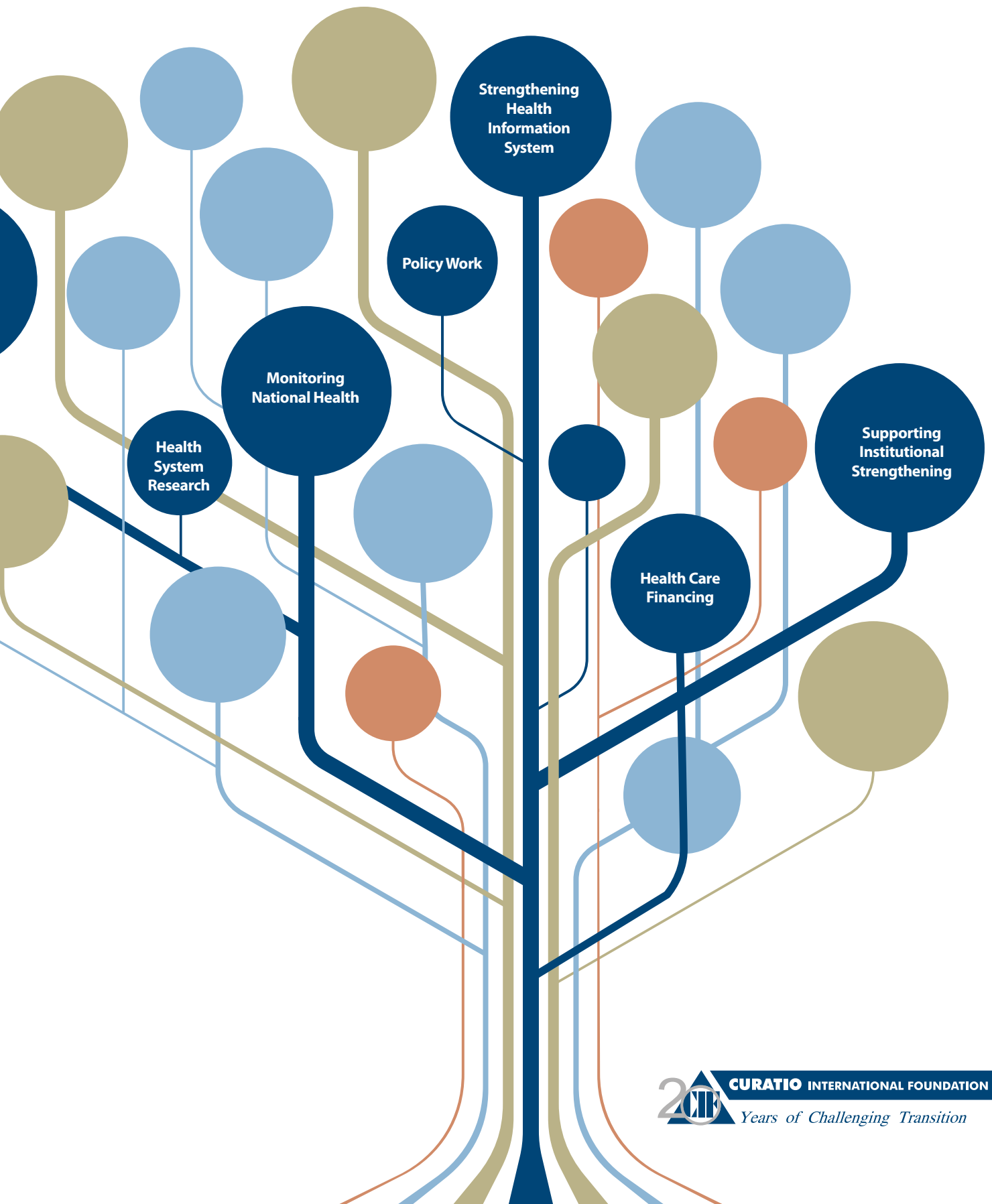


20 Years of Health Care



**IMPROVING
HEALTH THROUGH
BETTER FUNCTIONING
HEALTH SYSTEMS**

**LISTENING TO NEEDS,
BUILDING ON LOCAL
STRENGTHS,
DELIVERING
INNOVATIVE
CONTEXT-SPECIFIC
SOLUTIONS**

**OVER 130
IMPLEMENTED
PROJECTS**

**OVER
200
STUDIES**

**UP TO 30
ARTICLES
IN PEER REVIEWED
JOURNALS**

20TH ANNIVERSARY REPORT

This brochure describes reforms that have significantly altered the landscape of health care in Georgia. The contents draw on important publications and oral narratives by those who have been initiators, implementers and witnesses to all major changes in the history of Georgia's health system over the last two decades.

Curatio International Foundation extends its thanks to respondents , partners , the Foundation's staff and the production team: Ana Toklikishvili, Lika Zakashvili, translator Eka Abshilava and the editor Mary Ellen Chatwin.

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Statement by the Chairman of the Board of Directors of CIF



In the early 1990s Georgia was on the cusp of new political and economic realities, which ultimately led to the establishment of a market economy. Private ownership was becoming stronger and our country was taking its first steps towards democracy and the fundamental principles of the rule of law.

Georgian society has faced and overcome enormous challenges over the last twenty years. A lack of experience, know-how and knowledge was felt sharply at the beginning of that era. The idea for establishing an organization that could make a modest contribution to health sector reforms was born and developed in 1994. Contributing to this vision was the primary reason for establishing the Curatio International Foundation.

I am honored to have chaired the Board of Directors of the Foundation over the last eight years. I support the development of the organization by working closely with the management and providing counsel concerning our future strategic directions.

Curatio International Foundation is one of the most highly qualified organizations in the health sector and has witnessed significant progress since 1994. We remain a strategic and reliable partner for all our stakeholders in Georgia and abroad. The major qualities of the organization are our competent employees and efficient management.

As a result, Curatio International Foundation is an integral part of 20-year history of health care in Georgia, as described in the chapters of this brochure.

Bidzina Mgaloblishvili

Chairman of the Board, Curatio International Foundation

A handwritten signature in blue ink, consisting of stylized initials and a long horizontal stroke.

Statement by the President of CIF



The rocky road towards an improved health system in Georgia was not an easy one. It was filled with obstacles and challenges posed by many new realities in the wake of the collapse of the Soviet Union. I think there is no need to describe the state of Georgia's health system in 1994. We all remember unpaid medical staff, the outbreaks of a number of dangerous infectious diseases and medical facilities in ruins.

Many families were dramatically impacted by the situation. Reforming a health care system in total collapse became the major challenge faced by the country.

CIF played a significant role in the post-Soviet transition period. During those years we learned to collaborate with all governmental powers. Our observations and cooperation as well as research results provided to the government by our team offered unique opportunities to effect important changes to the system.

Today, I am glad that we managed to gain and uphold our reputation as an impartial and objective organization, while developing and expanding human resources within the organization and gaining significant credibility in the international arena.

Despite significant progress over the last 20 years, the field of health care remains a key concern in Georgia. We are determined to continue our work for improving health through better functioning health systems by delivering quality and creative solutions and supporting development of human resources in the health sector.

Ketevan Chkhatarashvili

President, Curatio International Foundation

Health Care 20 Years Ago



Photograph: from the archive of Curatio International Foundation, Burns Centre, Tbilisi, Georgia

After the end of the Soviet system and the beginning of the 1990s, the health systems of the former Republics of the Soviet Union continuously deteriorated over two decades, and Georgia was no exception. At the same time other new challenging issues in the field of public health began to appear. Maternal and child mortality rates increased, and preventive care efforts were undermined by the tumultuous social and political situation. Vaccine schedules stopped being observed and dangerous infectious disease outbreaks occurred.

The government greatly reduced funding for free medical care and the health sector in the early 1990s. Real per capita public expenditures on healthcare rapidly declined from around \$13.00 in 1990 to less than \$1.00 in 1994. The remuneration of medical personnel became so symbolic that their annual income was less than the official monthly minimum wage. No essential improvements in the health sector occurred for the first five years of that decade, but some components of the system continued to operate through inertia.

Beginning in late 1994, significant changes began, with the assistance of international partners. This was the period of rapprochement between Georgia and the International Monetary Fund (IMF) and the World Bank, and Georgia became an independent member of the World Health Organization (WHO).

During the same period, the Government of Georgia announced that responsibility for health care would be divided between various governmental entities and that medical services would no longer be free. However, one of the clauses of Article 37 of the new Constitution of Georgia stated that "everyone shall have the right to enjoy health insurance as a means of accessible medical aid."

The underlying principle of the "right to health" and "access to health care" as determined by the Constitution of Georgia gave rise to the development of legislative normative acts to regulate the right to health care. As a result of reforms a new social institution - medical insurance - was created and regulated by the law on "medi-

cal insurance". Citizens were able to acquire mandatory and voluntary health insurance.

Another important challenge faced by the health care reform was to establish financing mechanisms for the system to function. In 1995, a new financial service – the State Health Fund - was established, where funds were deposited to provide state health programs. In 1997 this Fund was transformed into a State Medical Insurance Company, and a social insurance model was established through which the majority of health care programs were funded.

In 1995 state-owned health care facilities were transformed into public institutions and in 1999 they were privatized. Accordingly their independence increased and state participation in the administration and management of medical facilities was limited only by a corporate governance mechanism.

Also beginning in 1995, a process of optimizing medical staff was launched to balance the abundant numbers of physicians and the shortages of skilled nurses, as well as the uneven geographic distribution of the health care workforce. Georgia had one physician per 197 individuals out of 120 000 health workers. According to this indicator, the country ranked first in the world. Since 1995, however, the state ceased funding medical staff and remuneration was determined according to direct contracts with medical institutions.

As said in the publication *Independent Georgia- Social and Health Care Systems* by David Gzirishvili 'Changes made to the system between 1995 and 2000 were not simply an attempt to replace the existing system with a better one, but were meant to restore order to a system operating by inertia and, by 1994, on the verge of total collapse. The purpose was to establish qualitatively new relations within the system that better correspond to the requirements of the country's political and economic development.'

Importantly, a lack of knowledge and experience was clearly felt at the beginning of this transition period.

Establishment of Curatio International Foundation

Curatio International Foundation was established at the beginning of the new health care system reforms and was registered in 1994 according to procedures prescribed by Soviet Legislation.

The founder and present Director of Curatio International Foundation, Giorgi Gotsadze, recalls the early years of the Foundation. "During this period there was no electricity in the city. The Soviet Union had already collapsed. The economic changes caused by the abandon of Socialism led to complete chaos. Government assistance was essential for aligning the health sector reforms with the new economic and political context."

Akaki Zoidze, one of the co-founders of Curatio International Foundation, recalled how the idea of establishing the organization came about in a time when virtually no non-governmental organizations operated in the health sector. "We developed the idea of creating an organization that would mobilize specific donor funding for humanitarian purposes. Our first project was developed for a blind community in Ortachala. We worked without remuneration and had grand plans. After implementing the first project, however, we shifted our focus from the humanitarian field to research as there was a total lack of expertise in the health system. We had no experience in health policy-making and we gained experience by taking part in the process."

The activities of the Curatio International Foundation included all areas required for proper and effective functioning of the health sector: monitoring health care at the national level, strengthening the health information system, health care financing, health systems research, participation in the policy-making processes and institutional development.

The former Minister of Health of Georgia, Avtandil Jorbenadze notes that the Curatio International Foundation played an essential role in health sector reforms and development. In the 1990s the country was facing new realities and the health sector reform was not the only one that had to be carried out. "During the transitional period, medical graduates had to make a choice-- become a physician or participate in health policy-making. It was a very interesting generation. They gained knowledge by participating within the health care reforms, and became aware of the role of health care within a context of new economic relations."

According to Avtandil Jorbenadze, individuals who are skilled in conducting situational analyses and can choose the right way through an evidence-based analysis of

"This is a non-governmental organization that has contributed significantly to the formation of modern thought. Curatio International Foundation was established to provide consultancy services in the health and social spheres. The intellectual capital of the Foundation has valuably contributed to other countries as well."

Dr. Amiran Gamkrelidze
Georgian National Centre for
Disease Control and Public Health

"For me, the Curatio International Foundation is a unity of professional people. Each employee uses an in-depth approach to their work and shows a great sense of responsibility. I'd like to highlight the confidence that they have gained from those they have worked with over the last 20 years."

Nina Kiknadze
Open Society Georgia Foundation

a macroeconomic situation are important as they can assist the government in finding the best solutions for policy-making.

Since 1998, Curatio International Foundation (CIF) was actively involved in governmental policy-making. The human resources of the organization became a major resource for decision makers in developing a strategy document for health care and a strategic vision for the future. In 1999, Curatio International Foundation actively participated in the development of the state healthcare strategy, which is still the only one officially approved by the Government of Georgia and by World Health Organization (WHO). A revised version of the strategy was prepared in 2012 with the participation of the Foundation.

A significant legislative framework for the health sector was established in 1995-2003. A series of legislative changes have been created in subsequent years as well. CIF actively participated in advocating amendments to Law on Public Health and the Law on Pharmaceutical Activities.

Analysis of health care financing was one of the priority areas of the organization. Premium (budgetary) estimates were developed by CIF in order to adequately define the financial resources required for the implementation of the program in 2008-2009.

In 1998 the organization carried out a survey of hospital infrastructure which provided basis for the hospital restructuring plan, and gave rise to the government's "100 New Hospitals" project in 2006. Several other significant surveys have been conducted to assess the health system, including the detection of unsafe injection practices in health care facilities and the identification of barriers associated with HIV testing among injection drug users (IDU) in 2012. Systematic monitoring of the pharmaceutical market between 2009 and 2011 permitted a clearer overall picture of the availability of medicines in Georgia.

Since 2012, CIF has been working on a health care barometer with more than 80 participating experts. This is to provide policy makers opinion of experts

"CIF is a mature organization that has set the highest standard in technical assistance in its Eastern European region and abroad since they started 20 years ago. I have the utmost professional respect for their work. It is a pleasure to work with the CIF team and an exciting journey of discovery of what can be more done to make a bigger impact in the development field. They are innovators and leaders and in global health, they are certainly breaking with business as usual and saving lives. For that reason, I am sure the next 20 years are going to be even more impactful."

Dr. Elvira Beracochea
MIDEGO, Inc.

"I have worked with CIF for many years now and I can confidently say that they are the leader in advanced health systems research in the former Soviet Union, and are increasingly well-known globally. I have been continually impressed by their attention to rigour, generating high quality evidence and engaging in methodology development. On a personal level, the CIF team is extremely hard working and inspirational to work with, and I look forward to continue our collaboration."

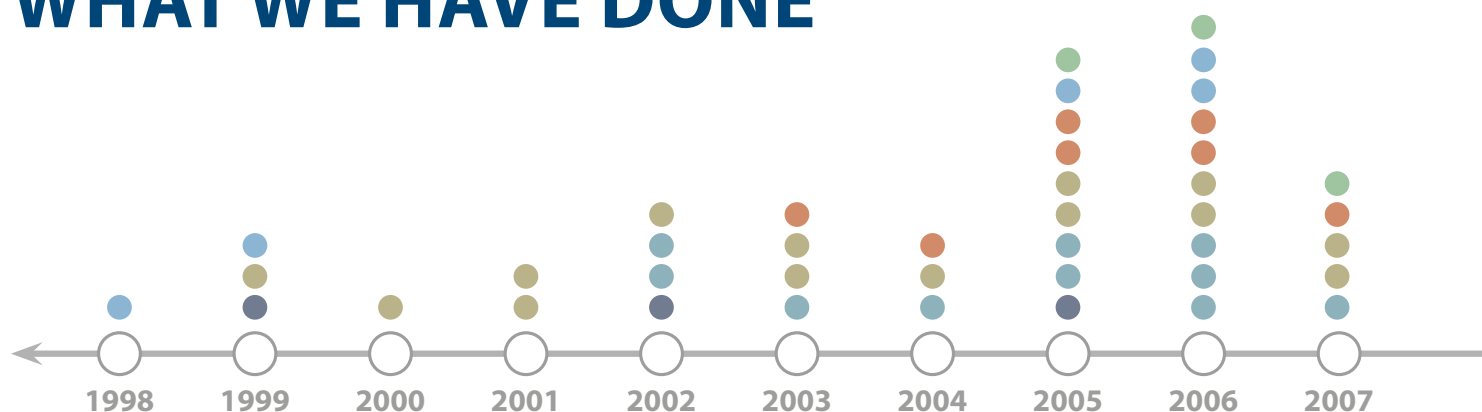
Dina Balabanova
London School of Hygiene & Tropical
Medicine

and assist in development of more effective approaches.

Curatio International Foundation has collaborated with many government ministries over the last 20 years, consistently maintaining a high level of professionalism and strict impartiality. This has permitted CIF to gain the confidence of new political forces by using evidence to provide better opportunities for effective changes in the health system.

This brochure tells about the changes which have significantly altered the history of health care in Georgia. The following pages tell about disease surveillance, information systems, health policy and health care financing.

WHAT WE HAVE DONE



Conducted Reproductive Health Survey in 1999; Contributed to analyses in 2005 and 2010.

1st in Georgia STI Prevalence Study among Low Risk Women Conducted in 2002

Bio-behavioral Surveillance Surveys Conducted among IDU's, FSW's, MSM and Prisoners in 2008, 2009, 2010, 2012, 2014)

Community Influence on IDP Mental Health Monitored. 2010 -2012

Health Information Systems Assessed, Gaps Identified, Solutions Provided. 2006

Infectious Disease Surveillance and Immunization Management Information System Developed and implemented nationwide. 2002-2006

Perinatal Surveillance System Developed. 2002

HIV/AIDS Surveillance System Designed. 2010

National Health Accounts Institutionalized. 2005

Classifiers for Hospital and Primary Care Interventions Developed and Approved by Ministerial Decree. 2009

Governmental Decree Adopted regarding Integrated Disease Surveillance System Architecture. 2014

Avian Influenza Surveillance System Developed. 2006-2007

Hospital Financing Problems Identified and Solutions provided. 1999

Health Sector Informal and Out-of-Pocket Payments Analyzed. 2001

Health Utilization and Expenditure Surveys Conducted. 2007, 2010

Assisted the GoG in Primary Health Care Reform Design during 2000- 2003

Financing Models for Primary Health Care Facilities Designed in Urban and Rural Settings. 2000- 2003

Community-based Health Insurance Schemes Designed and Implemented. 2003-2006

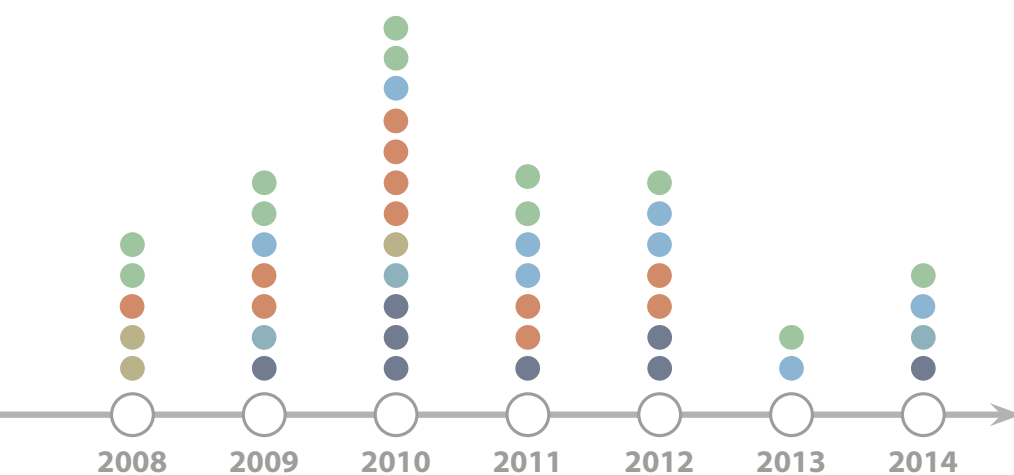
Designed Medical Insurance State Program for Poor. 2005-2007

Premiums Estimated for 2008 - 2009 State Health Care Benefit Package for Poor (MIP)

Monitoring
National Health

Strengthening Health
Information System

HealthCare
Financing



Abbreviations

FSW- Female Sex Worker
 GoG- Government of Georgia
 IDU - Intravenous Drug User
 IDP- Internally Displaced Person
 MIP- Medical Insurance for the Poor
 MOLHSA- Ministry of Labour, Health and Social Affairs of Georgia
 MSM- Man Having Sex with Man
 NCDC & PH- National Center for Disease Control and Public Health
 RHS- Reproductive Health Survey
 STI- Sexually Transmitted Infection

**MIP Program Evaluated.
2010 - 2012**

**Household Surveys Con-
ducted. 2003, 2006**

**Challenges of Human Re-
sources in Public Health
System Assessed. 2004**

**System Constraints on
Service Delivery for Chron-
ic, non-communicable
Diseases identified. 2005**

**Problems on Unsafe In-
jection Practices in Health
Care Facilities Identified
and Reported. 2010**

**Barriers Examined to
HIV Testing among IDU
Population. 2012**

**Systematically Monitored
Prices, Availability and
Affordability of Pharma-
ceuticals in the Country.
2009 - 2011**

**System-wide Effects of
Global Fund Financing on
Health System Development
Monitored. 2004 - 2010**

**Health System Strategy
Document Developed.
1999 and 2010**

**Hospital Restructuring
Plan Developed. 1998**

**National HIV/AIDS
Strategic Plan 2011-2016
Developed. 2010**

**Reproductive Health
Strategy Document
Developed. 2009**

**Amendments to Public
Health Law Prepared.
2006**

**Amendments to Pharma-
ceutical Law Prepared.
2006**

**Advocated for introduc-
tion of New Vaccines.
2011-2012**

**Health Information and
Disease Surveillance Sys-
tem Designed. 2005**

**Assisted MOLHS in Orga-
nizational Development
Process. 2005-2009**

**Institutional Strengthen-
ing of NCDC & PH. 2010
- 2014**

**Mental Health NGO's
Capacity Building. 2008**

**Civil Society Capacity
Strengthened - Promotion
of Research Evidence in
Policy Development Pro-
cess. 2009-2011**

**Health System
Research**

Policy Work

**Supporting Institutional
Strengthening**



Disease Surveillance and Information Systems

Healthcare Policy

Healthcare Financing

Disease Surveillance and Health Information Systems

The broken health system and inadequate preventive measures that occurred after the collapse of the Soviet Union led to an overall deterioration of public health. Health information systems had disappeared and data on the prevalence of communicable and non-communicable diseases were no longer available.

The establishment of Georgia's National Center for Disease Control in 1996 was a step forward and has assumed responsibility for decisions on major health issues. The primary functions of the Center were to implement disease surveillance, to provide guidance and practical assistance for regional and local medical centers and to study cases related to potential epidemics.

CIF played a crucial role in the organizational development of the National Center for Disease Control and its strategy, as well as in disease surveillance reform.

"CIF is our key partner and an integral part of our project team responsible for the implementation of the project in Georgia. Their experts' in-depth understanding of the public health regulatory landscape in Georgia and the countries of the Former Soviet Union were invaluable in assisting us to win our 5-year contract with the US. Government. Their capacity to understand the client's priorities and "translate" them into actionable plans and high quality analytical deliverables helps us to provide outstanding project performance to our client. We are proud of our partnership with CIF and look forward to many more years of successful cooperation on this and other projects in the future!"

Elena Aroustamova
CH2- Cooperative Biological Engagement Program - Georgia
Country Manager/Project Manager
CH2M HILL Company

Immunization Management Information System



Photograph: from the archive of United Nations Children's Fund (UNICEF)

Undermined immunization system was the legacy of the Soviet health system. Poor quality data and limited information made it impossible to carry out preventive or remedial measures against communicable diseases and indeed epidemics ensued in 1993-1999. The creation of a new plan was necessary to manage the immunization process and prevent the spread of diseases. During this period, Curatio International Founda-

tion assumed the critically significant responsibility of ensuring that information was available to all parties.

Ivlditi Chikovani, Director of Research Unit at Curatio International Foundation and Head of the project to improve healthcare information systems management in 2002 says, "The supply chain for vaccinations broke down in the 1990s, funding ceased, and vaccine supplies were insufficient, all of which meant that immunization rates dropped significantly. A diphtheria outbreak occurred because the immunization information system that ensured timely access to the right information no longer existed. The information system had to be put in place and our partner was the National Centre for Disease Control. We tested the effectiveness of the program first by creating an electronic system in Kakheti and then rolling it out across the country between 2001 and 2005. As a result of this program, we obtained reliable indicators."

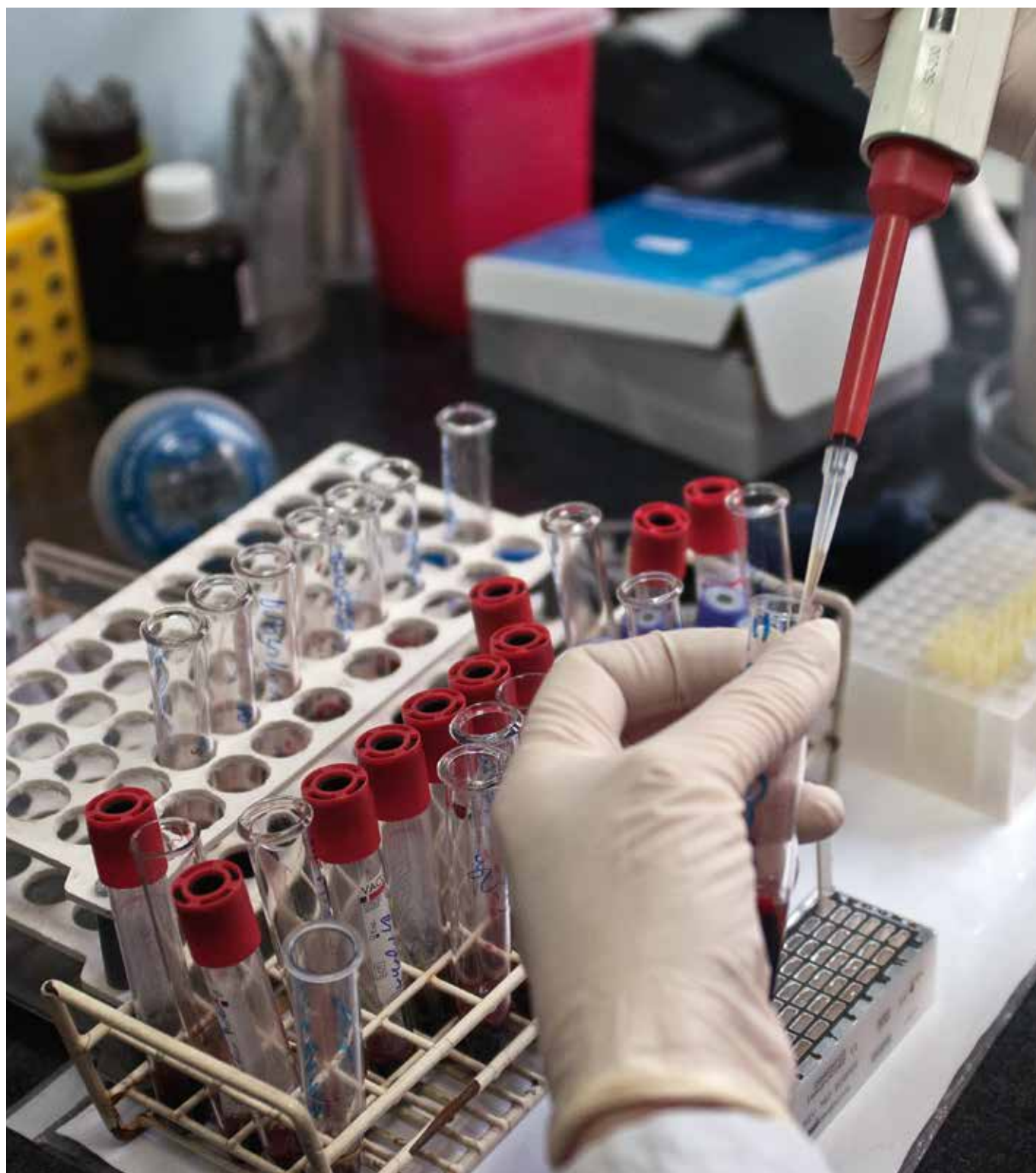
The main goal of the project was to improve the management of the information system related to immunization and communicable disease surveillance. Information obtained through the improved system was reliable which permitted public health managers to identify target populations, detect each new case of a communicable disease, and determine the required number of vaccinations and funding needed for immunization.

"During 2012-2013, I have had the pleasure of working with CIF on a multi-country study of immunization cost and financing. The team produced high quality work, on time, that set the bar for the other teams involved in this study. As part of this study, we held a number of workshops in Geneva, and at each of these CIF assumed a leadership role that was greatly appreciated – they led the way with respect to the analyses of the financial flows for vaccines and immunization, and of the determinants of immunization performance. Of course, technical competence is important, but in addition, George and Ketie are an absolute pleasure to work with. I very much look forward to working with CIF in the future."

Damian Walker
Bill and Melinda Gates Foundation



HIV/AIDS Surveillance System



Photograph: Levan Kherkheulidze, from the archive of local Journal Liberali, HIV/Aids Centre, Tbilisi, Georgia

In 2008 after a thorough study of the HIV/AIDS surveillance system epidemiological surveillance reforms were implemented. Ketik Gogvadze, Business Development Unit Director at Curatio International Foundation said, "Prior to the implementation of HIV/AIDS surveillance system reforms, the old system was evaluated and the survey revealed the strengths and weaknesses of the system. We made recommendations concerning surveillance, including what must be done to reform and strengthen the system."

Based on the surveillance system assessment results, CIF and other stakeholders developed a new design for an HIV/AIDS surveillance system. The modern system was introduced in the capital Tbilisi and Adjara. Later on, the pilot project was assessed and the system was rolled out across the country.

Assessing the HIV/AIDS surveillance system led to the development of an HIV/AIDS surveillance plan

that included information on the basic concepts and models of the HIV/AIDS surveillance system. This offered several ways to efficiently divide labor between participants and responsible parties. Georgia's HIV/AIDS surveillance plan defines the financial consequences of various alternative strategies for identifying financial needs and mobilizing resources to ensure the sustainability of the HIV/AIDS surveillance system.

Implementation of both routine and sentinel surveillance, as well as a behavioral surveillance survey with a biomarker component for high-risk groups are parts of the HIV/AIDS surveillance system improvement process. These three methods of monitoring the spread of diseases ensure the collection of HIV/AIDS statistical data from three different sources and the creation of an evidence base for the HIV/AIDS program.

"CIF is composed of creative, devoted and quality-oriented professionals who constantly search for new ideas. Working with them is a guarantee for a successful outcome."

Tamar Sirbiladze
Public Union BEMONI

"Curatio International Foundation has made significant contribution to the development and successful performance of our organization. This experience has been an inspiration to our organization in terms of broadening the vision and taking more professional approach to work. We are proud of having the opportunity of partnering with CIF"

Nino Tsereteli
Center for Information and Counseling on Reproductive Health TANADGOMA

Classification of Medical Interventions

Changes in Georgia's healthcare system have led to a significant increase of information flow. However, registration and analysis of statistical data are complicated and showed that the creation of a unified information system and standardized information was urgent. This issue became more pressing after a new health insurance program was launched in 2007 that covered 800,000 people below the poverty line.

Insurance companies have had to deal with the increased information flow since the first stages of introducing a new insurance program: Data registration, processing and presentation of a report in the proper format. Previously it was impossible to compare information obtained from different health providers since the data was often contradictory and of a low quality. It was necessary to group diseases according to nosological classification and type of intervention. Adequate management systems for information exchange were also necessary.

In 2008 Curatio International Foundation collaborated with the National Center for Disease Control, the Ministry of Labour, Health and Social Affairs of Georgia and insurance companies to develop an information exchange system for institutions involved in the insurance program, the "international classification of medical interventions for primary care, hospital interventions and laboratory investigations". Classification standards were approved by a Decree of the Minister of Labour, Health and Social Affairs in 2009, making this a significant mechanism to regulate medical information.

National Health Accounts

The institutionalization of national health accounts was a step towards the development of an information system. National Health Accounts are an instrument that reflects the financial resources mobilized in the health care system. It allows assessment of:

- the significance of various inflows of resources
- the major health service providers according to the volume of provided medical care
- major areas of spending in health care
- the main consumers of health care and basic parameters of the functioning of the health system

The National Health Accounts provide the opportunity for the Government to assess national health expenditures according to the sources of funding, to plan the volume of resources required for the development of the country's health system based on these accounts, and to monitor the activities in the health sector.

The President of CIF, Ketevan Chkhatarashvili said that the Foundation collaborated closely with specific Departments of the Ministry in preparing the 2001-2004 accounts. The Government of Georgia issued Decree #11 defining goals, objectives, frequency and performers of the accounts on January 18, 2006, entitled "On Institutionalizing National Health Accounts in Georgia." CIF provided training for ministry employees who are involved in preparing the National Health Accounts.

Monitoring the Mental Health of War-Affected Populations

In 2013, CIF published the most comprehensive survey results conducted over the last 20 years. The survey examined the mental health of war-affected populations and their access to health services.

Being without shelter, having severe injuries, and being witness to murder and violence against family members are major traumatic experiences cited by 3600 respondents who had been internally displaced by conflicts in



Photograph: from the archive of Radio Free, IDP's shelter

1990 and 2008. The research results show that mental disorders are more common in women than in men and that they are more prevalent among the elderly. Nearly 30% of respondents had at least one criterion of mental disorder, with the most common cited including depression, anxiety and post-traumatic stress symptoms.

Ivdi Chikovani, Director of the Research Department at Curatio International Foundation stated, "As a result of this new research, the professional community and politicians will obtain evidence of mental health problems among war-affected populations that can form the basis for the development of a mental health action plan and appropriate services."



"This is a quiet a remarkable organization which has been working in the part of the world where health research capacity has been very limited. CIF stands out as the center of excellence not only in Georgia but also in the wider region. We at the London School of Hygiene and Tropical Medicine have been collaborating with CIF for almost all of that 20 year period. At that time we worked on problems in Georgia and we worked with them as they applied their expertise right across the former Soviet Union. Our colleagues here have made major contributions not just to generating the knowledge but to developing new methods for understanding how health systems work.

I am appreciative of the strong values the CIF displays, the strong commitment to social justice, to improving health of the population. They are not just interested in doing research for the sake of research. They make research that really makes a difference. So, from this point of view they stand out as practically focused on doing work of the highest possible quality. We look forward to collaborating with CIF for another 20 years."

Martin McKee
London School of
Hygiene & Tropical Medicine

"We've worked with CIF on a project - Mental Health Among IDPs in Georgia. It has been tremendously rich experience. The value of CIF has been expertise and research and ability to connect research with health policy in Georgia . CIF is dedicated to high quality research."

Bayard Roberts
London School of
Hygiene & Tropical Medicine

"Working with CIF is extremely motivating and unforgettable process. The competence, professionalism and the team approach to work ensures the high quality of the final product"

Nino Makhashvili
Global Initiative on Psychiatry, Tbilisi



**Disease Surveillance
and Information Systems**

Healthcare Policy

Healthcare Financing

Strategic Development of the Health Sector

Improved legal framework and defined strategic vision was a step forward for independent Georgia towards the development of the health sector. The basic legislative framework was developed in 1995-2003. Curatio International Foundation has been involved in the processes of legislative changes later on, when a series of legislative changes were made to the Law on Public Health and the Law on Pharmaceutical Activities.

CIF has been an important partner for the Government of Georgia in the development of strategy document for health care and a strategic vision for the future. The first strategy document for health sector has been developed in 1999. Its revamped version was prepared in 2012. The 1999 document is the only strategy document that has been approved by both the Government of Georgia and the World Health Organization.

According to former Health Minister, Avtandil Jorbenadze, the strategy document of 1999 was one of the

best projects implemented in cooperation with Curatio International Foundation. It was the first multi-sectoral and comprehensive strategy in the health sector and the Curatio International Foundation provided technical assistance.

The Minister of Labour, Health and Social Affairs Andria Urushadze also recalls the second national health strategy development process. He said that CIF played a leading role in preparation of 2012 strategy document "Quality and Affordable Healthcare". "This document covered 2012-2015 years and included significant improvements in public health indicators. Based on this new strategy, morbidity and mortality would have decreased by 2015."- said Andria Urushadze.

In 2012 the freshly-elected parliament has introduced its new vision of access to healthcare through universal health insurance.

"I am in discussion with the ex Minister of Health of Turkey to establish a CIF type of foundation here in Turkey working on the health sector. Think tanks and foundations such as CIF, Public Health Foundation of India and the Public Health Foundation in Thailand (which is run by Dr. Somsak) are much needed additions in a health policy environment and context where much more evidence based deliberation on health policy and holding stakeholders accountable for their actions is needed."

Sarbani Chakraborty
Merck Serono

Pharmaceutical Market Monitoring



Photograph: Temo Bardzimashvili, from the archive of local Journal Liberali

In 2007, a Health Service Utilization and Expenditures survey revealed that 50-55% of health expenditures were for medicine. In European countries this figure varies between 16-17%.

According to data provided by the National Bank of Georgia, one of the major causes of inflation in 2008 was the high cost of medicines. The issue of increasing prices became a subject of discussion among civil society and the government. The high cost of medicines was caused by the fact that only several companies were dominating in pharmaceutical market. In addition, the spendings on medicines was rising due to other factors as well, such as self-medication and excessive amounts of medicines prescribed by the doctors because of the financial relationships between the dominant pharmaceutical companies and physicians.

In 2006, a package of amendments to the Pharmaceutical Law was prepared with the support of CIF, aimed at liberalizing the pharmaceutical market. The Parliament of Georgia passed these amendments in 2009. Liberalization of the Law on "Drugs and Pharmaceutical Activity" led to the establishment of parallel imports and simplified the registration of pharmaceutical products produced and/or registered in the EU or OECD member states. Admission of pharmaceutical products into the Georgian market may be granted by way of state registration through a recognition regime or a national regime. There are no barriers to enter the pharmaceutical market which is free and competitive for local and foreign pharmaceutical companies. Koka Fruidze, former Deputy Minister of Labour, Health and Social Affairs of Georgia pointed out that "the Law aimed at increasing the number of high-quality medicine

imports, which would in turn result in a wider range of products and indirectly affect prices."

Curatio International Foundation evaluated the effects of amendments made to the Law in 2009-2011, examining availability, price and the value added margins of 52 branded and low-cost generic medications. Results show that in 2011 the availability of branded medications increased by 13.7% and the availability of generic medications by 4%.

As the Director of CIF International Foundation, George Gotsadze, told the online news site Netgazeti "since the amendments have been made to the Law on Medicines and Pharmaceutical Activity in 2009, we expected it would reduce the cost and increase competition in the pharmaceutical market. We wanted to evaluate the achievements caused by this amendment. The study was divided into three phases and conducted in 2009, 2010 and 2011. Actual results were obtained only a year and a half after the amendments entered into force. Based on the data, in 2011-- compared to 2009-- the average markups on brand-name medications in the pharmacy networks of PSP / Aversi / GPC have gone down from 90.7% to 17.1%."

Survey results indicate that in spite of the achievements, the government should use a variety of mechanisms to increase the public's physical and financial access to medicines.

Maternal and Child Health

Reproductive health is an essential part of any health policy. The first national survey on this issue was conducted in 1999. As a result of this study, reproductive health and health care utilization databases were created. Results of the 1999 survey revealed a low level of utilization of modern contraceptives and high rates of unplanned pregnancy. Therefore, the development and implementation of a new maternal and child health care strategy and programs are indispensable.

Later in 2005, the US Center for Disease Control and Prevention conducted a second national survey on reproductive health which evaluated public awareness of reproductive health, behaviour and existing practices. In 2007 the reproductive health policy was developed by the Government of Georgia with the support of Curatio International Foundation on the basis of the survey results. The policy document describes approaches that ensure quality reproductive services for men, women and children and contribute to the dissemination of information at all levels of health care. The document also defines future directions in the field of reproductive health for 2007-2015 years. The document includes the short, medium and long-term goals related to the basic principles of reproductive health and improvement of maternal and child health in the country.



Photograph: Beso Uznadze

The first national survey on Reproductive health was conducted in 1999. As a result of this study, reproductive health and health care utilization databases were created.

Hospital Sector Development

During the communist period medical advances were measured by the quantity of hospital beds and human resources rather than quality or qualifications. Consequently, an excessive number of hospital beds and personnel were legacies of the Soviet Union when Georgia became independent. Although the number of hospitals was diminished by 40 % in the 10 years following the collapse of the Soviet Union, the number of medical facilities per 100,000 of population remained higher than in European countries.

The Government of Georgia launched a nationwide program of the hospital sector in 2006 with the main goal of privatizing and restructuring the sector. The Development of a Hospital Master Plan for Georgia project that started in 1998 with the financial assistance of the World Bank and with the help of Curatio International Foundation provided the information on which the reforms were based. The project evaluated the





hospital sector and health needs of the entire Georgian population based on which later was developed "100 new hospital plan". The master plan was subsequently submitted to the Ministry of Labour, Health and Social Affairs of Georgia. Curatio International Foundation also studied a hospital financing system and these results were also taken into account during the reform process. Survey results revealed that 90% of hospitals were not safe; more than 80% of medical equipment was outdated and required upgrading. Approximately 100 million USD were required for a minimum rehabilitation of hospitals and 200 million USD for a complete rehabilitation, while the state's health budget did not exceed 35 million USD per year and the Georgia state budget was just 600 million USD. It was apparent that the state budget could not ensure the rehabilitation of all hospitals. According to recommendations from CIF, it was necessary to optimize the hospital sector and to privatize the infrastructure.

Optimization of the hospital network included a drastic reduction of the number of hospital beds and selling excessive hospital sector assets, rehabilitating the remaining hospitals through the revenues gained. (Georgian Government Resolution No.11 of 26 January, 2007).

Giorgi Gotsadze explained the scheme: "Based on geographic calculations we identified the hospitals that could be closed, the medical institutions that could be transformed into emergency assistance centers, etc. Specific recommendations were made and unnecessary hospital sector assets were to be sold, with the revenues gained spent on the rehabilitation of existing infrastructure. Privatization revenues were to be transferred to restructuring fund. However, this was a stillborn scheme at that time. Later, however, the same scheme was used by a new government and in 2007, the government issued a resolution on '100 new hospitals'."

To develop the capacity of medical services and increase access to quality health services, the government decided to sell some of the state-owned hospital sector assets and to create a number of new hospitals according to the established geographical distribution plan, and to establish capacity and minimum standards in exchange for privatization.

"The hospital privatization project influenced the development of health policy in Georgia as well as in other post-Soviet countries," said Akaki Zoidze, one of the founders of CIF.

According to Alexandre Kvitashvili, the former President of Curatio International Foundation, and a former Minister of Labour, Health and Social Affairs, the new plan for optimizing Georgia's hospital sector assets was a substantially updated document. He stated that the greatest changes occurred in the health care system, while the country made little progress in other sectors. Kvitashvili was actively involved in the creation of hospitals in Georgia.

The original hospital restructuring plan included the establishment of non-budgetary funds where privatization revenues could be transferred and spent on renovating existing infrastructures. Kvitashvili explained that "the project wasn't implemented for several reasons, however a modified version was implemented 10 years later, in 2007, during the years I was Minister."

The Director of the National Center for Disease Control and the former Minister of Labour, Health and Social Affairs of Georgia, Amiran Gamkrelidze described the advantages of the first version of the restructuring project, yet he shares Kvitashvili's opinion and believes current problems would have been already solved if the first version of the hospital restructuring project had been carried out. "The hospital res-

"Curatio International Foundation has been an essential part of our team delivering work in Georgia. CIF played a major role in our win of this a joint project between the governments of Georgia and the United States to improve the human health and animal health systems in Georgia. The very talented people who are CIF have simply been outstanding in delivering this work, and we look forward to a long and fruitful association with CIF."

Ray Tyler
CH2- Cooperative Biological Engagement Program - Georgia
Country Manager/Project Manager
CH2M HILL Company

"It has been a great pleasure to work with CIF over the years -- they produce high-quality research but always with a focus on policy-relevant questions, and have an unparalleled depth of knowledge about health sector issues in the region. The opportunity to collaborate with them is a privilege not to be missed!"

Owen Smith
World Bank

restructuring fund should have accumulated investments from privatization. According to the plan, five specialized tuberculosis facilities have been merged under a single legal entity and the HIV/AIDS and infectious disease centers also have been unified. The hospitals in Mestia and Lanchkhuti were also to be repaired. However the project has remained unrealized."

According to Avtandil Jorbenadze, the hospital restructuring project was one of the first for CIF, where the organization successfully carried out a survey and also provided recommendations. He noted that the hospital restructuring plan posed great challenges to the Government as there were large amounts of equipment and many staff, to whom the Government had to propose new regulations.

Curatio International Foundation made a significant contribution to strengthening institutional structures and played an important role in the organizational development of the Ministry of Labour, Health and Social Affairs between 2005 and 2010. The institutional development plan for the National Centre for Disease Control for 2010 to 2014 was also prepared with the support of CIF.



**Disease Surveillance
and Information Systems**

Healthcare Policy

Healthcare Financing

Healthcare Financing

The state reduced health care funding throughout the 1990s and the share of out-of-pocket payments greatly increased. This resulted in a reduced utilization of health services by the population. During the 1990s the quality of health care services provided by the state was low, health infrastructures were poor and the share of emergency costs was high. The second financial crisis of the health system began in 2000. By the turn of the new decade the financial burden of medical care had increased even more and out-of-pocket payments became the only source of funding the sector.

The healthcare financing reforms in Georgia began with the abolishment of mandatory social health insurance. By 2002, the share of out-of-pocket payments for total expenditure on health care was 80%, and by 2006 it had fallen to 72%. The Government increased national health expenditures after 2004, however this funding - like the GDP - was much lower than in developed countries. A targeted social assistance (TSA) program was introduced in 2006 that - by 2008 - supported 800,000 people from vulnerable groups. In 2010, the private health insurance sector assumed the responsibility for improving the hospital infrastructures.

"I have had the pleasure of collaborating with CIF, on and off, since 1998...and it really has been a great pleasure. Is it very rare that you find such competence and socially-oriented motivation in one institution. CIF is a treasure not just for Georgia but for all those countries in the region with whom it works"

Sara Bennett
John Hopkins University



Photograph: from the archive of the Ministry of Labour, Health and Social Affairs

Primary Health Care Reform

Modernization of the health financing system, the reorganization of public health services and identifying priorities for primary health care services were significant steps in health care reform. The World Bank supported the development of primary health care in Georgia. Curatio International Foundation participated in primary health care reform in 2000. The CIF project aimed at strengthening the public health sector through the development of a family

and community-based medicine model for primary health care.

As a result of the project, funding systems and a public involvement model were developed, with a particular focus on citizens living below the poverty line. Those participating in the project cooperated with the World Bank to ensure a unified approach and identify funding opportunities for the health care system.

Medical Insurance for the Poor



Photograph: Dina Oganova

In the wake of the country's economic hardship brought on by the collapse of the Soviet Union, the share of the state health care expenditures could not be significant. And so it was: State funding of medical services did not exceed 10%, while the share of out-of-pocket payments was 90%.

In 2006, the Government of Georgia has carried out a new health financing reform, which was focused on providing social assistance to the population below the poverty line. In the first stage, the program only covered a population of Tbilisi and Kutaisi. Later on, it covered the whole territory of Georgia and the number of social assistance recipients increased to 800 000 people by 2008. This principle of social assistance was chosen by the state for the purpose of distributing limited financial resources efficiently. The focus of the new state program has been shifted from all segments of the population to those below the poverty line and other specific groups. Universal health coverage was replaced by health care benefit program targeted the most vulnerable segments of the population.

"In 2004, the new Government of Georgia was focused on providing aid for the poor through its limited financial resources. It was a poverty reduction program, which

"CIF has set its standard in health sector. It has always been distinguished with high professionalism. For me, as for the Minister, working with CIF has been extremely efficient"

Andria Urushadze
The Minister of Labour, Health
and Social Affairs of Georgia in 2010-2012

"I can hardly remember any significant occasion in the health sector in which at least one or two representatives of CIF were not involved. Verified data are always forthcoming from Curatio International Foundation and we still use the surveys they carried out. Although many organizations have been established in the healthcare sector, there is no alternative to the Curatio International Foundation in this field."

Gigi Tsereteli
The Minister of Labour, Health
and Social Affairs of Georgia in 2004

included the identification of families below the poverty line and provision of assistance to them. A specific mechanism has been developed on how to find the poor people, poor families and how to give a help, in the form of money, to those in need. Morbidity rate in such families was high. Major part of the received sum was spent on medicines and health care services. As for the food, child's education and other needs, it was not enough. We and our partners have pondered the question of how this system could be used for protecting such families. An idea of targeted health insurance has been developed, which passed through several stages of review with various politicians. This idea was born in 2005, though a real step forward has been taken in 2006, prior to the local elections." – said Giorgi Gotsadze, Executive Director of the CIF.

Targeted insurance approach was recommended by Curatio International Foundation. A former Deputy Minister of Labour, Health and Social Affairs of Georgia, Vakhtang Megrelishvili said that Shevardnadze's Government has rejected the CIF's proposal to introduce targeted support. He said that the "CIF has argued that the sum allocated for the social sector should be spent effectively. Due to the limited financial resources, it would not have been sufficient without targeting choices and the social and political effects would have been zero."

The Government of Georgia also introduced a transferable financial instrument - insurance vouchers - providing health insurance to the population under the poverty line. A citizen had the right to receive a voucher for health insurance, had the option to choose an insurance company. By the end of 2008, vouchers were issued to 666,651 people below the poverty line, while in 2009 the insurance covered not only the population below the poverty line, but included internally displaced families, refugees and orphans.

A former Minister of Labour, Health and Social Affairs of Georgia, Alexander Kvitashvili recalls the early stage of health insurance reform: "Targeted Social Assistance was probably one of the most significant projects in terms of health and social welfare. Before launching the program, 1,5 million people have been interviewed with the support of the World Bank, through which the poverty level of families has been determined. 900 000 of respondents



Photograph: Dina Oganova, IDP settlement in Tserovani

In 2008, vouchers were issued to 666,651 people below the poverty line, then in 2009 it covered not only the population below the poverty line, but included internally displaced families, refugees and orphans.

have been provided with social assistance, out of which 200 000 were people living in extreme poverty. Since 2008 the population has received a voucher for health insurance from the state, which could be used in any private insurance company involved in this program. A similar approach to the provision of social assistance is especially important for those countries which have a lot of problems, but the lack of financial resources."

The first stage of this initiative was full of challenges. One of the major issues was to identify the amount of funds and resources that should be allocated from state budget for financing public health insurance. Premium estimates have been prepared by CIF and by the health experts involved in the Cooperation in Health Systems Transformation Project (CoReform) funded by United States Agency for International Development (USAID) in order to adequately define the financial resources required for the implementation of the program. Budgetary analysis pro-

vided by CIF became the basis of the insurance program in 2008-2009.

It was not the first time CIF had supported reform in the field of health insurance system. Cutaio International Foundation participated in community-based health insurance program in 2003. It was an innovative approach introduced in Western Georgia for the reduction of barriers to health care access for poor people of the targeted communities through community-managed health care programs. Mobilization of financial resources for community health care on the basis of the advance payment was carried out within this program.

The newly elected Georgian government has given its priority to universal health coverage. By 2014, the entire population was covered by health insurance program, except for those covered by a corporate medical insurance.

COOPERATION MAP



NETWORKS:

- ▶ Global HIV/AIDS Initiatives Network
- ▶ Health Systems Resource Centre
- ▶ System Wide Effects of the Global Fund
- ▶ Technical Cooperation Network

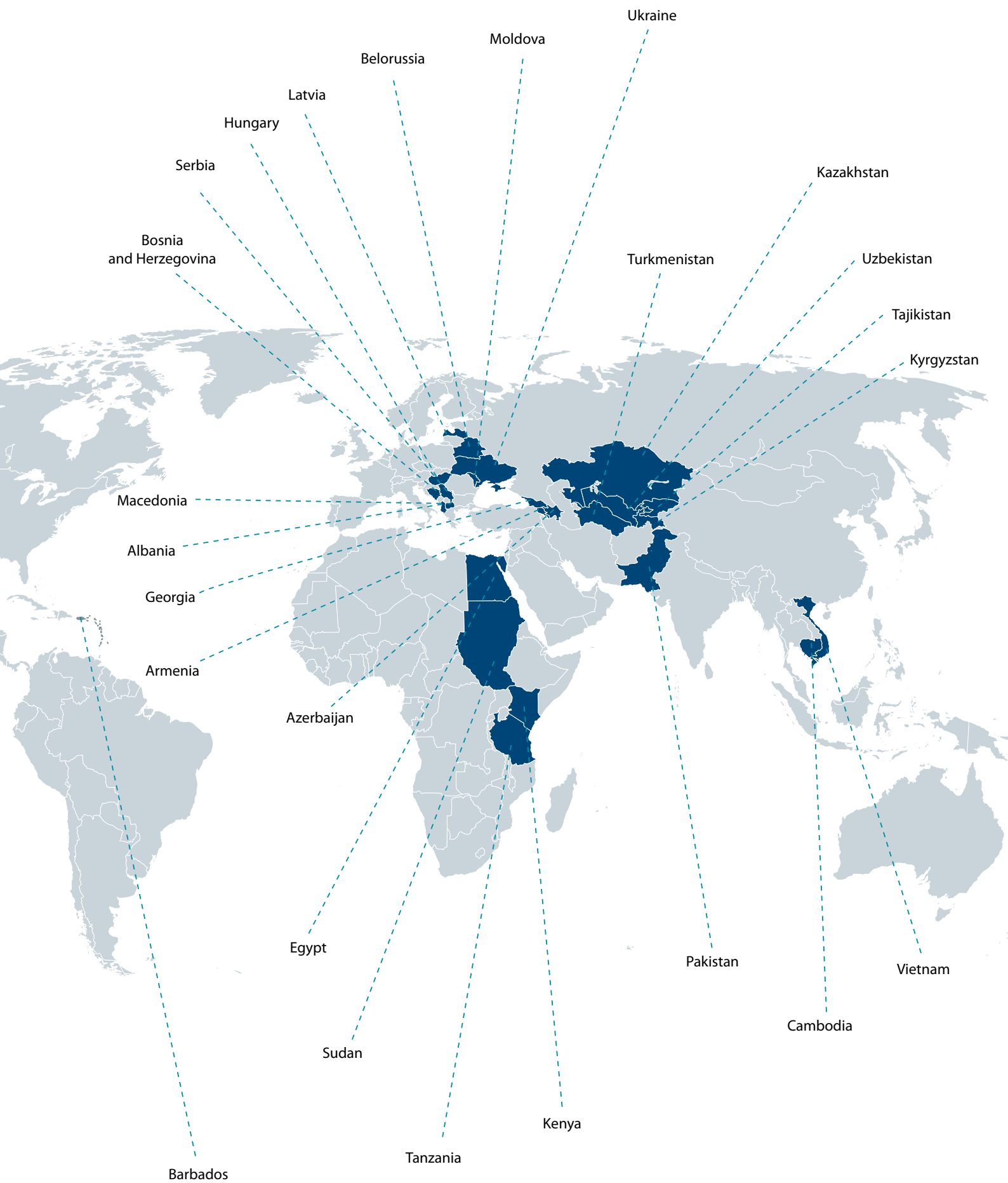
DONORS:

- ▶ Adam Smith International
- ▶ Alliance for Health Policy and Systems Research
- ▶ Canadian International Development Agency
- ▶ Defense Threat Reduction Agency (DTRA)
- ▶ Eurasia Foundation
- ▶ European Commission
- ▶ International Development Research Centre
- ▶ Japan Social Development Fund
- ▶ Open Society Foundations
- ▶ Open Society Georgia Foundation
- ▶ Rockefeller Foundation
- ▶ Swedish International Development Cooperation Agency
- ▶ UK Department for International Development
- ▶ United Nations Children's Fund
- ▶ US Agency for International Development
- ▶ The World Bank
- ▶ World Health Organization
- ▶ Bill and Melinda Gates Foundation
- ▶ Global Alliance for Vaccine Initiatives
- ▶ Global Fund Against AIDS, TB and Malaria
- ▶ British Petroleum

PARTNERS:

- ▶ ABT Associates Inc (USA)
- ▶ Alternative Georgia (Georgia)
- ▶ American University of Armenia (Armenia)
- ▶ Booz Allen Hamilton (USA)
- ▶ CARE International (USA)
- ▶ CH2 MHILL (USA)
- ▶ Chemonics International (USA)
- ▶ Curatio International Consulting (Georgia)
- ▶ Futures Group (USA)
- ▶ George Washington University (USA)
- ▶ Global Initiative in Psychiatry (Georgia)
- ▶ HLSP/Mott McDonalds (UK)
- ▶ Institute for Polling and Marketing (Georgia)
- ▶ Insurance Association of Georgia (Georgia)
- ▶ International Medical Corps (USA)
- ▶ Integrated Quality Laboratory Services (France)
- ▶ Johns Hopkins University (USA)
- ▶ John Snow Research & Training Institute Inc (USA)
- ▶ Kaiser Permanente International (USA)
- ▶ London School of Hygiene & Tropical Medicine (UK)
- ▶ Macalester College (USA)
- ▶ Management Sciences for Health (USA)
- ▶ MannionDaniels Ltd (UK)
- ▶ MIDEGO (USA)
- ▶ New York University (USA)
- ▶ Partnership for Social Initiatives (Georgia)
- ▶ Partnerships in Health (Bosnia and Herzegovina)
- ▶ PATH (USA)
- ▶ Policy and Management Consulting Group (Georgia)
- ▶ Public Union BEMONI (Georgia)
- ▶ Q Partnership (Zimbabwe)
- ▶ Sanigest (Costa Rica)
- ▶ Save the Children (USA)
- ▶ Tanadgoma-Center for Information and Counseling on Reproductive Health (Georgia)
- ▶ University of Toronto (Canada)





BOARD OF DIRECTORS

The Board of Directors is the major executive decision making and governing body of the organization. The Board, headed by the Chairman of the Board, is composed of seven members elected for a three year long renewable term, to serve a maximum of nine years. The board members of Curatio International Foundation represent diverse sectors – public, private, academia, healthcare, etc.

Board meetings take place at least twice a year to oversee and assess the CIF's overall performance, provide strategic guidance, review, revise and approve new policies, and set targets for the CIF's management team.

The Board is chaired by Bidzina Mgaloblishvili, Medical Doctor

Akaki Zoidze

Board Member

Master of Public Administration, Medical Doctor

Alexander Kvitashvili

Board Member

Master of Public Administration

Alexander (Sandro) Tsiskaridze

Professor, Doctor of Medical Sciences

Elene Imnadze

Master of Public Administration

Giorgi Tavkhelidze

Finansist

Iagor Kalandadze

MSc in Biophysics, PhD, Doctor of Biological Sciences

MANAGEMENT

The top management team of Curatio International Foundation consists of the President, Executive Director, Financial/Administrative Director and Directors of Research, Business Development and Project Management Departments. The management is responsible for coordinating the content of the organization's work, plan and monitor implementation of strategic goals and objectives and manage administrative as well as financial operations of the organization, in addition to providing guidance, and determining the technical direction of programs.

Ketevan Chkhatarashvili

President, Master of Public Health, Medical Doctor

Giorgi Gotsadze

Executive Director, Medical Doctor, PhD

Tamar Gogvadze

Financial and Administrative Director

Ivdim Chikovani

Director of Research Department, Medical Doctor

Ekaterine Dzeladze

Director of Project Management Department
Master of Business Administration

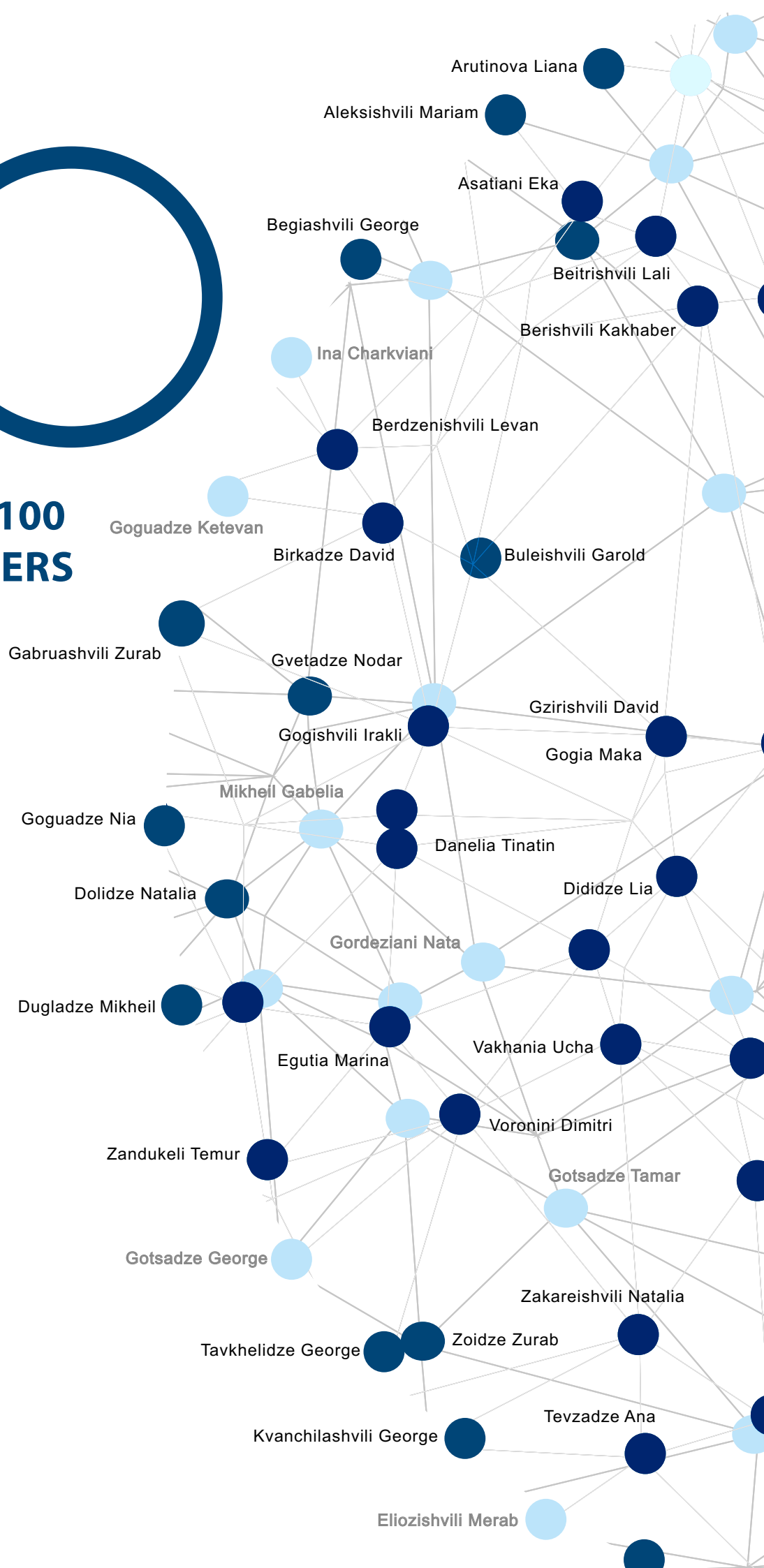
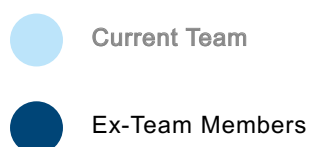
Ketevan Gogvadze

Director of Business Development Department, Medical Doctor



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YEARS WITH
MORE THAN 100
STAFF MEMBERS





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