

Results-Based Financing in Primary Health Care, Armenia

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The RBF system in Armenia

- Primary Health Care services - 363 public PHC urban polyclinics, health centers, and rural ambulatory facilities (work with 552 small centers - “FAPs”, Feldsher Acoucher Posts) and some private centers.
- Provision - publicly funded, provided free of charge
- Coverage –RBF system covers all PHC facilities
- Financing - State Health Agency (SHA) of MOH (also fund holder and verifier)
- Components - RBF in Armenia, two components:
 - Open enrollment (OE)
 - Pay for performance (P4P)

RBF details

- Launched in 2009; capitation facility payment introduced in 2014
- Bonus payment: 3%, 6% of provider annual salary – paid once, twice a year; will be 30%
- ARMED – eHealth system
- By 2011 all PHC facilities fully included in the system with 10 indicators - 1 immunization (tested in 2006)
- 30 indicators in 2013 (including disease registries), 27 in 2015 (6 retired, 3 new added), 32 in 2019 (6 immunization related), and 5-6 more in near future (all immunization related among 15-16 years old)

Immunization Related Bonus Indicators

- Timely immunization coverage for Rota virus among 12-32 weeks children
- Immunization coverage for all vaccinations according to the national vaccination schedule among children up to 11 months and 29 days
- Immunization coverage for all vaccinations (including MMR) according to the national vaccination schedule among children up to 23 months and 29 days
- Full immunization coverage among 6 years, 11 months, and 29 days old
- Coverage of HPV immunization among 13-14 years old girls
- Immunization coverage for tularemia among 17 years, 11 months, and 29 days old boys

RBF impact in Armenia

Successful: Nationwide reforms to strengthen the PHC system reached the goal of increasing population utilization of PHC services in Armenia (RBF one of the most important components)

- ✓ 2016–2018 Medium Term Expenditure Framework (MTEF) – the average number of visits to PHC facilities per person per year increased from 2.0 in 2000 to 4.0 in 2013, 4.1 in 2019.
- ✓ 2016 World Bank (WB) *“Implementation Status and Results Report”* - the RBF scheme was progressing well and meeting annual targets to improve the maternal and child health and NCD services in PHC facilities.

The study aimed

To examine how P4P was designed, piloted and scaled up in Armenia and how the RBF system was integrated into the National Healthcare financing system of the Republic of Armenia (2003 to 2015), and investigate why it was successful.

Enabling factors: Convergence of Global and National Contexts

- Introduction of RBF in the international development agenda
- Proposed policy popular at national and international levels
- National policy makers embraced the RBF concept from the beginning – national funding

A very important element of the Armenian project (which I think was tremendously successful) is that in our pilot we had government funding since day one. (Expert)

RBF presented an opportunity to address some of the key challenges in provision of health services. In such a situation, the government of Armenia prioritized PHC reforms ...to improve access to care and utilization of PHC services. (Policy maker)

Enabling factors: Coming Together of Global and National-Level Actors

- National Ownership and leadership: Government buy-in and stewardship – the SHA was centrally involved from the piloting phase (key enabling factor)
- Successful cooperation between multiple players and necessary contributions by each
- Balanced coordination between external technical agencies and the empowered national coordination unit

I think that the fact that this mechanism was financed through government sources really indicated that it was the right moment to try, as it was economically possible for the country. ... Consultations and negotiations with MOH and State Health Agency took some time, but did not last long. ... I think it was a uniquely great opportunity. (Policy maker)

Enabling factors: Other Stakeholders and Donor Coordination

- MOH departments - Medical Care Department, Primary Care Division, Maternal and Child Health Protection Department, and the National Institute of Health
- Ministry of Finance
- Ministry of Territorial Administration
- Provincial Governor's offices
- World Bank contribution through inclusion of NCD indicators

It would be better to say that this is a project being implemented by the MOH with support from the WB and is directed at the early detection and prevention of noncommunicable diseases. We have three target diseases included here: cardiovascular disease, diabetes, and cervical cancer in women. (Policy Maker)

Enabling factors: RFB Part of a Multi-dimensional Health Reform

- A well-sequenced reform process – slowly building on the project, rolling out components, adding indicators and being persistent even after national implementation
- RFB embedded in national regulatory frameworks - piloting, scale-up and OE mechanism brought through legal decrees and amendments to earlier rules and regulations
- Learning from evidence – the experience of other countries (UK, 2008)

We had a study tour to London, where we were introduced to their health system. This had a huge impact on our future work, because we studied everything: contracting, developing indicators, and thresholds for indicators. (Expert)

Barriers

- 2008 Global economic crisis – affected bonus amounts
- Lack of provider participation in decision making
- Small bonuses (only 3% of the salary fund)
- Infrequent payments (annual)
- Overload of health providers with paperwork

Recommendations

- Additional financial resources to increase the bonus amounts
- Improve reporting system to decrease filing and data entry time
- Strengthen monitoring at facility and national levels
- Facilitate more positive attitude among health providers towards the system through non-financial incentives
- Continue introducing new quality indicators for the P4P (using Electronic Health Records)
- Continue implementing reforms that would help to improve the quality of services provided and increase trust and respect towards PHC providers

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