

POLICY ENVIRONMENT BRIEF

HEALTH

"INCREASING CIVIL SOCIETY PARTICIPATION IN NATIONAL POLICY DIALOGUE IN ARMENIA" ENPI/2013/334643



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ABOUT THE INITIATIVE

Economic Development and Research Center (EDRC) is a non-partisan think-tank aimed at analysing and monitoring of public policies and programs. Since 2001, EDRC carried out numerous projects with a special focus to budget analyses in various sectors.

Convinced of the crucial importance of direct interrelation between public programs with programmatic goals, objectives and targets as well as implementation efficiency and public satisfaction regarding these programs, EDRC strives to professionally contribute to policy development processes and discussions.

In collaboration with OXFAM GB, the “Increasing Civil Society Participation in National Policy Dialogue in Armenia” project was launched in 2014. EDRC works to increase budget literacy and analytical capacities of Civil Society Organizations and will carry out monitoring and evaluation of budget programs and public policies.

The “Policy Environment Brief: Health” is an analytical publication targeting a large audience from various groups of society. It aims to increase awareness and create bases for efficient cooperation between the civil society and public sector and promote more informed discussions and decision-making.

The main sources of information used for developing this publication are the policy documents and strategies, State Budget Laws and MTEFs, and other documents and data.

For comments and suggestions please contact EDRC: info@edrc.am.

Proper reference to the document when citing is obligatory.

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POLICY ENVIRONMENT BRIEF: HEALTH

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HEALTH SECTOR IN ARMENIA

SECTORIAL CHALLENGES

- *Improvement of Healthcare system operation is one of the priority areas of public policy in Armenia where main tasks are early detection of illnesses, prevention, diagnosis and treatment, improvement of access to medical assistance and quality assurance.*
- Reforms have continuously been implemented in the Health sector in recent years, aimed at improving access to and quality of healthcare services provided to the population, promotion of healthy lifestyle, improvement of financing, organizational and management systems in Health sector, increase in volumes of using health services, as well as improvement of affordability of medical services for the vulnerable groups of population. Nevertheless, various problems continue to remain unsolved in the sector.
- Overall, public financing of Health sector demonstrate growing trends: average annual growth rate during 2008-2013 equalled 5.4%. Nevertheless, Armenia is behind EU, and even CIS and neighbouring countries with its Health sector financing.

Figure 1. Total Per Capita Healthcare Expenditures (Adjusted by PPP¹), 2012, USD

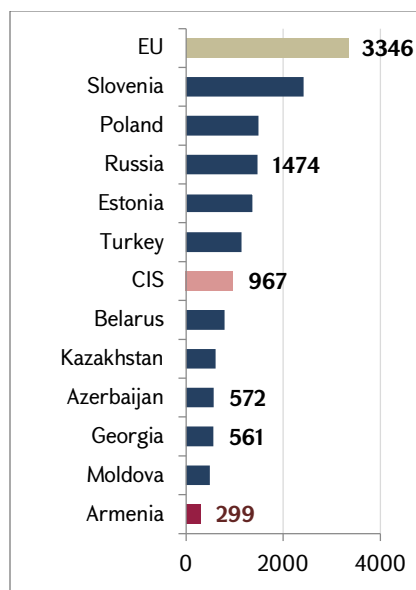


Figure 2. Share of Healthcare Expenditures in Total Budget Expenditures, 2012, percent

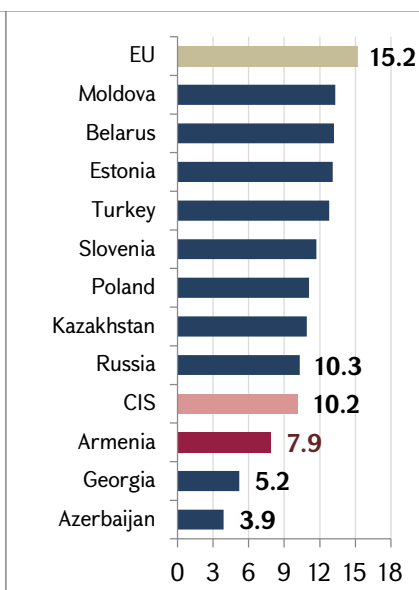
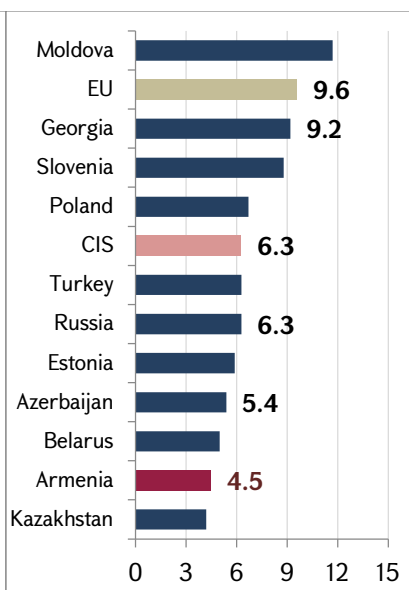


Figure 3. Share of Healthcare Expenditures in GDP, 2012, percent

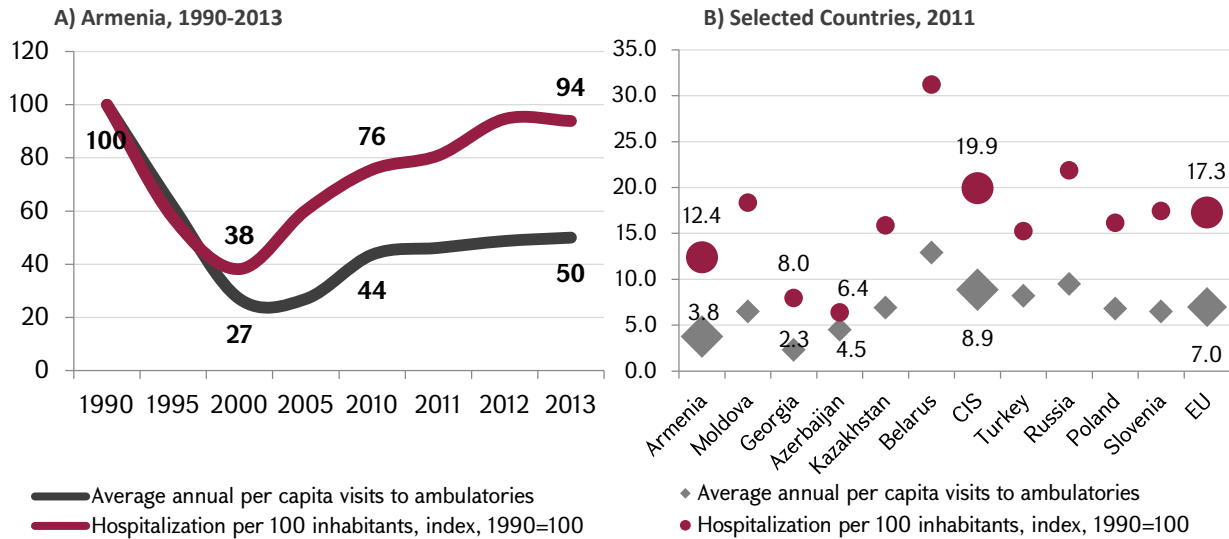


Source: WHO database

- Visits to ambulatories, as well as hospitalization case quantities have increased since 2000, however, they are well below the 1990 indicators. As can be seen from Figure 4, hospital visits increased more intensively, despite the efforts of the primary healthcare system: this suggests that the Armenian population applies for medical assistance mostly when the health situation deteriorates acutely. Both in terms of using ambulatory-polyclinics and hospital services, Armenia's indicators are lower than EU and CIS countries' average indicators.

¹Purchasing Power Parity

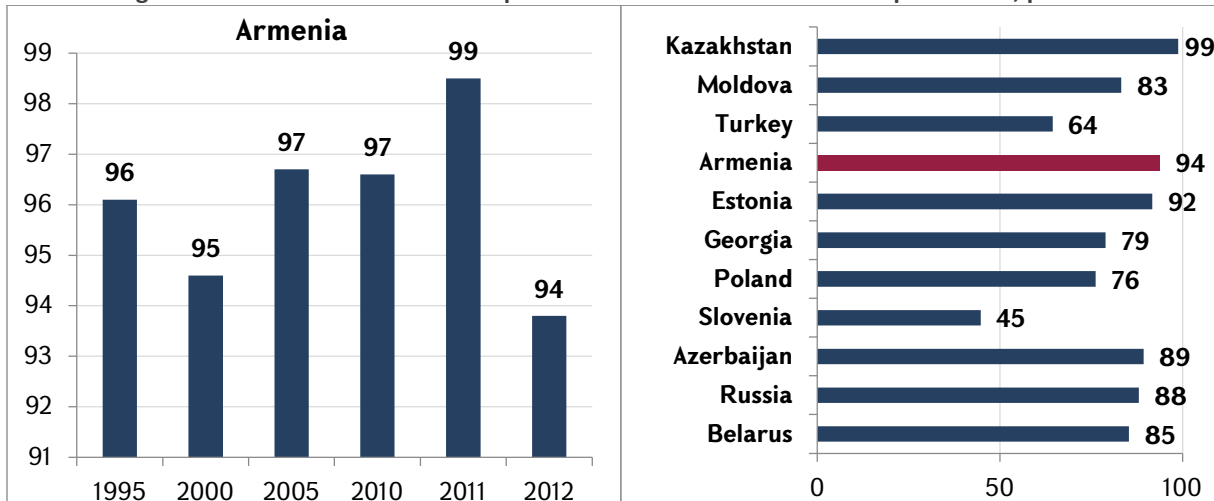
Figure 4. Consumption of Health Services



Source: NSS of RA, WHO database

- Household’s Integrated Living Conditions Survey data also prove that indicators of consumption of and access to healthcare services are low: in 2012, more than 67% of population did not seek medical assistance when they realized the need. Notably, if 63.8% of non-poor did not seek for medical assistance, 79% among the extreme poor did not do that. Notably, consumption of health services in the extreme poor quintile was lower than the average by 12 times.
- The level of protection of healthcare rights is also low among the poor. 7.2% of the extremely poor had the right to consume services provided with public financing and 6.8% - among the poor. 10.5% of HHs that receive Family benefits had the right to use services included in the package of publicly-funded services, including 11.4% of the extremely poor².
- The share of out-of-pocket expenditures on healthcare services is quite high. Notably, increases in public expenditures in the Health sector do not result in a reduction of out-of-pocket expenditures.

Figure 5. Share of Out-of-Pocket Expenditures in Private Healthcare Expenditures, percent



Source: WHO database

²Health System Performance Assessment (HSPA) 2012, page 67.

- The situation with a number of indicators describing the health of Armenian population is worrying. For example, morbidity and mortality rates due to non-infectious diseases are considered to be very high. Moreover, mortality from blood circulation illnesses and neoplasms has increased during the past ten years.

Table 1. Mortality Rates in Armenia per causes, 1990-2013, people

	1990	1995	2000	2005	2010	2011	2012	2013
Non-communicable Diseases								
Of which: Oncological diseases	3,541	3,454	3,967	4,679	5,516	5,574	5,625	5,608
Diabetes	495	917	1,266	1,570	1,395	1,354	1,295	1,305
Diseases of the Blood Circulatory System	10,843	13,456	13,198	14,578	13,657	13,315	13,330	12,960
Of which: Ischemic Heart Diseases	7,128	8,698	8,745	8,946	8,212	8,244	8,421	8,483
Cerebral Vascular Diseases	2,963	3,515	3,600	3,927	2,969	2,915	2,803	2,554
Communicable and Parasitic Diseases								
Of which: Tuberculosis	92	140	157	158	158	117	133	102

Source: Health and Healthcare Statistical Yearbook 2014

- Maternal, infant and child (under 5) morbidity and mortality rates continue to remain problematic for the sector, together with high rate of neonatal morbidity and mortality, increasing trends in morbidity and mortality from cancer of women's reproductive organs, high indicators of infertility, especially secondary infertility. The latter, apart from representing the health situation of the population, also reflect the country's economic development and social welfare of the society. Birth rates continue to remain low.
- In addition to the abovementioned, the following can be mentioned as problems in the sector:
 - Insufficient awareness and medical-hygiene knowledge among the population.
 - Lack of professional human resources in Marzes.
 - Absence of consumer rights protection mechanisms from the perspective of medical service quality control, pricing and rights protection.
 - Absence of supervision over medical institutions. The legislation officially does not regulate the medical institutions, their structure and medical services provided therein.
 - Need to increase the efficiency of resources allocated from the Government budget or other sources.
 - Medicaments with low demand for being included in the main medicaments list; low level of state control over quality assurance of medicaments etc.

PRIORITIES AND GOALS

Considering the developments in recent years and the current situation, the reforms in the sector will continue. In particular, the following goals and priorities are defined by 2025 by the Perspective Development Strategic Programme:

- Special emphasis will be given to disease prevention, early diagnosis and treatment aiming at reversing the current negative trends in morbidity and mortality from non-infectious diseases.
- Improvement and development of the primary healthcare system continues to remain a priority for the medium-term. The latter is explained, on the one hand, by both easy physical access and high economic affordability of these services, while on the other hand – by the importance of interventions in this subsector in terms of disease diagnosis and prevention.
- The issues of key service affordability, as well as institutional framework and relationships in hospital services are given special emphasis.
- Importance is given to the development and introduction of quality standards in healthcare services. In order to manage the quality of medical services, step-by-step introduction of medical assistance standards based on evidence is planned, together with patients database registry protocols.
- Special attention will be paid to ensuring specialized hospital medical assistance to socially vulnerable groups and individuals in special groups of population.
- Urgent heart surgeries will be guaranteed to all citizens of Armenia.
- Reforms in maternal and child health will further deepen and continue. Special attention will be paid to child health protection, disease prevention, including vaccination, as well as improvement of affordability of hospital medical services and rehabilitative medical services. Activities will be carried out to expand the network of rehabilitative services.
- Steps will be taken to improve child nutrition, as well as to implement programs of early detection of children with special rights and early intervention. Continuously, programs will be carried out to improve access to and quality of prenatal care for pregnant women.
- Haematological hospital compliant to the European standards will be constructed. It is also intended to establish an oncology centre that will allow identifying, diagnosing neoplasms with modern scientific methods and ensure quality treatment.
- High importance is given to the implementation of programs and measures to improve physical access and economic affordability of medicaments.
- Continuous increase in public expenditures in Health sector is considered to be the focal tool for the implementation of measures for the set priorities. At the same time, emphasis is given to the relatively low-cost measures that yield in significant impact in the long run (e.g. anti-tobacco campaign, participation in sports, increasing affordability of key medicaments etc.).
- Improvement of existing monitoring, evaluation and reporting systems is considered important.

STRATEGIC POLICY FRAMEWORK

NATIONAL FRAMEWORK

Strategies at various levels, concepts and policy programs lay the basis for the policy-making in Health sector.

Major strategic documents at the national level aiming at the development of the Health sector are presented below:

Perspective Development Strategic Programme (PDSP) (March 2014): The PDSP covers the period of 2014-2025 and is the main strategic paper for the country's social and economic development and serves as basis and primary guidance for the Government operation and medium-term sector and other program documents to be developed. This document bases on 4 priorities³, one of them being the **Human Capital Development**. In the context of the latter, access to and affordability of healthcare services, as well as quality improvement thereof deems extremely important from the perspective of improving the population's health indicators.

Strategy for the Protection of Mother and Child Health for 2003-2015 (2003): The objective is to improve mother and child health as a vulnerable group of the society.

National Program on Reproductive Health Improvement (2007): The objective of the program is to improve reproductive and sexual health of the population, thus, allowing for the realization of their rights in sexual and reproductive health throughout their lives, in particular:

- Healthy sexual development and maturing, possibilities to develop responsible and equal relationships, as well as sexual self-realization.
- Giving birth to a desired number of children in safe and secure environment.
- Possibilities to prevent sexual and reproductive system illnesses, as well as medical observation and, if necessary, use expensive medical services.
- Reduction of reproductive and sexual harassment and violence.

The Concept of Improving Child Nutrition (2014) is aimed at introducing proper practices for child nutrition, providing for their healthy growth and development, reduction of mortality and morbidity rates.

National Strategy for Child and Adolescent Health and Development and Plan of Action for Introduction (2009): Defines the following priority areas for 2010-2015:

- New-born babies' health,
- Infants' health and development, including nutrition and immunization,
- Child development disorders and child disability,
- School age children and teenagers' health and development,
- Mental health,
- Chronic illnesses,
- Injuries and violence,
- Environment.

³The other 3 priorities of PDSP are:

- Employment expansion,
- Improvement of social protection system
- Institutional modernization of governance system.

2013-2015 Strategy on Hospital Pediatric Care Improvement (2012): The main goals are the attainment of a national MDG child mortality (under 5) indicator, child mortality rate reduction at least by one fifth, infant mortality rate reduction at least by one fourth.

Strategy on Promoting Healthy Lifestyle (2014): The program aims at developing and introducing legal and institutional mechanisms aimed at promoting a healthy lifestyle which will result in a reduction of early mortality and morbidity rates from non-infectious diseases, as well as will contribute to mental health improvement, reduction in injuries. In order to achieve this, it is necessary:

- Implement preventive measures targeting the major groups living unhealthy lives.
- Provide for high awareness on negative consequences of unhealthy lifestyle by implementing a stable and comprehensive campaign.
- Carry out coordinated continuous activities by healthcare and other social sectors (education, sport and youth, territorial administration etc.).

National Program on Donating Human Blood and Blood Components and Transfusion Medical Assistance for 2012-2017 (2012) aims at ensuring adequate quantities of blood, blood components and preparation stored in the country through on-site blood collections (in educational institutions, workplaces, settlements where there are no blood service units), establishment of new blood service units in Marzes where these are non-existent, as well as continuous advocacy for blood donation.

Anti-Diabetes and Anti-Cardio Strategy Programs that are aimed at:

- Preventing and/or delay emergence of **respective illnesses** among all groups of population equally.
- Reducing complications from these illnesses.
- Introducing best practice in preventing, diagnosing and treatment of cardio-vascular illnesses.
- Guaranteeing financially affordable and cost-efficient diagnostics and treatment of these illnesses for all groups of population.

Strategic Anti-Neoplasm Program (2011) aims at reducing neoplasm morbidity rate among the population, as well as levels of neglecting and disability from neoplasm.

The 2014-2019 Strategy of Mental Health Preservation and Improvement in Armenia (2014) aims at development of the mental health preservation and improvement system and prevention of mental health problems among the population. The fundamental principles of the Strategy are:

- Access to mental health services.
- Protection of rights of beneficiaries and their families.
- Provision of community-level mental health services, integration to the society.
- Psychiatric and social rehabilitation of beneficiaries.

Concept on Provision of Alternative Care and Social Services to Individuals with Mental Health Problems (2013) aims at introducing alternative mental health services so that a family with a member with mental health problems is not left alone with their problems.

2010-2015 National Immune-prevention Program aims at reducing morbidity of manageable infectious diseases, prevention of lethal cases due to those illnesses and provision of non-perceptiveness of population to those diseases.

RA Program on Fighting Transmitters of Infectious Diseases (2014) aims at preventing transmission of infectious diseases through fighting transmitters and limiting penetration into the territory of Armenia.

2011-2015 State Program on Preventing Penetration and Implantation of Malaria in Armenia (2011) aims at preventing implantation of malaria in Armenia.

National Program on the Response to the HIV Epidemic 2013-2016 (2013) aims at effective provision of anti-HIV/AIDS measures: The program objectives are reducing HIV transmission, as well as HIV/AIDS morbidity and mortality rates.

The objective of the **National Tuberculosis Control Programme for years 2007-2015** (2006) is to improve the epidemic situation through reduction in morbidity and mortality from tuberculosis, as well as reduction of its stable forms development and growth. The introduction of the program is expected to provide for efficiency of diagnoses, treatment, other medical and organizational measures, as well as direct impact on epidemic situation.

2013-2015 National Anti-Trafficking Program (2013) aims at concentrating the public efforts on identifying victims of trafficking and improving support to them by enacting relevant improvements in by-laws, creating financial bases and developing the capacities of main players in the sector.

The State Tobacco Control 2010-2015 Program of the RA (2010) aims at protecting people's health from consequences of smoking and tobacco smoke, as well from its adverse social, environmental and economic consequences.

Concept of Financing Medical Assistance and Services Guaranteed by the State Free of Charge or at Preferential Terms (2013) aims at clarifying the existing principles of health sector public financing in Armenia, defining the new methods of planning and allocation of budget funds to the sector, defining the main directions of improving efficiency of expenditures and introducing effective financing mechanisms of public guarantees in Health sector.

Program for State Oversight of Health Sector and Resolution of Medicaments Policy Issues (2012) sets the following problems requiring resolution in this area:

- Lack of mechanisms and structures for public supervision and control.
- Inefficient centralized procurement of medicaments, inefficient procurement in medical institutions with public ownership.
- Imperfect and complicated mechanisms for registration of medicaments and biologically active food supplements.
- Insufficient capacities of the Scientific Centre of Drug and Medical Technology SNCO in performing fast, high-quality expertise and identification.
- Problems related to the physical access to medicaments due to absence of their re-registration mechanisms.
- Underdeveloped mechanisms of safety and quality assurance mechanisms through all phases of medicament circulation.
- Low efficiency of fighting circulation of expired or non-registered medicaments utilization of existing tools of inspections in retail market for medicaments.

Urban Ambulatories Development Concept (2012) aims at improving quality of services of ambulatories-polyclinics and promote introduction of family doctors in urban polyclinics. This concept implies developing business plans for each polyclinic based on their specifics and involving territorial administration and local government representatives in the process.

INTERNATIONAL FRAMEWORK

Armenia-EU

Trade and economic relations between Armenia and EU started in 1996 by signing a Partnership and Cooperation Agreement (PCA) between Armenia and European Communities and member countries thereof. 2007-2013 Country Strategy Paper (CSP) for Armenia sets the comprehensive goals for EU assistance, including tools and programs. Based on the latter, 2007-2010 and 2011-2013 National Indicative programs for European Neighbourhood and Partnership Instrument (ENPI) were developed. In particular, 2011-2013 Indicative program aims at supporting the implementation of priorities set by EU-Armenia Partnership and Cooperation Agreement, European Neighbourhood Policy Armenia Action Plan and Eastern Partnership programs⁴. The three main assistance directions are:

- democratic institutions and good governance,
- trade and investment, improvement of regulatory framework,
- social and economic reforms and sustainable development.

Problems in the Health sector are covered by the third priority above - **3.3. Human Development, including education and science and social services**. As a result of implementing the latter, it is expected to improve the social services in Marzes, especially in the area of childcare and child protection; improvement of international agreements implementation in public health area *by paying special attention to infectious diseases and non-communicable diseases*.

The list of measures to ensure implementation of 2014-2015 Armenia-EU Action Plan under European Neighbourhood Program⁵ was published in 2014. The measures to be implemented in the mentioned period in Health sector are:

- Studies of best practice in EU in areas related to improvement of healthcare in Armenia.
- Ensuring implementation of legal and institutional reforms in the sector based on the EU member countries' experience.
- Development of a laboratory system and laboratory referee centre.
- Identification of problems relating to the gender-based abortions and public awareness raising in this regard.
- Introduction of an epidemiological oversight system for antimicrobial resistance.

European Council Convention on Fighting Human Trafficking⁶, to which Armenia joined in 2008, sets the following:

- Take various measures to fight human, particularly women and child, trafficking.
- Recruit trained and qualified personnel in relevant bodies and ensure cooperation between various agencies in the field.
- Protect personal life and identity of trafficking victims and implement measures to support physical, psychological and social rehabilitation of such victims.

⁴ Started in May 2009.

⁵ Approved by the RA President Order N-NK-53-A dated April 23, 2014.

⁶ Adopted in 2005.

Armenia-UN

Armenia is a UN member since 1992 and since then signed and ratified a number of international agreements. The UN assists Armenia to achieve the national development priorities and face challenges in the human rights field. The Armenian office of the UN developed a UN Development Assistance Framework (UNDAF)⁷ for 2010-2015 which sets 4 national priorities and outcomes derived from those priorities:

- 1. Larger access to economic possibilities in line with sustainable development principles.**
- 2. Development of citizen participation and realization of their rights and responsibilities, as well as capacity development of governmental organizations in implementing their responsibilities.**
- 3. Access to social services in line with sustainable development principles.**

Outcome 3.1. Policies and legislation conducive to overall access to healthcare services in Marzes are promoted.

Outcome 3.2. Some healthcare service providers in Marzes provide access to higher quality services.

3.2.1. Strengthening of national capacities to develop and implement national policies and strategies targeting nutrition of vulnerable groups, especially the poor, women and children.

3.2.2. Capacity strengthening in high quality services in maternal and child health, as well as sexual and reproductive health.

3.2.3. Increased access to high quality services for HIV and tuberculosis prevention and treatment.

3.2.4. Increase in awareness on sexual and reproductive rights among youth and teenagers.

3.2.5. Increase in awareness on health services and demand thereof, especially among women, youth, elderly and refugees.

- 4. Promotion of efficient natural resource management in line with sustainable development principles**

Outcome 4.2. National disaster risk management capacities are strengthened.

4.2.2. Introduction of an International health regulations' national coordinator institute which will ensure compliance with reporting requirements and investigation in public healthcare cases of interest to the international community.

Under the 5-year cooperation strategic document signed between UNICEF and Government of Armenia, a biannual Action Plan was signed for 2014-2015: child and teenager health program is implemented under that Action Plan aimed at infant care, immunization, improvement in childcare and health, teenager health and access to nutrition and their quality.

⁷ Armenia's UNDAF is the program of cooperation between the UN system and the Government of Armenia which creates a common framework for UN agencies and programs of the latter for country development.

Armenia-WHO

The World Health Organization (WHO) is an intergovernmental organization belonging to the UN system. Armenia joined the WHO in 1994. The role of the WHO is high in Armenia in terms of provision of technical and expert assistance in developing important policy documents in Health sector.

Armenia, as a WHO member, is one of the 53 countries that signed the *Health 2020* Strategic document of WHO. The latter sets 4 priority areas:

- Continuous investment in human health throughout the entire life.
- Fighting problems with respect to existing infectious and non-communicable diseases in the region.
- Strengthening and improvement of human healthcare system, public healthcare capacities, emergency preparedness and response.
- Existence of flexible communities and favourable environment.

2012-2013 biannual cooperation agreement was signed between the Ministry of Health and WHO on February 17, 2012 under which a technical assistance project was implemented in total amount of USD 686,000. The priority areas for 2012-2013 cooperation are the following areas derived from the *Health-2020* European healthcare policy: strengthening of healthcare system and public healthcare, non-communicable diseases, health strengthening and healthy lifestyle, infectious diseases, health safety and environment. A new biannual cooperation agreement was signed in January 2014 for 2014-2015 with a technical assistance project of USD 623,000. The priority areas are strengthening of the state regulatory role in sector policy development and implementation and increase in physical access to quality healthcare services.

LEGAL FRAMEWORK

The legal regulation of the Health sector includes a large number of law and by-laws. The most important ones are summarized below:

- **The Constitution of the RA**

Article 38. Everybody has the right to receive medical assistance and service as determined by the legislation.

Every person has the right to receive main medical services free of charge. The list thereof and methods of provision are determined by the law.

Article 48.4. The main task of the state is to implement programs on primary health protection of population and contribute to the creation of conditions for efficient and affordable provision of medical services.

- **The RA Law on Medical Assistance and Service to the Population** was adopted in March 1996. It defines the legal, economic and financial bases for the organization of medical assistance and services in order to ensure the realization of constitutional rights to protect one's health. Main types of medical assistance and services are: primary medical assistance and specialized medical assistance. The first one is a type of medical assistance and service based on more affordable methods and technologies which is guaranteed by the state free of charge, while the second is a type of medical assistance and services that base on diagnosis and special medical methods and complex medical technologies.
- **The RA Law on Human Reproductive Health and Reproductive Rights** was adopted in December 2002. It regulates the relations with regard to preservation of reproductive health, ensuring reproductive rights, as well as terms and procedures on applying reproductive health technologies and other relations in this area.
- **The RA Law on Ensuring Sanitary-Epidemiological Safety of the Population** was adopted in November 1992. It defines the legal, economic and organizational bases for the provision of sanitary and epidemic safety of population, as well as guarantees provided by the state which exclude the impact of the harmful and unsafe factors in the environment on human organisms and provides for favourable conditions for the vitality of present and future generations.
- **The RA Law on Psychiatric Assistances** was adopted in May 2004. It regulates relations with respect to the protection of rights of individuals with problems of mental health and mental disorders, as well as processes of creating favourable conditions for the realizations of Human rights and freedom as stated in the Constitution of RA, European Convention on Human Rights and Fundamental Freedoms and international legal norms.
- **The RA Law on Drugs** was adopted in October 1998. It regulates circulation of medicaments in Armenia which includes production, preparation, weighing-measuring, packaging, registration, quality assurance and other activities, such as activities for receiving or exterminating medicaments, purchase, keeping, storage, distribution, sales, exports, imports, information thereon, advertising. It also defines the roles and responsibilities of various state agencies and bodies in this sphere.
- **The RA Law on Prevention of Disease caused by Human Immunodeficiency Virus** was adopted in February 1997. It defines the order of HIV prevention, diagnosis and treatment, as well as organizational, legal, economic and financial bases for HIV prevention.

- **The RA Law on Population Protection in Emergency Situations** was adopted in December 1998. It defines the bases and organization of protection of population in emergency situations, as well as roles and responsibilities of state bodies and local governments, enterprises, institutions and organizations (regardless of their legal-organizational type), officials and citizens.
- **The RA Law on Social Protection of the Disabled in Armenia** was adopted in April 1993. It defines legal, economic and organizational bases for the protection of disabled in Armenia, as well as fundamental principles of public policy in providing favourable conditions for the realization of rights and capabilities of the handicapped in order to ensure equal possibilities of the latter with other citizens of Armenia and granting privileges.
- **The RA Law on Social Assistance** was adopted in December 2014. It defines social services, social assistance and integrated social services, as well as main social services, bases for their classification and service providers, main principles of social service provision and social assistance, rights for social assistance, objectives, social assistance management system, rights and responsibilities of individuals receiving social assistance, sources of financing for social assistance; it also regulates relations with respect to implementation of social cooperation and local social projects and other relations in social assistance provision.
- **The RA Law on Transplantation of Human Organs and Tissues** was adopted in April, 2002. The Law defines the legal grounds for transplantation of human organs and/or tissues, as well as rights and responsibilities of donors, recipients and medical institutions and regulates the relations with respect to transplantation. The latter does not refer to the reproductive organs (human egg cells, ovaries, testicles, sperm, and embryos), blood and blood components.
- **The RA Law on Donating Human Blood and Blood Components and Transfusion Medical Assistance** was adopted in November 2011. It regulates relations with respect to the circulation of blood and its components, quality and safety in donating and provision of transfusion medical assistance.
- **The RA Law on Narcotic Drugs and Psychotropic Substances** was adopted in December 2002. It regulates the relations with respect to circulations of drugs and psychotropic substances, as well as defines the legal bases of public policy to prevent their illegal circulation in order to ensure citizens' health and safety of the state and society, as well as main measures to fight drug-addiction.

INSTITUTIONAL FRAMEWORK

The institutional framework regulating the healthcare sector and providing for the development of the sector includes the following institutions:

- ***The Ministry of Health (MoH)***

The Ministry of Health is a national level body of the executive which develops and implements the policy of the Government of Armenia in the Health sector. The mission of the Ministry of Health includes the development of the healthcare sector development, targeted public program development, organization of implementation thereof, provision of sanitary-epidemic safety, organization of primary and specialized medical assistance and services to the population, implementation of policy aimed at the protection of mother and child health, organization of measures to improve the population's health and studies of the health situation, as well as development of programs on reducing disability and mortality. Structural units of the Ministry of Health are the **State Healthcare Inspectorate, Licensing Agency, National Healthcare Agency and Health Project Implementation Unit**. More information is available on: www.moh.am.

The following organizations operate under the Ministry of Health:

- ***Center for Disease Control and Prevention SNCO***

The Center was founded in 2014 through merging a number of SNCOs. The functions of the latter are implementation of complex measures to prevent infectious and non-infectious diseases and poisonings, implementation and coordination of measures defined by the national Immune-prevention Program, disinfection, disinsection and rodents' extermination in areas of infectious and parasitic diseases.

- ***Research Institute of Epidemiology, Virology and Medical Parasitology named after A. B. Alexanian SNCO***

The Institute was founded in 1923. The main sphere of activities is studies and research in epidemiology, diagnostics and prevention of viruses and infectious diseases of parasitic nature prevailing in the country, as well as issues relating to fighting these diseases.

- ***Republican Scientific -Practical Center of Forensic Medicine SNCO***

The Center was founded in 2002 with the main function of implementing forensic (tissue, genetics, chemical and medical-criminological) expertise on live persons, corpses and material evidences.

- ***AIDS Prevention Center SNCO***

The Center was founded in 2002 to implement HIV/AIDS monitoring and prevention measures. The main directions of operations are: information-education, scientific-research, HR preparation, Consulting, laboratory Diagnoses and medical assistance.

- ***National Institute of Healthcare named after Academician S. Kh. Avdalbekyan CJSC***

The Institute was founded in 2002 to introduce and implement national clinical guidelines and national clinical codes in healthcare institutions with the objective of improving the quality of healthcare services.

- ***Scientific Centre of Drug and Medical Technology Expertise CJSC***

The Centre was founded in 1992, with the objective to implement national pharmaceutical policy to provide access to safe, efficient, quality medicaments.

- **Republican Scientific-Medical Library**

The main mission is to compile, organize, preserve and provide printed and electronic information sources to readers in biological and medical fields.

A number of hospital medical assistance institutions operate under the Ministry of Health, such as “St. Gregory the Illuminator” Medical Center, Haematology Center after Prof. R. Yolyan CJSCs, National Anti-Tuberculosis Center SNCO, Scientific Center of Traumatology and Orthopaedy CJSC, “St. Gregory the Illuminator” Medical Centre Ambulatory (primary healthcare institution), Yerevan Railway Ambulatory, as well as Special Ambulatories CJSCs etc.

8 organizations provide mental hospital services in Armenia: Those are:

- “Psychiatric Medical Center” CJSC of the MoH with its 5 regional units,
- Sevan Psychiatric Hospital CJSC under MoH,
- Neurological and Psychiatric Boarding-Home in Vardenis SNCO under MoH,
- Gyumri Neuropsychiatric Center CJSC,
- Lori Marz Neuropsychiatric Dispenser CJSC,
- Syunik Marz Neuropsychiatric Dispenser CJSC,
- Academician Arsen Hayriyan Armash Health Center CJSC,
- St. Gregory the Illuminator Medical Centre Children’s Mental Dispenser.

The Neurological and Psychiatric Boarding-Home in Vardenis SNCO operates under the RA Ministry of Labour and Social Affairs which is a social-medical organization providing care, social-communal, medical, psychological and other services to its beneficiaries. It is the only institution in the country that provides care and service to patients with chronic mental problems treatment of which does not bring in any results.

As of end-2013, 129 hospitals and 514 ambulatory-polisclinics operated in Health sector.

A number of NGOs operate in health sector, cooperation exists with *World Vision, Oxfam, Save the Children* international organizations: Aide Memoires were signed with these organizations by MoH to implement programs in Mother and Child health and Primary Healthcare. The Ministry cooperates also with Diasporan organizations such as The 11th Armenian Medical World Congress, Fund for Armenian Relief (FAR), Fund for North American Armenian Relief, Union of French-Armenian Doctors (UMAF), Jinishian Memorial Foundation, etc.

MAIN POLICY PROGRAMS AND BUDGET FRAMEWORK

Although expenditures in Health sector increase in nominal terms, the same does not hold true for relative indicators of sector's financing: their share in GDP almost did not change in 2010-2013. In 2014 and 2015, public expenditures in the Health sector both in total budget expenditures and in GDP, according to Annual Budget Laws, will remain at the same level - 6.5% and 1.7% respectively, thus growing from 2013 level by 0.9 and 0.2 percentage points respectively.

Table 2. Public Expenditures in Health Sector, 2008-2015

	2008	2009	2010	2011	2012	2013	2014	2015
Public Expenditures in Health Sector, AMD bln	50.0	56.2	56.1	63.3	64.5	64.4	80.7	84.2
Change in Health Expenditures, %	6.7	12.4	-0.1	12.8	1.9	-0.2	25.4	4.3
Healthcare Expenditures in GDP, %	1.4	1.8	1.6	1.7	1.6	1.5	1.7	1.7
Share of Healthcare Expenditures in Total Budget Expenditures, %	6.2	6.0	5.9	6.4	6.4	5.6	6.5	6.5

Source: 2014-2015 RA Annual Budget Laws, 2008-2013 Annual Budget Implementation Reports, 2015 Annual Budget Message, NSS of RA, EDRC calculations

In the long-run, public expenditures in Health sector are projected to increase faster than the total budget expenditures. Health sector expenditures in the total consolidated budget expenditures are projected to equal AMD 381.7 bln in 2025 or 6 times higher than in 2012. Such an increase will allow sector expenditures to reach 2.7% and 9.3% of GDP and consolidated budget expenditures respectively: in 2012, these shares equalled 1.6% and 6.2% respectively. In real terms, public expenditures on healthcare will increase more than 3.5 times.

Table 3. Consolidated Health Sector Expenditures, 2012-2025

Indicators	2012	2014	2017	2021	2025
	<i>Actual</i>	<i>Program</i>			
Health Sector Expenditures in the Consolidated Budget, AMD bln	64.8	80.6	112.0	209.2	381.7
In GDP, %	1.6	1.7	1.8	2.2	2.7
In Consolidated Budget Expenditures, %	6.2	6.3	6.7	7.9	9.3
Change from the previous year, %	2.1	24.9	22.2	17.0	15.9
Public Expenditure Index in Real Terms, index 2012=100	100	116	144	230	358
Per capita Public Expenditure Index in Real Terms, index 2012=100	100	115	142	227	355

Source: RA 2014-2025 Prospective Development Strategic Programme

The structure of public expenditures in Health sector is projected to change in future. If 35-40% of sector expenditures are earmarked for primary healthcare services in the coming year, the priority will be given to hospital services starting 2018 by allocating 65% of total sector budget to the latter. Gradually, capital expenditures on will decrease: 9-12% will be allocated to capital expenditures in the medium-term, while starting from 2018 - 7-10%.

Table 4. Health Sector Financing, 2013-2017, AMD mln

	2013 Actual	2014 Planned	MTEF		
			2015	2016	2017
Total Health (without administration costs)	61,441.7	79,121.1	82,603.1	85,444.8	84,694.3
Outpatient Services	23,274.3	27,061.6	29,358.6	31,159.0	33,897.2
<i>Of which: Capital Expenditures</i>	<i>591.3</i>	<i>541.8</i>	<i>783.3</i>	<i>783.3</i>	<i>783.3</i>
<i>Share in Total Health Expenditures</i>	<i>37.9</i>	<i>34.2</i>	<i>35.5</i>	<i>36.5</i>	<i>40.0</i>
Hospital Services	27,242.2	34,104.0	37,954.9	39,029.4	40,261.7
<i>Share in Total Health Expenditures</i>	<i>44.3</i>	<i>43.1</i>	<i>45.9</i>	<i>45.7</i>	<i>47.5</i>
Centralized Procurement of Medicines	2,671.0	2,985.9	2,985.9	2,985.9	2,985.9
Public Health Services	3,233.1	3,983.2	4,984.1	5,392.2	5,863.9
Ancillary Health Services and Programs	1,398.0	1,462.8	1,516.2	1,538.6	1,571.2
WB Credit Programs	3,623.2	9,523.6	5,803.4	5,339.7	114.4
<i>Of which: Capital Expenditures</i>	<i>3,261.2</i>	<i>8,626.4</i>	<i>5,063.6</i>	<i>4,525.6</i>	<i>-</i>

Source: 2015-2017 MTEF

Let us discuss intra-sectoral priorities, programs and financial plans per following priority areas defined for the medium-term:

- Hygiene and Epidemic Safety of Population.
- Primary Healthcare.
- Mother and Child Health Protection.
- Medical Services for Special Diseases and Diseases with Social Dependence.
- Specialized Hospital Medical Services to Vulnerable Groups and Individuals in Special Groups.
- Provision of Free-of-charge and Discounted Medicaments to the Population.

HYGIENE AND EPIDEMIC SAFETY OF POPULATION

The main goals of Hygiene and Epidemic Safety of population policy are the following:

- Exclusion of harmful and hazardous impact of the environment on humans, provision of favourable conditions for the life of humans and future generations.
- Further development of a unified public policy on public health and hygiene and epidemic safety provision.
- Reduction of morbidity with manageable⁸ or preventable diseases, prevention of mortality cases due to these illnesses and provision of non-perceptiveness of population for infectious diseases.
- Prevention of entry of infectious diseases into the territory of Armenia.
- Increase the efficiency of revelation, investigation and research activities of disease appearance and reasons and conditions for their spreading.

One of the policy priorities is increasing public financing of the sector, especially in allocations to procurement of vaccines. The latter is determined by the commitment of the Government to GAVI (Global Alliance for Vaccines and Immunization) to ensure annual increases in purchases of newly-introduced vaccines. For instance, AMD 1.3 bln is allocated to procurement of vaccines in 2017 against AMD 0.5 bln in 2013 (vaccines are procured under National Immunization program). Notably, 2015 budget allocations to this program significantly exceed the levels envisaged by MTEF (see Table 5).

Continuous increase is projected in public expenditures on Sanitary-Hygiene Safety and Public Healthcare Services: AMD 4.2 bln is earmarked for this program in 2017 which is AMD 1.9 bln higher than expenditures in 2013.

Table 5. State Expenditures of Programs Targeted at Ensuring Hygienic and Epidemic Protection, 2013-2017, AMD mln

	State Budget			MTEF		
	Actual	Planned		2015	2016	2017
	2013	2014	2015			
Hygienic and Anti-epidemic Expert Services	1,881.9	2,404.7				
Hygienic and Anti-epidemic Services	204.9	259.5	3,220.9 ⁹	3,449.0	3,749.5	4,201.0
Prevention of Dangerous Infections	234.3	254.6				
National Program of Immune-prevention	465.0	655.8	1,890.4	1,160.6	1,255.3	1,255.3
Disinfection Services of Disease Sources	63.7	71.0	74.8	74.4	78.0	83.6

Source: 2013 Annual Budget Implementation Report, 2014-2015 RA Annual Budget Laws, 2015-2017 MTEF

Immunization in Armenia is carried out in accordance with 2010-2015 National Immunization Program. The measures under that program are mostly funded by international organizations (AMD 987.8 mln) except for the purchases of vaccines (AMD 1.1 bln will be allocated to this from the budget). It is worth noting that the projected output indicators under this project were fully achieved in 2013.

⁸ Preventable or manageable diseases in Armenia are : diphteria, whooping cough, tetanus, measles, roseola, Epidemic parotitis, polyo, Viral Hepatitis B, tuberculosis, hemofilus infection B, rotavirus.

⁹ Instead of these three programs, Sanitary and Epidemic Safety and Public Healthcare Services program will be implemented in 2015.

Table 6. The Main Targets Set by the 2010-2015 National Immunization Program of RA

	Immunization coverage, children under 1 year, %					Registered disease cases, people		
	2010	2011	2012	2013	Target	2010	2013	Target
Polio	95.5	96.4	96.3	95.9	> 95	-	-	“polio-free zone”
Diphtheria, tetanus	93.8	94.9	95	94.6	> 95	3	-	-
Whooping cough	93.3	94.9	97.2	94.6	> 95	4	30	< 3
Measles	97.3*	97.3*	97.2*	97.2*	> 95	2	10	0
Epidemic parotitis	97.3*	97.3*	97.2*	97.2*	> 95	38	2	-
Roseola	97.3*	97.3*	97.2*	97.2*	> 95	-	4	0
Tuberculosis	99.1	99.3	99.3	99	> 95	1071	909	-
Viral hepatitis B	94.3*	97.8*	98*	97.9*	> 95	74	58	-

*for children under 2 years old

Source: NSS of RA, 2010-2015 National Immunization Program

PRIMARY HEALTHCARE

The Primary Healthcare subsector includes medical assistance and services in ambulatories-polyclinics, namely, primary healthcare, disease prevention, medical assistance and continuous treatment, organization of hospitalization when necessary by district therapists (paediatricians) or family doctors, implementation of laboratory and device diagnostic studies per medical indications, provision of narrow specialization medical assistance in ambulatories-polyclinics and dispensaries, home visits, provision of free-of-charge or discounted medicaments to those who are entitled to at the prescription of a family doctor, district therapist (paediatrician) and, for special diseases, relevant specialist. The beneficiary of these services is the entire population of Armenia.

The Development of the primary healthcare system is and will continue to remain the main target and priority of health sector in the medium-term. In the coming years, the public financing of this sector will continue to increase. Public expenditures in this subsector are projected to total to AMD 33.9 bln in 2017, thus, exceeding the 2013 expenditures by 46%. It is worth noting that the increase in public expenditures will be entirely determined by increases in salaries.

Table 7. Primary Healthcare financing in 2013-2017

	State Budget					
	Actual	Plan		MTEF*		
	2013	2014	2015	2015	2016	2017
Outpatient services, AMD bln	23.3	27.1	28.8	29.4	31.2	33.9
Change from previous year, %	0.1	3.8	1.7	2.3	2.4	2.7
Increase due to Salary Increases, %	-	2.5	2.5	2.7	1.8	2.7
Share in Total Healthcare Budget, %	36.2	33.5	34.2	35.5	36.5	40.0

*MTEF does not include Administration costs (expenditures of government agencies)

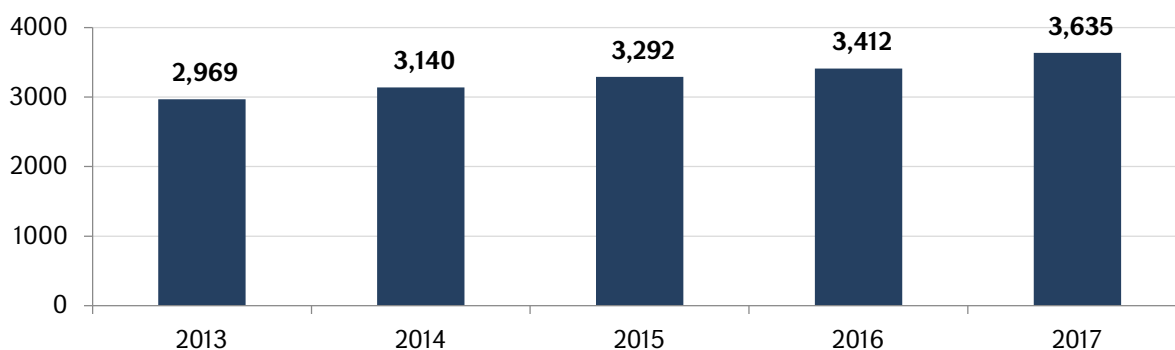
Source: 2013 Annual Budget Implementation Report, 2014-2015 RA Annual Budget Laws, 2014-2015 Annual Budget Message, 2015-2017 MTEF

Notably, to the primary healthcare subsector will be allocated about 35-40% of the total sector budget in the coming years, priority will be shifted to hospital services starting 2018 by allocating about 65% of total sector budget to the latter.

Further introduction and development of the family doctors system is one of the main objectives of the sector policy. It is worth noting that the introduction of the family doctors' system in Armenia started in 1997. Currently, this system has been fully implemented and is operational in 255 primary healthcare centres of rural areas, meanwhile, only 42 urban centres are operational. Therefore, system development efforts in coming years will be mostly concentrated in urban areas¹⁰.

The improvement of Emergency Medical Assistance Services (Ambulance) quality is also a priority for this subsector where certain reforms were already implemented. Public financing of emergency medical services are projected to increase in coming years: AMD 3.6 bln is allocated to them in 2017 against AMD 3.0 in 2013, mostly determined by increased salaries.

Figure 6. Public Expenditures in Emergency Medical Assistance Services in 2013-2017, AMD mln



Source: 2013 Annual Budget Implementation Report, 2014-2015 RA Annual Budget Laws, 2014-2015 Annual Budget Message, 2015-2017 MTEF

Emphasis is given to the relatively low-cost measures that yield in significant impact in the long run, in particular, prevention programs, such as anti-tobacco campaign, participation in sports, increasing affordability of key medicaments etc.

Primary health protection of the population and disease prevention, among other activities, imply identification and prevention from risk factors with direct impact on health deterioration, such as behaviour, habits and lifestyle. In this regard, the healthy lifestyle becomes an important healthcare intervention. According to the statistics, the following risk factors are widespread in Armenia: everyday smoking, obesity, low physical activity and alcohol abuse.

Healthy lifestyle promotion implies age-appropriate physical activity, healthy food, creation of a healthy and safe environment, reduction in smoking and alcohol abuse and setting up healthy lifestyle habits since early childhood.

As a result of the Strategy on Promoting Healthy Lifestyle adopted in 2014, the following values of relevant indicators are projected for 2020:

¹⁰ Urban Polyclinics Development Concept is directed towards this end.

Table 8. Target Healthcare Indicators under the Strategy on Promoting Healthy Lifestyle

Indicators	2012	2020 Target
Mortality from Circulatory System Diseases (per 100,000)	440.8	370.0
Mortality from Diabetes (per 100,000)	42.8	40.0
Mortality from injuries, poisoning and other external causes (per 100,000)	44.9	40.0
Arterial hypertension prevalence level*, %	37	30
Daily consumption of cigarettes: among men*, %	55	42
Low Physical activity among population*, %	50	40
Alcohol abuse among men*, %	12	8
Obesity, %	57	50
Awareness on high levels of cholesterol and glucose in the blood, %	male-29, female-39	70
Awareness on harmful effects of low physical activity, %	50	90 and above
Awareness about the importance of (average per capita visits to primary healthcare institutions)	3.8	4.2

*among population above 20 years old
Source: Strategy on Promoting Healthy Lifestyle

MOTHER AND CHILD HEALTH PROTECTION

The problems in mother and child health protection are priority and will continue to remain as such in the health sector from the sector policy perspective. The latter both in the medium and long terms will be mostly directed at the achievement of the following goals:

- Improvement of access to and quality of medical services rendered to women and children.
- Provision of measures in adequate volumes, together with disease prevention, in medical service to children aimed at reducing child morbidity and mortality rates.
- Motherhood patronage, ensuring access to quality childbirth services aimed at maternal and perinatal morbidity and mortality reduction, as well as improvement of reproductive health.

Financing of this sub-sector will continue to grow. Public expenditures on ambulatory obstetrician and Gynaecological medical services in 2017 will grow by 56% compared to 2013. Expenditures on hospital obstetrical services will increase by 14% during the same period. The projected increase in expenditures on medical services for children is relatively high: 16%.

Notably, AMD 78.6 mln is allocated to the Medical Assistance Services to Infertile Couples through Ancillary Reproductive Technologies in 2015 Annual Budget Law: this is a new budget program not included in 2015-2017 MTEF.

Table 9. Public Expenditures on Maternal and Child Health Care Programs in 2013-2017, AMD mln

	State Budget			MTEF		
	Actual	Planned		2015	2016	2017
	2013	2014	2015			
Outpatient medical care						
Obstetrical-Gynaecological Medical Assistance Services	1,223.2	1,418.7	1,519.8	1,572.4	1,714.6	1,927.9
Hospital medical care						
Obstetrical Medical Services	6,503.8	6,759.9	6,922.0	6,922.4	7,152.2	7,416.8
Gynaecological Diseases Medical Care Services	355.7	367.5	372.8	372.8	385.2	399.4
Medical Assistance services to children	6,768.1	7,140.6	7,570.9	7,312.3	7,555.0	7,834.6
Medical Assistance Services to Infertile Couples Through Ancillary Reproductive Technologies	-	-	78.6	-	-	-

Source: 2013 Annual Budget Implementation Report, 2014-2015 RA Annual Budget Laws, 2015-2017 MTEF

In the medium-term, special importance will be given to the increased coverage of women in screening study (more than 50% increase is projected). To that end, the screening research program will start in January, 2015 which involves free-of-charge medical observations for early diagnosis and prevention of more widespread non-communicable diseases (blood pressure, diabetes, cervical cancer)¹¹. Main medium-term target indicators of public policy in this area are summarized in the Table below, while main target indicators of reproductive health – in Annex 1.

Table 10. Medium-term Sector Policy Objectives

Indicators	2011	2012	2013	Target ¹² 2015
Child mortality (under 5, per 1000 live births)	13.7	12.4	11.0	< 10
Maternal mortality (per 100,000 live births)	14	19	22	<20
Total abortions (15-49 years), per 1000 women	13.5	16.8	15.9	6
Anaemia cases among pregnant women (per 1000 births)	128.1	144.0	1325	<60
Pre-mature new-borns (per 100 live births)	7.2	6.5	6.5	<5, <7
Cancers of reproductive organ (per 100,000 women)	84.9	87.7	88.0	Reduce at least by 30% (68.1% in 2005)
Use of modern contraceptive among married women of 15-49 years, %	13.4	18.5	18.2	30

Source: NSS of RA, Health and Healthcare Statistical Yearbook 2014, EDRC calculations

OTHER PRIORITIES

The next priorities in public health policy are:

1. Medical Services for Special Diseases and Diseases with Social Dependence,
2. Specialized Hospital Medical Services to Vulnerable Groups and Individuals in Special Groups,
3. Provision of Free-of-charge and Discounted Medicaments to the Population.

Medical Services for Special Diseases and Diseases with Social Dependence: The main objective of public policy in this regard is the prevention of expansion of non-communicable diseases (cardiovascular, diabetes and malicious neoplasms), diseases with high risks for the population (malaria, tuberculosis and HIV/AIDS), early diagnosis thereof and increase in treatment efficiency.

Starting from 2015, Emergency Cardio Surgeries will be implemented with public money. AMD 500 mln is allocated to these services annually for 420 surgery operations. This program will cover those citizens that are not included in any of social groups entitled to free-of-charge cardiologic invasive operations.

Table 11. Expenditures on programs targeted at Medical Services for Social Dependence Diseases and Special Diseases in 2013-2017, AMD mln

	Annual Budget			MTEF		
	Actual	Plan		2015	2016	2017
	2013	2014	2015			
Emergency (Ambulance) Medical Assistance Services	2,087.6	2,207.2	1,908.3	1,908.3	1,982.6	2,068.2
Medical Assistance Services to Psychiatric and Narcological Patients	1,862.1	2,199.5	2,613.4	2,613.4	2,698.9	2,792.3
Medical Assistance Services for Tuberculosis	1,249.9	1,391.6	1,425.1	1,425.1	1,472.4	1,526.9
Medical Assistance Services for Intestinal and Other Infectious Diseases	1,110.8	1,192.4	1,221.0	1,221.0	1,261.6	1,308.3

¹¹ The action is included in the WB Disease Prevention and Control credit project.

¹² In accordance with the Strategy for the Protection of Mother and Child Health For 2003-2015, National Strategy for Child and Adolescent Health and Development for 2010-2015, National Program on Reproductive Health Improvement.

Medical Assistance Services for Sexually Transmitted Diseases	169.1	181.4	185.7	185.7	191.9	199.0
Medical Assistance Services for Oncological and Haematological Diseases	1,046.1	1,097.5	1,121.5	1,121.5	1,155.4	1,194.4
Emergency Cardio Surgeries	0.0	0.0	500.0	500.0	500.0	500.0
Rehabilitative Medical Services	562.4	598.9	613.3	613.3	633.7	657.2
HIV/AIDS Prevention and Medical Services	116.1	132.1	139.0	137.9	145.1	156.1

Source: 2013 Annual Budget Implementation Report, 2014-2015 RA Annual Budget Laws, 2015-2017 MTEF

Specialized Hospital Medical Services to Vulnerable Groups and Individuals in Special Groups: The main objective of public policy is to increase access to medical services for special groups and vulnerable groups, ensure quality medical assistance in general and specialized hospitals and departments to individuals in those groups regardless of diagnosis.

AMD 8.2 bln is projected to be allocated to Medical Assistance Services to Socially Vulnerable and Special Groups in 2017 against AMD 4.3 bln in 2013. The program implies medical assistance and other services to socially vulnerable groups (excluding cosmetology, transplantation of organs and tissues and expensive dental services). It is worth noting that, due to lowering the vulnerability eligibility score from 36 to 30 in 2014, the number of program beneficiaries will increase by 27 thousands, while the funds allocated to this program grew by 72% and totalled to AMD 7.4 bln.

Provision of Free-of-charge and Discounted Medicaments to the Population: In this regard, special importance is given to the organization of state oversight on medicaments' quality in all stages of their circulation, full provision of medicaments to socially vulnerable and special groups free-of-charge or at discounts (in terms of quantities and eligible variety in the list), state registration of medicaments with low demand, however, of vital necessity (included in the main medicaments list) in order to provide their availability in Armenia.

The program of Provision of Medicaments to Persons Treated in Ambulatories, Polyclinics and Hospitals Included in Special Groups implies centralized procurement of medicaments. In particular, psychotropic medicaments, as well as medicaments for patients with malicious neoplasms, diabetes, epilepsy, periodic disease and patients with kidney transplantation are purchased under this program.

The policy in the medium-term will be directed towards the continuity of this program. The stable trend in allocation to this program in 2014-2017 proves this: AMD 3 bln is allocated to this program annually against AMD 2.7 bln in 2013.

Table12. Public Expenditures on Provision of free-of-charge and Discounted Medicaments to the Population in 2013-2017, AMD mln

	Annual Budget			MTEF		
	Actual	Plan		2015	2016	2017
	2013	2014	2015			
Provision of Medicaments to Persons Treated in Ambulatories, Polyclinics and Hospitals Included in Special Groups	2,670.4	2,984.8	2,984.8	2984.8	2984.8	2984.8
Provision of Medicaments to the State Protection Service	0.6	1.1	1.1	1.1	1.1	1.1

Source: 2013 Annual Budget Implementation Report, 2014-2015 RA Annual Budget Laws, 2015-2017 MTEF

ANNEX 1: TARGET INDICATORS FOR REPRODUCTIVE HEALTH IMPROVEMENT

	Baseline		Target for 2015
	Year	Value	Value
Maternal and Neonatal Health			
Maternal mortality rate (death cases per 100,000 live births)	2005	26.4	< 20
Maternal mortality due to abortions (% in maternal death cases)	2005	5%	< 5
Anaemia among pregnant women (per 1,000 births)	2005	123.1	< 60
Histones among pregnant women (per 1,000 births)	2005	14.2	< 10
Share of women receiving prenatal care in the first trimester of pregnancy, %	2006	48	> 70
Neonatal mortality rate (death cases per 1,000 live births)	2005	8.2	< 7
Perinatal mortality rate (death cases per 1,000 births)	2005	16.4	< 10
Underweight births (per 100 live births)	2005	7.3	< 5
Premature births (per 100 live births)	2005	6.2	< 5
Foetus development deviations (per 1,000 live births)	2006	18	< 10
Share of infants in total who were breastfed up to 6 months (only breast milk in the first 6 months)	2006	32.5	> 60
Contraception			
Use of contemporary contraception among married women of 15-49 years, %	2005	19	30
Share of women aware of two contemporary contraceptives, %	2005	53	75
Obstetricians and Gynaecologists trained in family planning, %	2005	10	90
Infertility			
Secondary infertility among women, %	1997	28.5	20
Secondary infertility among men, %	1997	15.6	10
Average efficiency of modern infertility treatment methods,%	2006	8	20
Abortion			
Total number of abortions (per 1,000 women of 15-49 years)	2005	11.6	6
Share of women chosen contraception in post-abortion period	2005	-	70
Cancers of Reproductive System			
Cervical cancer diagnosed in the last two stages (%)	2005	47	25
Breast cancer diagnosed in the first stage (%)	2005	5	30
Medical personnel in primary healthcare trained for cancer prevention and threat identification (Non obstetrician and gynaecologist)	2005	5	60
Obstetricians and gynaecologists in primary healthcare trained for cervical cancer prevention, early diagnosis and treatment (women's consultations, health centres)	2005	30	90
Share of total population aware of cervical cancer threat signs and prevention measures, %	2005	10	65
Share of primary healthcare institutions diagnosing breast pathologies	2005	5	15
STD/HIV/AIDS			
HIV test among pregnant women, %	2006	80	90
Complex knowledge on HIV among 15-24 age group, %	-	-	80
Cases of HIV transmitted from mothers to children (%)	2005	-	< 1
Curable sexually transmitted diseases, %	2005	-	10
Youth			
Use of condoms among the age group of 15-24 years, %	-	-	75
Share of young people aware of reproductive and sexual health	2005	-	85
Number of youth-friendly healthcare services	2006	15	40
Gonorrhoea among youth	2006	30	15
Pregnancy in age group of 15-19 years (per 1,000)	2005	30	18

Source: National Program on Reproductive Health Improvement, July 26, 2007

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LIST OF ABBREVIATIONS

bln	billion
AMD	Armenian Dram
CIS	Commonwealth of Independent States
CJSC	Closed Joint Stock Company
CSP	Country Strategy Paper
EDRC	Economic Development and Research Center
ENP	European Neighbourhood Policy
ENPI	European Neighborhood and Partnership Instrument
EU	European Union
FAR	Fund for Armenian Relief
GDP	Gross Domestic Product
HIB	Hemofilus Infection B type
HIV/AIDS	Human Immunodeficiency Virus, Acquired Immune-Deficiency Syndrome
HSPA	Health System Performance Assessment
MDG	Millennium Development Goal(s)
mIn	million
MoH	Ministry of Health
MTEF	Medium-Term Expenditure Framework
NGO	Non-governmental organization
NSS	National Statistical Service
PCA	Partnership and Cooperation Agreement
PDSP	Perspective Development Strategic Programme
PPP	Purchasing Power Parity
RA	Republic of Armenia
SNCO	State Non-Commercial Organization
UMAF	Union of French-Armenian Doctors
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNICEF	United Nations Children’s Fund
USD	United States Dollar
WB	World Bank
WHO	World Health Organization



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