

# Road to Results

ACHIEVING SUCCESS STEP BY STEP

## Rural PHC Reforms: Approved by the Government of Uzbekistan for Nationwide Rollout

May 2004

During the past year, the USAID-funded ZdravPlus Project has worked closely with the government of Uzbekistan and local health professionals to achieve expansion of rural PHC financing and management reforms to all rayons in the pilot oblasts of Ferghana, Sirdaryo, and Navoiy. Based on the success of reforms in these three regions, the ZdravPlus rural Primary Health Care (PHC) finance and management model has now been accepted by the Uzbek Government as a successful approach that can now be rolled out to all 2,800 rural PHC facilities nationwide.

### The Reforms

The package of interrelated management and finance reforms focuses on the introduction of management autonomy and capitated-rate payment systems for rural PHC facilities, with the goal of promoting efficiency within the system.

### Management Reforms

Reforms in the management structure provide rural PHC facilities with management autonomy by allowing them to register as independent legal entities with their own bank accounts—thus allowing them to make decisions about how to use their resources and serve their clients. ZdravPlus-trained financial managers have been introduced in nearly every facility. This management independence means that reformed rural PHC facilities have the legal right to reinvest any savings back into the facility. As explained by the Financial Manager of the Buston SVP in Quva Rayon, “If we save money, it rolls over to the next month and we can use it to improve the technical base of the facility or as incentives for our staff – so we use it at our own discretion.” At the same time, quality assurance mechanisms have been put into place to ensure that quality care is continually provided by facilities.

### Financing Reforms

At the heart of the financing reforms is an introduction of a capitated-rate payment system. In short, capitation means that the money

follows the patient. That is, the health care provider receives a fixed allotment of money each month from the local government’s health care budget for each individual who is enrolled in that particular SVP (*selskaya vrachebnaya ambulatoria* or rural primary health care facility). Setting the capitated rate, in effect, provides a mechanism for the health care purchaser (the Oblast Health Department) to administratively shift resources to primary care. Under a per capita payment system, the primary care system gets paid for keeping people healthy – in other words, preventive care – and can therefore generate savings which can be used to enhance the facility’s services.



Together, the payment systems and management reforms mean that SVPs have the incentive to think about the efficient use of available resources and the power to make decisions to provide cost-effective care. This is in contrast to the previous system, under which financing and administrative mechanisms were highly-controlled and SVPs had few supplies to diagnose and treat patients and limited accountability to the population. Primary care providers evolved into largely disinterested “dispatchers” in the system, referring even simple cases to specialists and hospitals. As a patient at Buston SVP explains, “There are some improvements in the system because before we had to go to the rayon level to get an analysis, but now we can get checked here and get the analysis done here for free.”



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

The improved efficiency which results from the reforms serves to promote cost-effective primary care over more resource-intensive specialized care and hospitalization. Additionally, the reforms not only focus on the proper treatment of sick patients, but encourage preventive care as well.

### **Laying the Groundwork**

Rural PHC reform began in Uzbekistan in 1999, when ZdravPlus (formerly ZdravReform) began working closely with the Ministry of Health (MOH) to implement a new provider payment system for the rural PHC sector as part of a larger cooperative strategy within the overarching World Bank-funded “Health” Project. ZdravPlus’ contribution has included technical assistance in:

- Creating the operational basis for legally independent SVPs with independent budget oversight;
- Pooling of rayon resources for PHC at the oblast level to enable more equitable distribution of resources among the pilot sites;
- Introducing capitated-rate financing, which provides a set payment to a provider based on the number of people enrolled with the provider;
- Introducing computerized population databases to maintain information to support capitated-rate systems;
- Developing a computer program to track funds allocated to, and expenditures of, the pilot PHC facilities and providing training in the use of these computer systems; and
- Providing management training to enable the development of new management systems at rural PHC facilities.

Nearly 2,000 people – including financial managers, head PHC physicians, and rayon/oblast financial managers – have received training from ZdravPlus in management and finance topics, with a similar number of rayon and oblast-level health personnel trained in data collection for

the database which is used to keep track of enrolled populations. Parallel to these finance and management trainings, ZdravPlus has also provided clinical training to doctors and nurses to help them improve their skills and the services they offer to patients.

### **Regional Rollout**

In 2001, pilots which originally began in Ferghana in 1999 were rolled out to several rayons in Sirdaryo and Navoiy Oblasts to examine the applicability of the Ferghana model in other regions of the country. ZdravPlus, together with the government of Uzbekistan, expanded the reforms in phases and by October 2003, 540 rural PHC facilities in all rayons of Ferghana, Sirdaryo and Navoiy Oblasts were covered—serving 2.7 million people.

### **Nationwide Expansion: Partnership for the Future**

As a result of the pilots, the ZdravPlus rural PHC finance and management model has been accepted by the Uzbek Government as a successful approach, needing only minor adjustments before nationwide rollout. Based on experience, the finance functions will remain standardized nationally and management functions will be fine-tuned to meet local conditions.

Upon special request from the MOH, ZdravPlus has recently expanded its technical assistance in implementing rural PHC finance and management reforms to three rayons in the Republic of Karakalpakstan and three in Khorezm Oblast and related preparatory work is underway in Surkhandaryo and Andijon Oblasts. Nationwide rollout is planned in cooperation with the World Bank “Health II” Project (beginning July 2004) and the Asian Development Bank (beginning January 2005). The decision to move forward with national roll-out has resulted in greater confidence between ZdravPlus and Uzbekistan’s decision-makers at all levels—paving the way for the launch of new pilots in the urban PHC sector and hospital facilities.

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