



**Reforms on the social protection of healthcare and
its financing in CIS countries**

Knowledge sharing and regional perspectives



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Healthcare in Azerbaijan

Some indicators of the healthcare system (2020, SSC):



There are 31,8 and 55,0 doctors and nurses accordingly per 10.000 people. 65% of doctors and 42% of nurses are located in Baku.



There are 518 hospitals functioning in the country.



The number of hospital beds per 10.000 people is 45,0. 44% of hospital beds are in the capital city.



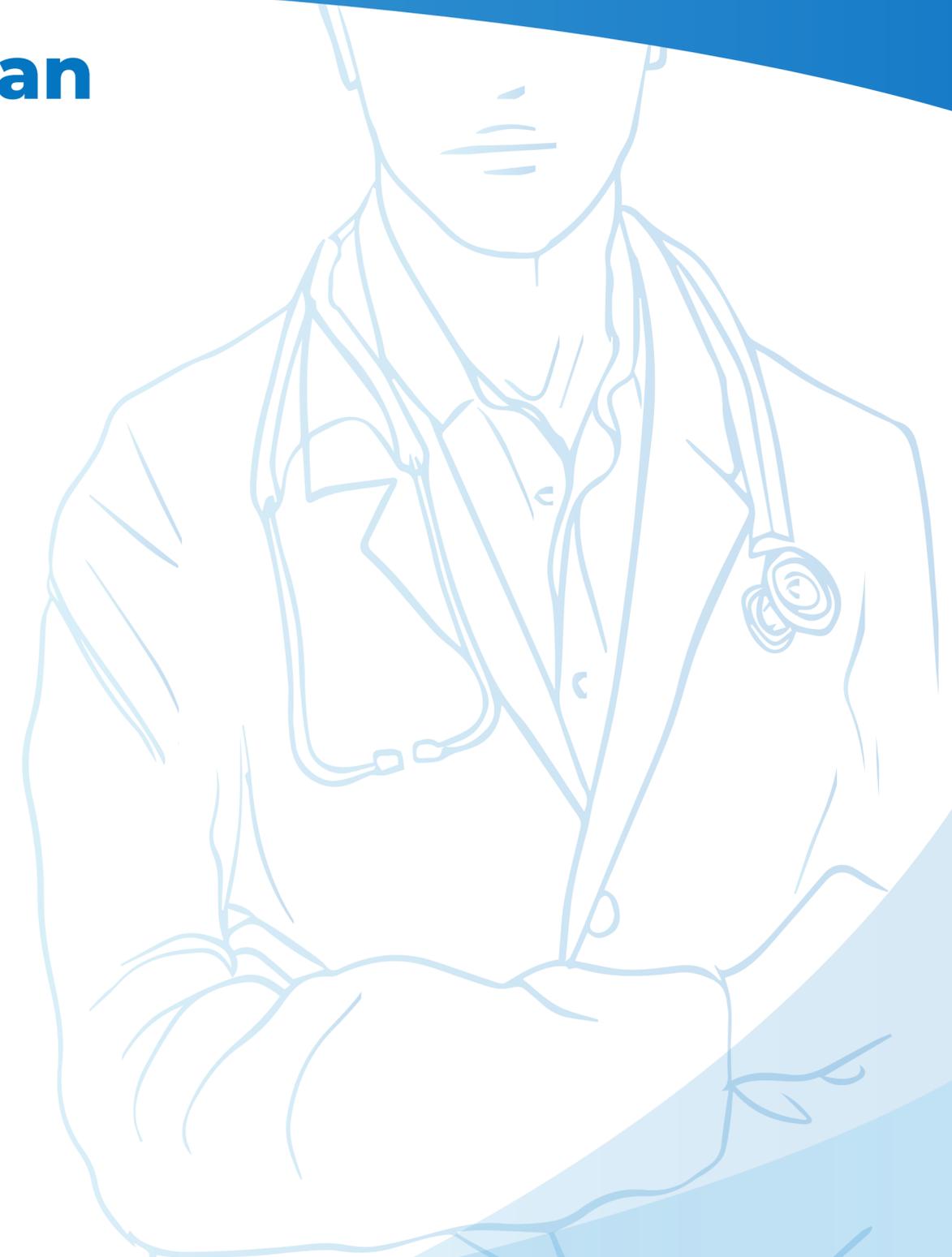
Healthcare expenses per person in 2020 were 167 AZN. In comparison with previous years, they doubled.



Healthcare expenses in 2021- 1 billion 789 million AZN (1,05 billion USD). These are 6% of total government expenditures. These are the highest healthcare expenses in the history of sovereign Azerbaijan.



Health expenditure is 2.3% of GDP.



Population – 10 142 392 (August 1, 2021- SSC)

Average life expectancy– 73,2 (2020, SSC)

Mandatory Health Insurance in Azerbaijan Pilot Project



The State Agency on Mandatory Health Insurance started its operations on November 2016.



Starting from 2016, there were essential additions and changes in the "Health Insurance Law" (1999).



Studies of the countries' best practices.



2017- realization of the pilot project in Mingachevir and Yevlakh, from 2018 in Aghdash.



During realization of the pilot project (2017-2019), no health insurance premiums were paid by the population.



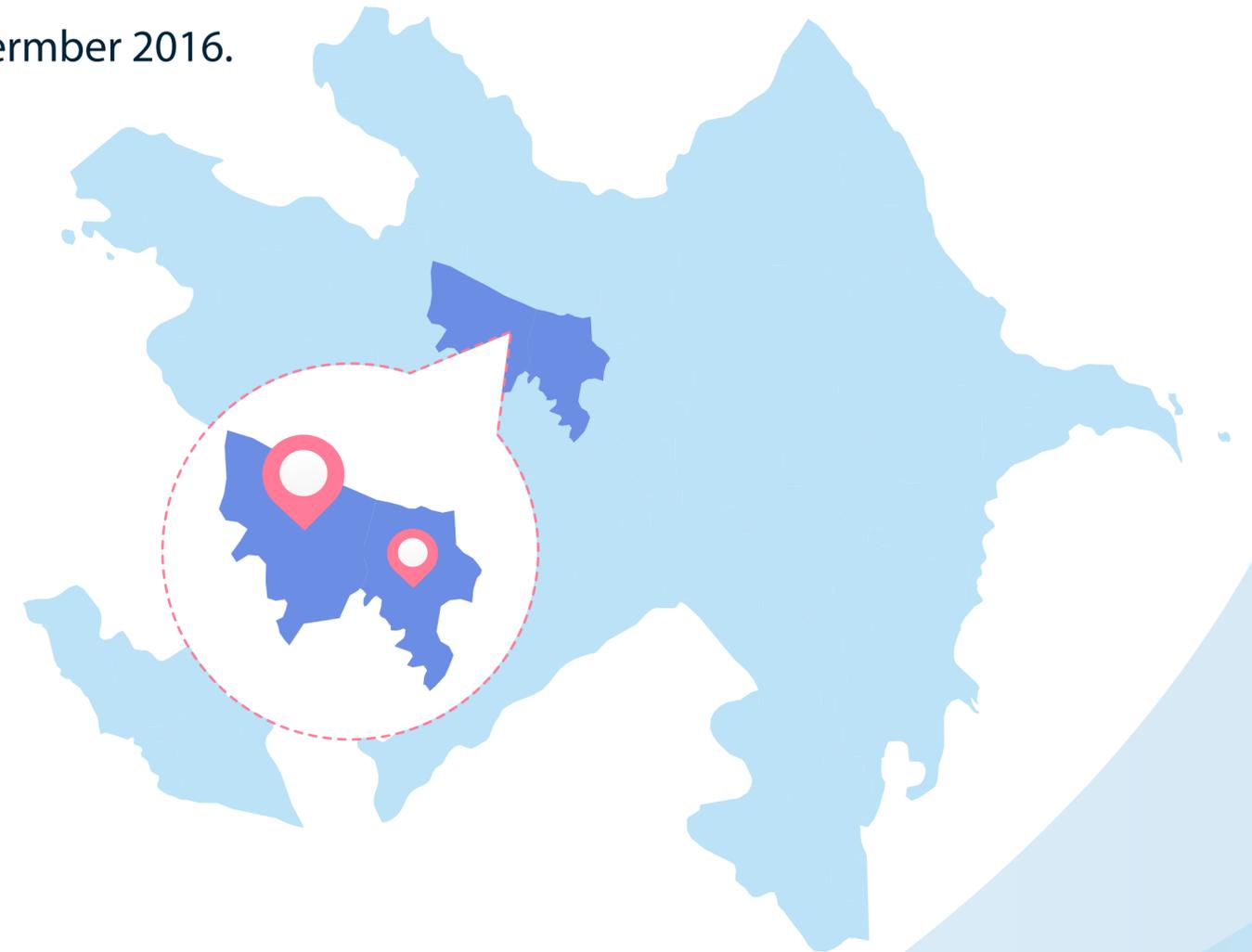
The usage rates of the hospital beds increased from 45% to 65%, while the average number of inpatient visits decreased from 9,6 days to 4,9.



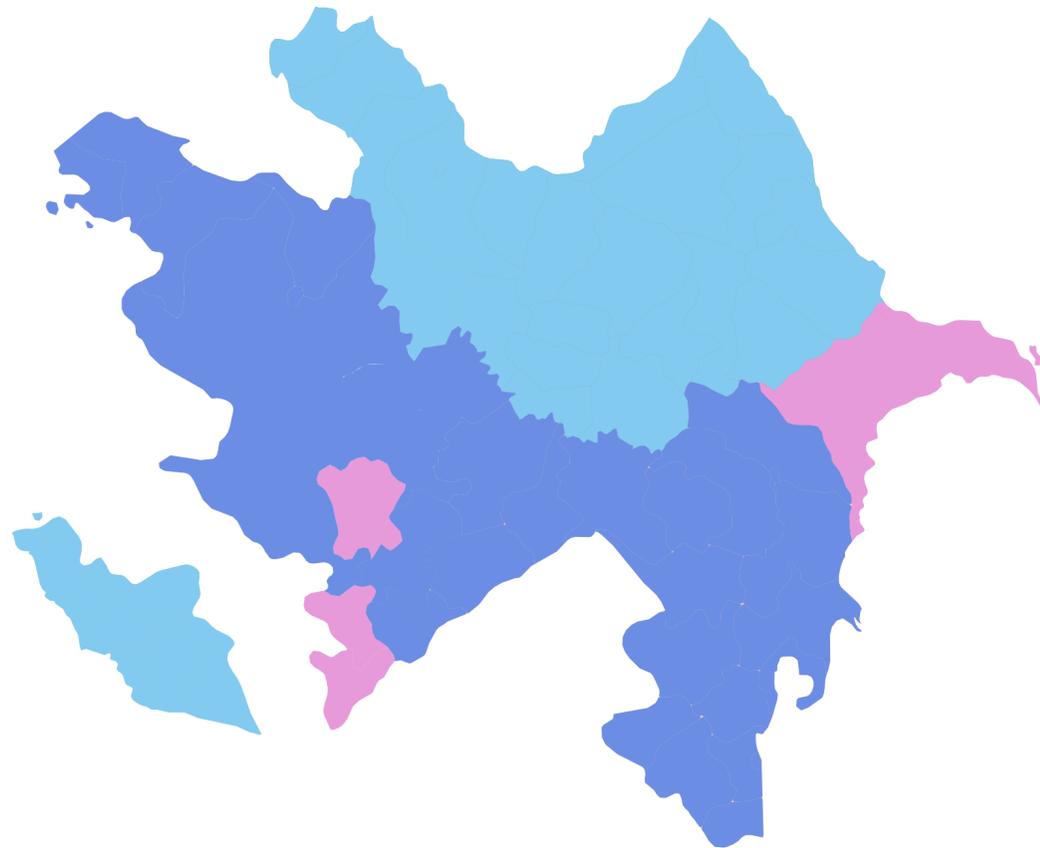
The total number of people with health insurance - 343 800 people (3% of population).



Medical services package of Mandatory Health Insurance (MHI) included 1829 services (during pilot project).



Phased implementation of MHI



- > **First stage**
From January 1, 2020
- > **Second stage**
January 1, 2021
- > **Third stage**
April 1, 2021

- 📅 The phased implementation of MHI in Azerbaijan started in 2020.
- ✓ At the moment, MHI system is operating in the entire country
- ✓ Joint responsibility between the government, citizen and employer
- ✓ Accessibility to benefits package is fair for everyone.
- ✓ All citizens are participants of the MHI system

i MHI is also applicable to:

- ✓ Foreigners and stateless people who hold refugee status in the Republic of Azerbaijan and are under protection of UNHCR in Azerbaijan
- ✓ Foreigners working in Azerbaijan based on labor or civil contracts

Preparation for implementation of MHI



Preparation of legal documents



Establishment of TABIB (Management Union of Medical Territorial Units)



Transfer of a number of healthcare entities into subordination of TABIB



Structural reforms in healthcare entities



Creation of information and communication technology infrastructure in healthcare entities



Preparation of healthcare entities and their employees



Informing the public

State financing of MHI, government programs and a number of events in the health sphere in 2022



Over 1 billion 125 million AZN (1 125 674 629,0 AZN) - (662 million USD) were allocated from the state budget to finance MHI and numerous state programs and events in the healthcare sector.



143 million AZN (84 million USD) of which were spent to finance state programs and events in the healthcare sector.



977 million AZN (575 million USD) of which constituted MHI premiums for the population.

MHI premiums

Government	90 AZN per person annually (this amount is indexed once a year starting from January 1, 2021 in accordance with the annual level of consumer price index in the country)
Employers	2 % of the income till 8 000 AZN and 0,5% of income exceeding this threshold
Employees	2 % of the income till 8 0000 AZN and 0,5% of income exceeding this threshold
Individual entrepreneurs	4% from the minimum monthly income



Citizens who do not have official income and also economically inactive population (retirees, children, people with disabilities and pregnant women) are exempt from the payment of insurance premiums till 2024.

MHI premiums

Other financial sources of MHI premiums



0,02 AZN for the litre of gasoline, diesel fuel and liquefied gas produced in and imported to the territory of the Republic of Azerbaijan and directed for domestic consumption (wholesale)



0,2 AZN from excise tax for every litre of vodka, spirit drinks, liquor and other alcoholic drinks



0,05 AZN for beer (except non-alcoholic beer) and other beer containing drinks



1,5 AZN for 1000 units of tobacco products

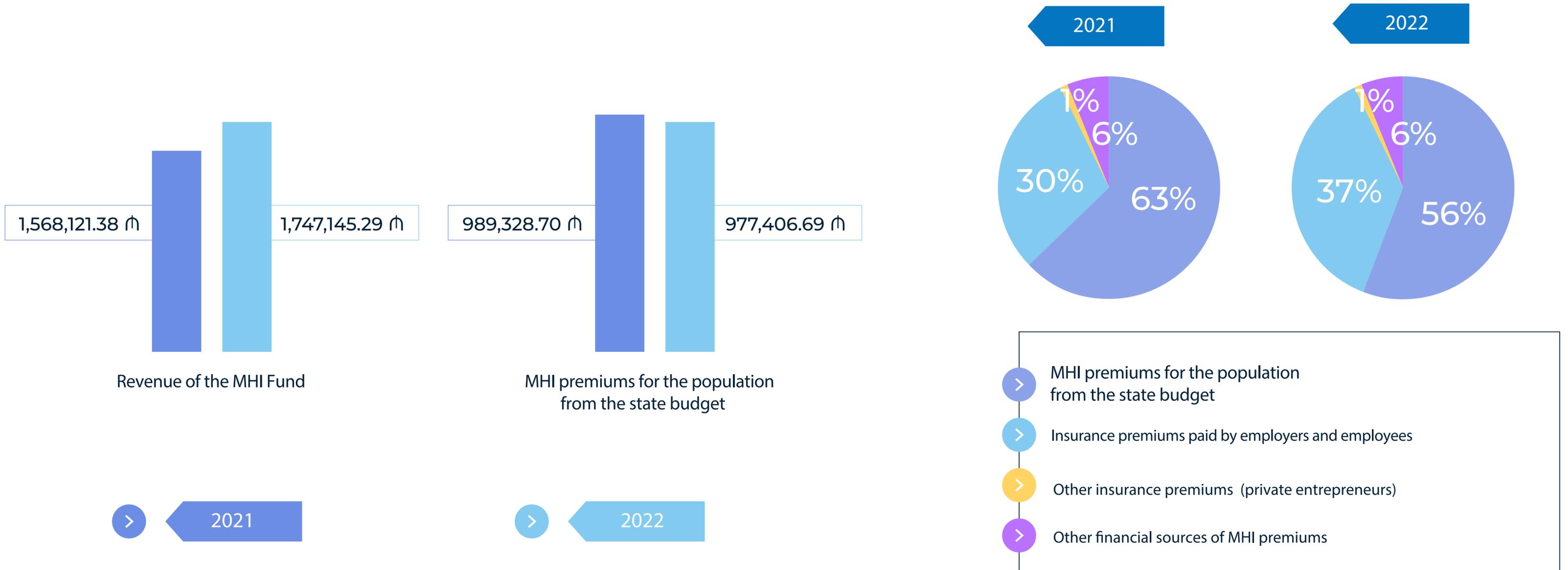


0,1 AZN for every litre of energy drinks

Collection of MHI premiums is carried out by the State Tax Service under the Ministry of Economy of the Republic of Azerbaijan. Funds raised are transferred to the MHI fund.

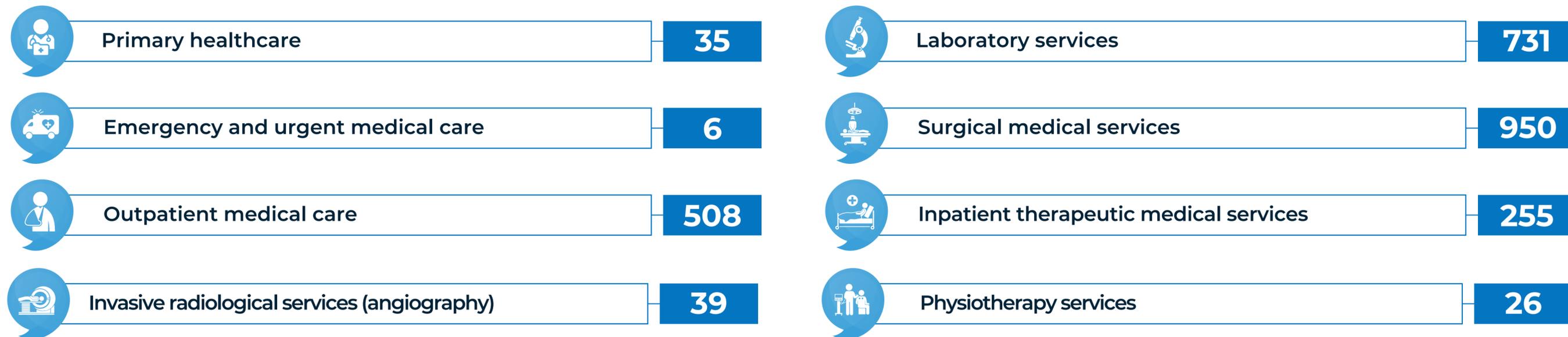
MHI premiums

Forecast of the MHI Fund's revenue for 2021 and 2022



MHI Benefits package

In 2020, the government approved a single MHI Benefits package for the country. MHI Benefits package includes 2550 medical services.



Free provision with medications during inpatient treatment, emergency and urgent medical care and also outpatient medical care.



The following are not included in the MHI Benefits package: medical services related to treatment and examination of diseases that are carried out under the state program, cosmetic procedures, plastic surgeries, organ transplantations, artificial insemination and dental services.

Challenges

- ! Unpreparedness of the healthcare system for such large-scale reforms.
- ! Uneven distribution of medical personnel in cities and regions.
- ! High expectations of healthcare workers with regards to remuneration for work.
- ! Mistrust of doctors and of the overall healthcare system.
- ! Large share of informally employed active population.
- ! Unfamiliar, new system for the population and high expectations from it.
- ! Coincidence of the implementation of MHI with the coronavirus pandemic.

Achievements

- ✓ Strengthened legislative framework in the fields of MHI and healthcare
- ✓ Structural reforms in public healthcare entities.
Centralization of management and supply in medical institutions
- ✓ Increase in the salaries of healthcare workers
- ✓ For the first time, uniform tariffs for medical services were formed in public entities
- ✓ Cancellation of co-payment till 2023 due to the pandemic
- ✓ Citizens got an opportunity to get medical services in private healthcare entities
- ✓ Launch of a program to attract doctors educated abroad



Thank you for attention!

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