO). USAID helped finance the critical training and retraining of PHC providers in the field of family medicine, and funded project help to develop and install the Health Financing Management Information System (HFMS). WHO was instrumental in providing methodological guidelines and technical assistance (TA) for the development and institutionalization of analytical policy tools, such as Health Sector Performance Reports and National Health Accounts.

Moving Forward

The recently approved AF supports a further transition to family medicine-based PHC, the completion of the regional hospital modernization process, and the institutional strengthening of the overall system. A key emerging agenda is the growing importance of noncommunicable diseases and injuries (NCDs) in Armenia, which already significantly burden the health and social welfare systems through premature death, long-term illness, or disability. Stronger prevention efforts, such as public health interventions and better outpatient management of the risk factors through primary care, could offer excellent value for money in health care going forward. The new investment project under preparation aims to improve the health care system's effectiveness in prevention, early detection, and the management of selected noncommunicable diseases.

Beneficiaries

About 2.5 million Armenians benefitted from the project, now having better access to modernized facilities and quality health care provided by retrained physicians and nurses. In the regions, a small number of specially trained physicians in centralized, renovated regional medical centers now provide a wide range of health care services with state-of-the-art equipment. Dr. Gevorgyan, who sees patients in her newly equipped outpatient unit, currently performs procedures for which she used to send patients to a regional hospital or the capital.

"We used to send patients as far as 16 km to be treated at the regional polyclinic," she said. "Say, for an electrocardiogram, which takes 3–4 minutes, they would spend their whole day waiting in front of the doors of the Hoktemberyan polyclinic."

"We used to work in very bad physical conditions," said Dr. Karine Hakobyan from a clinic in Tairov. "The building was in a horrible state: there were two rooms, no flooring, we were at risk of breaking our legs when we walked; the ceiling leaked. We would examine children, pregnant women, ill and healthy people—all in the same room."