

Introducing Statutory Health Insurance in Armenia



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In 2016, 17.2% of Armenians did not seek health care, because it was considered unaffordable. The share of 15 and older population not seeking medical care when there is a perceived need, almost doubled between 2009 and 2016. If in 2009 the percentage of those not seeking health care was 19.2%, in 2012 it increased to 35.2%, and in 2016 reached 36.8%.

Ubiquitous discontent

Everyone seems to be dissatisfied with the health care system in Armenia. People complain of the quality of health services, of limited accessibility and affordability. They have concerns about the attitudes of service providers and about many other things.

Doctors complain of their waning social status, of income and medical technologies and equipment. They are dissatisfied with the social environment.

Public health managers, CEOs and senior managers of medical facilities, are unhappy too. They do not approve of the volume of state-commissioned social programmes, they complain of the lack of sufficient financial resources, brain drain, and unclear rules of the game.

Dissatisfaction with the current situation is shared even by the healthcare policy makers. They are discontent with the volume of budget allocated for provision of healthcare, with scarcity of resources necessary for radically reforming the public health system of the country, and they have serious grievances against the fossilized uncompetitive niche, which seems impossible to get rid of. Thus, all seem to be dissatisfied with lots of things.

Impossible not to change

It is definitely possible to stick to the status quo. Meanwhile, learning German in order to find an appropriate medical job in Germany will turn into a customary behaviour for the best in medical profession in Armenia. More and more people in the middle class will seek medical help abroad in almost all cases, and the Georgian healthcare system will accept more and more patients from Armenia. All the while, the quality of life in Armenia will not improve or will rather deteriorate insidiously due to health issues people face. The healthcare system will ossify to the point when any potential change will incite a very strongly resistance.

Status quo may continue until a pool of leaders is able to clearly state: "We need and will introduce comprehensive reforms, because otherwise the public healthcare system will turning into a threat to the national security".

Breaking through the ominous prospect of future forecasts

Consistent development of healthcare system requires increasing investments of financial resources. This is certainly not a sufficient condition, but it is a necessary one. Given the current economic opportunities and the war-like situation in the country, the government most probably will not be able to commit to such investments in the near future. It is but naïve to expect sustainable financial resources for systemic changes from a third source. Thus, it seems that we have ended up in a deadlock, a vicious circle.



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In such a case, is there a way out at all? Apparently, at the moment, there is but one. There is a proven mechanism which can turn the existing money into more money, and this mechanism is certainly insurance: it implies existence of money; it allows one to make more money and it assumes that there should be new rules, rules by which the developed countries play and get treatment presently. Thus, it seems that introducing compulsory health insurance is the only light that can break through the ominous prospect of negative forecasts regarding the improvement of healthcare system in Armenia. The international experience comes to verify such an assumption.

Pioneers of compulsory health insurance: Masochists or leaders?

Obviously introducing compulsory health insurance is not an easy task. It will incite resistance from the citizens, who will be compelled to make significant payments for themselves annually. It will provoke resistance among the doctors, who will be deprived of specific privileges, or will have to work by changed rules. Healthcare managers will resist as well, because they will identify disastrous risks, will voice those, and will believe that insurance agencies are there to take away resources to which they are initially entitled. Policy makers who are satisfied with their social status and are not inclined to become a target of criticisms and reprovals from different actors, will no doubt resist too. We can understand all of them, and in a way, all of them will be right.

Therefore, it seems that we will end up with the status quo, which is explained by the basic statement “Everybody is dissatisfied”, and has consequences that derive from this statement detailed above. Still, even this deadlock that seems natural has a key.

Today, more often than ever policy makers talk of their readiness to introduce compulsory health insurance as a way out. They need the open and full support of the government and the political elite. Only then will they become the driving force of leadership, which, on one hand, will be able to convince the discontent citizens, doctors and managers that treatment of a sick system requires the use of painful remedies, and on the other, will be able to withstand potential reactions by explaining, indicating and leading.

Introducing health insurance is the most critical condition for improving the healthcare system in Armenia. This implies a long and painful process. It will be possible only through ‘sacrificial’ leadership of a few devotees who are strongly supported by major stakeholders in policy making.

The paper is elaborated based on the opinions passed by the participants of the off-the-record round table “Prospects of introducing health insurance in Armenia”, which took place on 30 August, 2017.

Independent experts, government officials, and representatives of international organizations attended the discussion.

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