

# Road to Results

ACHIEVING SUCCESS STEP BY STEP

## Changing Health Personnel and Client Behavior in Kyrgyzstan

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When health care financing drops from 6% to 2% of GDP — and the GDP shrinks by almost 90% — how can a country ensure quality health care for its population? Since 1994, the USAID-funded ZdravPlus Project has been addressing this question with counterparts in Central Asia by advocating prevention and early treatment over the long-engrained Soviet emphasis on curative care. Kyrgyzstan has been a leader in health reform in Central Asia and throughout the former Soviet Union. ZdravPlus has supported the progressive Kyrgyz Ministry of Health (MOH) in testing reforms in pilot regions and then implementing them throughout the country. A central lesson learned has been that a single intervention, such as restructuring, is insufficient to trigger effective health care reform. A comprehensive, integrated set of interventions, including financial incentives and population involvement, are key to creating the behavior change among health care stakeholders that is essential for success.

### **Restructuring to Create Incentives**

The Soviet health delivery system provided health services primarily through specialized clinics and hospitals. Because there were separate facilities treating many population groups, conditions, or diseases (adults, children, maternity, tuberculosis, infectious diseases, sexually-transmitted infections, surgery, cardiology, endocrinology, and oncology) a large portion of the budget went to supporting redundant facilities and fixed costs.

Even patients that could have been treated in an outpatient setting were kept for an average of 15 days because the payment system encouraged hospitals to have more beds and to keep patients for longer stays. In this system patients had no voice, as they were assigned by geographic happenstance to the facility nearest them, with no other option should they be unhappy with either quality or service.

The ZdravPlus reform philosophy is that there is tremendous overcapacity and inefficiency inherent in the post-Soviet system. Reforms

should focus on redirecting resources toward more efficient primary health care and away from inpatient, curative care. To that end, ZdravPlus supported the MOH in the formation of 740 new primary care practices called Family Group Practices (FGPs) throughout Kyrgyzstan. More than 1,200 former specialty doctors have been retrained to work as family doctors in these FGPs and retraining is ongoing.

A Health Insurance Fund (HIF) was created under the MOH to act as a single payer of funds to health care providers. The HIF pools funds from various sources (budget funds, health insurance payroll taxes, and formal population co-payments) and reimburses health facilities for health services provided to the population. The HIF uses new provider payment systems with financial incentives to increase efficiency.

Issyk-Kul Oblast piloted the single-payer system last year, and statistics from 2000-01 show significant results. Excess capacity was rationalized, with the number of beds being reduced 32%, the number of buildings reduced 30%, and staff reduced 13%. Reinvestment of savings is evident from increases in staff salaries by 20%, funding for variable or direct patient costs increased by 116%, and expenditures on drugs per patient-day increased by 170%.

Although many factors are involved, the single-payer system can largely be credited with creating an impetus for behavior change in the areas of reducing hospital overcapacity and reinvesting savings. This core structural and financing reform in the health system also provides the foundation for additional interventions that change the behavior of stakeholders in the health system.

### **Changing Behavior**

Significant behavior change is needed on the part of health care providers and users before reform efforts can be successful. Three major elements of the Kyrgyz reform process, built on the foundation of restructuring the health delivery system and implementing a single-payer system, create the needed impetus for behavior change:



The USAID-funded ZdravPlus Program provides technical assistance and training to improve the health of Central Asian populations by improving health delivery systems

- population involvement by encouraging free choice of FGP;
- introduction of a new outpatient drug benefit;
- formalizing population co-payments.

### **Population Involvement**

In Soviet times, health facilities had mandatory equal enrollment based on geographic areas and staff took their patients for granted. Essential to creating an environment in which FGPs would be motivated to deliver quality services is the element of competition. Patients under the new system have the right to enroll in the practice of their choice, allowing patients who are not satisfied to re-enroll with a competitor. Now, FGPs compete with one another to provide high quality, patient-centered service, and enrollment in the most popular FGPs has soared. The behavior changes include the population being empowered to exercise their new right and FGPs viewing their enrolled population more as clients.

### **Outpatient Drug Benefit**

The Kyrgyz MOH, with technical assistance from ZdravPlus, introduced a new outpatient drug benefit. It was first tested in Bishkek City and is now being extended nationwide through the implementation of the single-payer system. It is an example of “intelligent” health purchasing. The MOH knew that it had to reduce hospital admissions and capacity to adapt to the collapse of health sector funding. The MOH also knew that many patients only go to the hospital to get drugs. So, it introduced the outpatient drug benefit to enable patients access to the necessary drugs while also reducing hospital admissions.

The population is changing how they access the health delivery system. In Issyk-Kul Oblast, after the introduction of the outpatient drug benefit, visits to FGPs increased by 6%, emergency cases decreased by 38%, and there was a 22% decrease in referrals to hospitals for primary health care sensitive conditions (asthma, hypertension, anemia, ulcers) from 2000-01.

Patients are very satisfied with the new outpatient drug benefit. An elderly pensioner stated that “My pension is very small and this program allows me to have the necessary medications at a reduced price.”

### **Formal Co-Payments**

Even with all of these changes, the cost of providing health care still exceeded the Kyrgyzstan health care budget. Health care worker salaries remained unrealistically low, and the post-Soviet tradition of requiring informal payments for services persisted. In response, the MOH, with technical assistance from ZdravPlus, formalized the co-payments the population needed to pay for health services. Primary health care remained free and co-payments were required for outpatient specialty and inpatient care. Health providers kept and allocated the co-payments at the facility level, but were required to submit financial reports to the HIF who incorporated the level of co-payments into its rate-setting.

The WHO Evaluation project, funded by the Department for International Development, was also an integral partner in the introduction of formal co-payments. The household survey in Issyk-Kul Oblast to monitor the impact of the policy showed:

- informal payments for drugs and supplies decreased by 92%;
- informal payments to staff decreased by 62%; and
- 46% of patients knew what they had to pay in advance.

This patient knowledge is a powerful force in behavior change — one patient remarked, “The situation is better now. The payment is official and I was aware of it before I came. Plus, I’m getting all the drugs I need and I don’t have to go to the pharmacy to get them myself. Everything’s included.”

### **Conclusions**

In Kyrgyzstan, it was not restructuring alone that created significant behavior change among health care users and providers. Rather, it was the interaction between restructuring and other elements: population choice, new benefits, formal co-payments, and other financial incentives. While it will take some time to complete implementation of these reforms nationwide, experience to date gives the hope that these reforms will lead to a fully sustainable health care system for the people of Kyrgyzstan.

## **For more information**

#### **Office in Kazakhstan**

39 Begalina Street  
Almaty, Kazakhstan 480100  
Tel: (3272)915-775, 919-433  
Fax: (3272)919-409  
E-mail: office@zplus.kz

#### **Office in Kyrgyzstan**

1 Togolok Moldo Street  
Bishkek, Kyrgyzstan 720405  
Tel: (996-312)663-816, 663-708  
Fax: (996-312)661-024  
E-mail: abt\_bish@infotel.kg

#### **Office in Uzbekistan**

16 Bozbozor Street  
Tashkent, Uzbekistan 700007  
Tel: (998-71) 169-2212, 169-1491  
Fax: (998-71) 169-1492  
E-mail: abt@zdravplus.uz

#### **Office in Tajikistan**

155 Rudaki Street, #7-8  
Dushanbe, Tajikistan 734017  
Tel: (992-372) 245-369  
Fax: (992-372) 245-369  
E-mail: zdrav@tjinter.com

#### **Office in Turkmenistan**

43 Gyorogly Street, # 4  
Ashgabad, Turkmenistan 744020  
Tel: (993-12)344-242  
Fax: (993-12)344-547  
E-mail: natalyazp@online.tm