

Issues in public health from the perspective of cost-effectiveness and not only



International
Center for
Human
Development

a Think Tank

Public health continues to be one of the most complicated sectors in Armenia, in terms of modernization efforts and introduction of new reforms. On one hand, the dynamics of the development of the country's economy and society asks for audacious and innovative solutions. On the other hand, any reform aimed at improving access, availability and quality of provided services within the sector cannot ignore the persisting high poverty rate of the population, insufficient trust towards reforms in transitional societies, and political challenges. Therefore, it is not surprising that for the last five years successes in the health sector have been attributed mainly to targeted projects, which addressed concrete issues of specific groups and secured the necessary level of public support. Additionally, these projects aimed "low", i.e. had narrowly defined objectives that implied small, though tangible gains, which is quite important for the success of systemic changes.

For the recent five years a number of reforms have been introduced to address the issue of accessibility of obstetric-gynecological health services, including the mechanism of certificates for medical assistance in child delivery. At the same time, one of the major challenges in the country, especially in rural areas, is the availability and accessibility of medical services for all social groups. One of the very interesting and useful initiatives to address the mentioned challenge is cost-effectiveness analysis of ambulatory-polyclinic obstetric-gynecological program for pregnant women, carried out by the applied social research center "Advanced Social Technologies". The scope of the analysis particularly covers the following issues: alternatives for making health services more accessible for the rural population; comparison of threshold indicators, including coverage of the services (number of visits); cost-effectiveness and the total cost of the policy option in rural areas. The comparative assessment of the recommended policy options was carried out based on three indicators mentioned above. Within the framework of the discussed options, recommendations were made regarding the introduction of optimal policy options, as well their sequencing and piloting.

In general, the significance of the mentioned policy analysis is found in juxtaposing individual indicators in case when clear mechanisms are in place. Indeed, these indicators have been widely used in the health sector to assess the baseline situation and relevant policy options. However, within the framework of the analysis the suggested comparison of the same indicators and evaluation of the policy options can be quite helpful for developing evidence-based, audacious and feasible policies in the health sector, and for achieving and integrating small victories.

However, it is worth to note a number of key limitations to the development and introduction of a policy based on the evaluation of cost-effectiveness of the offered services. Thus, one of the most serious challenges is the very low salary of medical professionals in rural areas. It jeopardized any initiative aimed at increasing the quality and accessibility of health services. Still, it should be noted that the key issues about the increase of cost-effectiveness of remuneration of health professionals and health services are closely related, particularly in terms of management of public finances. It is necessary to take into account at least the following factor: the recommended policy actions



19 Sayat Nova
Yerevan 0001
Armenia

Tel.: +374 10 582638
Fax: +374 10 527082

mail@ichd.org
www.ichd.org

should address both issues mentioned about and should imply tangible changes, especially in regard to increasing the rates of net salaries of health professional in rural areas.

Second, the current system of education and professional development of health professionals cannot ensure the existence of qualified health personnel in rural areas, even in case of significant increase in remuneration, because the divide between the remuneration scale in urban and rural areas will obviously continue to be quite tangible, even in case of increase of the absolute level of income. In this respect, it is necessary to include specific activities in the policy options, addressing the need for change in the system of education and professional development of health professionals. Specifically, it is necessary to ensure an adequate flow of health professionals whose education and professional development has been subsidized by the state into rural areas. In addition, there should be a requirement for employment of this group in a rural health facility for a set period of time, including an introduction of adequate legal warrants and regulation of a number of issues in civic-legal relations between the contractor, aka the government, and the health professional. We believe that in this approach provision of public resources should be the primary factor, whereas the competitive system based on students' academic performance should ensure the very opportunity of getting the mentioned public resources, but only in case the applicants agree to comply with the requirement of mandatory employment in rural areas within a set time. In other words, public resources should be available to health students not because of their academic performance, but in case they take the mentioned employment responsibility. In parallel, it is necessary to introduce and develop the institute of education funds in the system of education and professional development of health professionals, which should aim at encouraging advanced academic performance and a number of other benchmarks defined by the education fund.

It is encouraging to learn that in some rural areas introduction of the institute of family doctors has considerably improved the physical availability and accessibility of a range of health services. At the same time, this creates a need for more differentiated research and comparative analyses within the overall research on current ambulatory-polyclinic obstetric-gynecological services for pregnant women. The required analyses can focus on issues such as services provided by family doctors and obstetrician-gynecologists (or as a matter of fact, of visits of pregnant women to these doctors) with the goal of ensuring comparability of a number of quality indicators, such as coverage, accessibility and availability of health services in rural and urban areas.

Finally, the above-mentioned policy study and perhaps further research will only gain if they manage to involve representatives of relevant state agencies that are responsible for the development and implementation of relevant policies in the sector. Such an approach will not only make the methodological section of the research more solid, resulting in increased validity and reliability of research findings, but will also create a sense of ownership towards the research conclusions and policy recommendations among the key stakeholders, thus increasing the potential for implementing the suggested recommendations.

The paper is elaborated based on the opinions passed by the participants of the discussion "Strengthening Institutions to Improve Public Expenditure Accountability in Health Sector", which took place on September 26, 2011. The roundtable discussion was attended by independent analysts, government officials, and representatives of the international organizations.

The round table was organized in cooperation with the Advanced Social Technologies" research NGO