



**NATIONAL HEALTH ACCOUNTS
OF ARMENIA
2013**



Report

National Health Accounts of Armenia 2013

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National Health Accounts (NHA) describes the flow of expenditure in both public and private sectors of health care. It describes the sources, use and flow of health care sector financing funds.

In Armenia health services are funded by the following sources: RA state budget, local community budgets, foreign donor organizations (international organizations), humanitarian aid funds, private firms, household resources and other sources. These funds are directly or indirectly passed to the financing agents and from them to final health care service providers.

World Health Organization (WHO), taking into account the need for international standardization of health expenditure accounting, in cooperation with the Organization of Economic Cooperation and Development (OECD) and European Statistical Service (Eurostat) have developed a methodological guideline for preparing NHA.

National Health Accounts have been prepared in Armenia since 2005 based on this methodology.

This report is intended for health care system managers, health care experts, and other interested professionals who deal with health care system issues.

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NATIONAL HEALTH ACCOUNTS AS A COMPREHENSIVE TOOL FOR THE ASSESSMENT OF THE FINANCIAL FLOWS OF HEALTH CARE SYSTEM



Provision of quality, affordability and availability of health care services is in the core of the health care programs. One of the pillars of state policy is the financing of health care, which is an important indicator for the provision of aforementioned factors.

Report of National Health Accounts has been prepared by the National Institute of Health after S. Avdalbekyan, RA MoH, by the requirement of RA Ministry of Health. This work is an important component of health care reforms. This document is one of the main information analytical tools for the evaluation of annual health care financing in the country.

“RA 2014-2025 Long-Term Development Strategy” program defines that the health sector funding has been and remains one of the government's expenditure policy priorities. Allocations from the state budget to the health sector are increasing every year.

During 2005-2013 state funding has increased by about 89 percent, while health care expenditure (by public, insurance, private sources, donor organizations, etc.) has increased by only 30 percent during the same period of time. And the role of the private sector has increased by about 41 percent.

NHA report assesses the health care financing volume provided by different sources, the prospects of increase in funding allocated to the sector, while also defining the main health programs and important providers of health care services. At the same time NHA data tables can be used as an instrument for evaluation of both intermediate and final

outcomes of health care reforms' impact and strategy directions development. The regular use of NHA will give an opportunity to identify the trends of health care expenditure, which is important for the monitoring and evaluation of the health care system.

National Health Accounts, as a comprehensive tool for the assessment of financial flows of health care system, is the best instrument for the evaluation of the outcomes of on-going reforms and selection of future strategies. Our country, highlighting the latter, continues to improve national health accounts methodology.

World Health Organization (WHO), in cooperation with the Organization of Economic Cooperation and Development (OECD) and European Statistical Service (Eurostat), has developed a new methodology for System of Health Accounts (SHA, 2011 Edition) which is an international standardized methodology for the estimation of health care system expenditure. It will be introduced in our country starting from 2015.

Throughout the world health care systems continue to develop, priorities in health care policy change, the system begins to operate with more advanced methods of management and organization, as well as more complex financing mechanisms, therefore, a need has arisen for the collection and analysis of more detailed and accessible information on health care services.

RA MINISTER OF HEALTH

ARMEN MURADYAN

SUMMARY

The National Health Accounts (NHA) Report summarizes the information on financial flows of RA health sector in 2013, and includes data about funding received from Public sources, Private sources and the Rest of the World, as well as information about the main directions of resource allocation (functions) and the role of administrative bodies (financing agents) in these flows.

National Health Accounts by financing agents have the following picture in 2011-2013 (compared with the previous year):

Table 1. Summary analysis of NHA 2011-2012

Financing Agents	2011		2012		Change (increase +, decrease -)	
	Amount (million AMD)	Proportional weight (percentage)	Amount (million AMD)	Proportional weight (percentage)	Amount (million AMD)	Growth Rate (percentage)
Public Sector	63,200.1	45	67,332.1	38	+4,132.0	+6.5
Private Sector	67,044.9	47	99,197.8	56	+32,152.9	+48
Rest of the World	11,157.9	8	11,538.3	6	+380.4	+3.4
Total	141,402.9	100	178,068.2	100	+36,665.3	+25.9

As it is seen from Table 1, the amount of funding through all the agents in 2012 has increased by AMD 36,665.3 million or by 25.9 percent compared to the previous year, and the highest spending rate was recorded by the private sources (48 percent), followed by the expenditure of public sources (6.5 percent), and there was a relatively small increase of expenditure from the "Rest of the World" source (3.4 percent).

Table 2. Summary analysis of NHA 2012-2013

Financing Agents	2012		2013		Change (increase +, decrease -)	
	Amount (million AMD)	Proportional weight (percentage)	Amount (million AMD)	Proportional weight (percentage)	Amount (million AMD)	Growth Rate (percentage)
Public Sector	67,332.1	38	68,139.0	40.0	806.9	1.2
Private Sector	99,197.8	56	94,646.6	55.6	-4,551.2	-4.6
Rest of the World	11,538.3	6	7,541.7	4.4	-3,996.6	-34.6
Total	178,068.2	100	170,327.3	100	-7,740.9	-4.3

As it is seen from Summary analysis of National Health Accounts (Table 2), the amount of funding through all the agents in 2013 has decreased by AMD 7,740.9 million or by 4.3 percent compared to the previous year, where the expenditure of the private sources has decreased by 4.6 percent, the expenditure of the "Rest of the World" has decreased by 34.6 percent, and the expenditure of the public sources has increased by 1.2 percent.

ABBREVIATIONS

NHA	National Health Accounts
HPIU	“Health Project Implementation Unit” State Agency of the MoH, RA
WHO	World Health Organization
SNA	System of National Accounts
PRSP	Poverty Reduction Strategy Plan
USA	United States of America
USAID	United States Agency for International Development
MoH	Ministry of Health of RA
MoLSA	Ministry of Labor and Social Affairs of RA
NSS	National Statistical Service of RA
MoJ	Ministry of Justice of RA
MC	Medical Center
MoES	Ministry of Education and Science of RA
NHAA	National Health Accounts of Armenia
WB	World Bank
MDG	Millennium Development Goals
RA	Republic of Armenia
ASRP	Armenia Social Reform Project
P	Providers or Implementers of Health Care Functions
UNDP	United Nations Development Program
UN	United Nations
NHDP	National Human Development Report
IDC	Interdepartmental Commission
SHA	State Health Agency of RA MoH
OECD	Organization of Economic Cooperation and Development
H	Households
F	Function or Health Care Functions
FS	Financing Source
FA	Financing Agent
MoF	Ministry of Finance of RA

CHAPTER 1. THE IMPORTANCE AND ROLE OF NHA IN ARMENIA

1.1. The National Health Accounts in Armenia

The NHA report is meant for the health system policy-makers and administrators to be used for improvement of health system performance and management. The information included in the NHA is useful in the decision-making process as it provides an opportunity to evaluate the utilization of available resources and can be used for comparative analysis of country's health system with health systems of other countries. If applied regularly, the NHA provides an opportunity to identify the health expenditure trends, which are important for the health system monitoring and evaluation. Moreover, the NHA methodology can be used also for predicting health system financial needs.

By combining the information in the NHA with non-financial data, such as the morbidity rate, level of utilization of resources by health care providers, the policy-makers have a capability to adopt justified strategic decisions and avoid potential unfavorable developments.

It should be noted that the NHA is not only a tool for the officials in the policy decision-making process but also is a tool for public to evaluate the outcomes of strategic decisions already adopted by state officials.

1.2. The Objective of the National Health Accounts

The main objective of National Health Accounts preparation is to facilitate the collection of information about the health system, its systematization and presentation, for making the process of planning, policy development and efficiency assessment within the sector more accessible.

Meanwhile, the present report, which includes a comparison of the NHA data of several years, enables to assess the following:

- How does the level of participation of financing sources change in parallel with the increase of the state budget allocations? Does the financial burden of population decrease and for which services?
- Does the implementation of the state guarantees for the population improve in parallel with the increase of the state budget allocations, i.e., do specific types of medical care or health care services actually become free of charge for the population?

Structural flexibility of the NHA gives also an opportunity to analyze the obtained results by population target groups or by activities, which are related to specific programs and types of diseases.

1.3. The Methodology of National Health Accounts

Main definitions and terms in the NHA methodology are based on the terms and definitions of the “System of Health Accounts” developed by the Organization of Economic Cooperation and Development (OECD). The OECD-developed “System of Health Accounts” Manual defines the international classification of Health Accounts, where all the types of health care expenditure are divided into categories.

Despite the fact that the NHA relies on the international classification of the “System of Health Accounts”, it also involves sub-categories that come from distinctive characteristics of the health care system of RA. Such flexibility allows the NHA to take into account the diversity and specificity of Armenia’s health care system structure and performance.

NHA methodology is based on the SHA 1.0 methodology.

1.4. The Improvement of the National Health Accounts Methodology

World Health Organization (WHO), in cooperation with the Organization of Economic Cooperation and Development (OECD) and European Statistical Service (Eurostat), has developed a new methodology for System of Health Accounts (SHA, 2011 Edition) which is an international standardized methodology for health system expenditure estimation.

System of Health Accounts (SHA 2011) presents a series of reforms compared with SHA 1.0.

The electronic instrument SHA Production Tool, SHA 2011 (English) has been developed by the joint efforts of the World Health Organization (World Health Organization), the US Agency for International Development (USAID), an international consulting organization Abt. (Abt. Association), and Prognoz organization, which will give a capacity to form Health Account database, unlike the current one-year data.

1.5. Definition of National Health Expenditure

In accordance with NHA definitions, national health care expenditure are all the expenditure related to the implementation of economical activities and are aimed at maintaining and improving health care, changing life systems or financing such activities.

This definition applies to all types of facilities and organizations providing or financing health care services. For instance, the NHA provides an opportunity to include in the health expenditure estimates, funds allocated by the Ministry of Education and Science for the education and training of medical personnel. In a similar manner, not all the activities implemented by the Ministry of Health fall under the definitions of health expenditure and are included in the NHA. Thus, the NHA report is developed based on the aforementioned differentiations and exceptions.

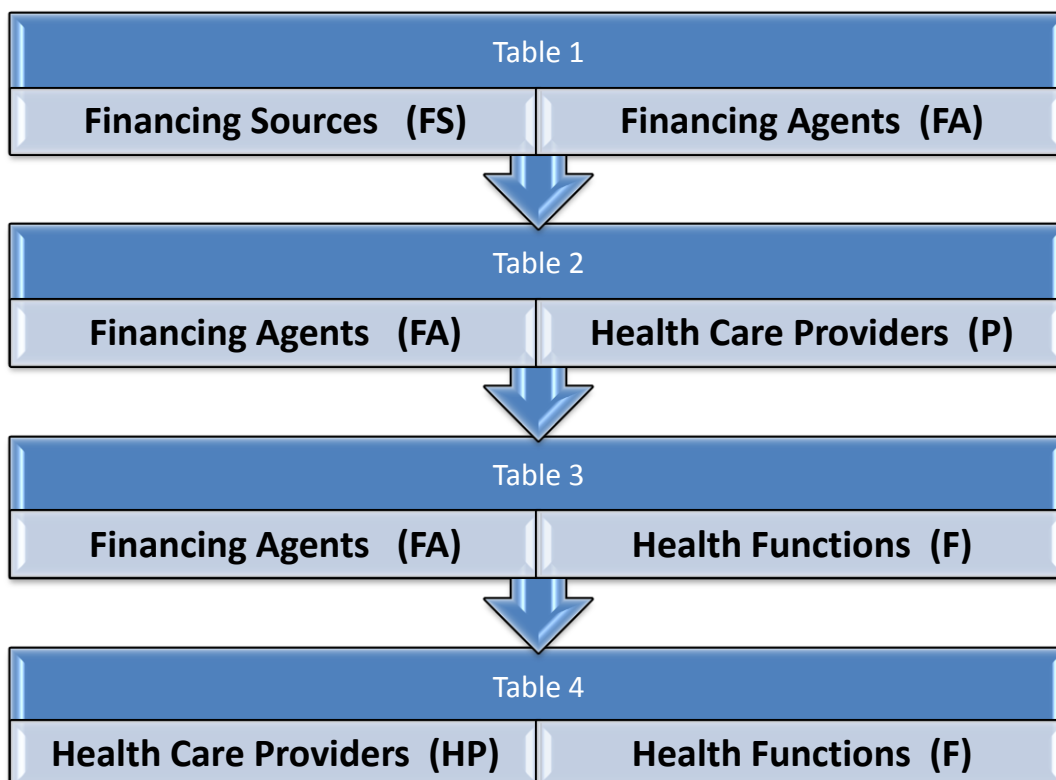
The health functions related to the citizens and residents of the country have been considered when preparing the NHA and not the geographical boundaries of the country. Thus, for instance, the NHA includes health care expenditure made for the citizens and residents temporarily residing abroad, and excludes health care expenditure made for the foreign citizens in the country. Health care expenditure made by the international organizations, medical goods and services meant for the residents of the host country are also included in the national health expenditure.

1.6. The Structure and Classification of the National Health Accounts

In Armenia the NHA describes the health expenditure by its structure and is grouped into four main tables. All tables are two-dimensional and reflect financial flows from one category of health care participants to another, i.e., they describe how much has been spent by each participant of the health system and where the funds were directed to.

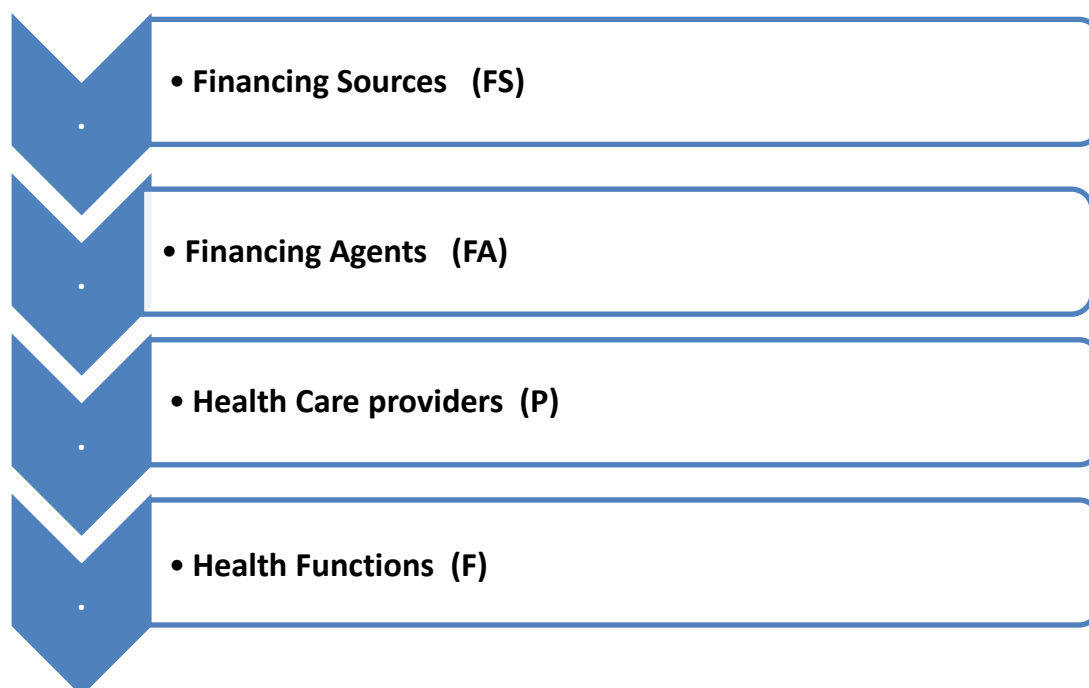
See the structure of NHA tables below:

Graph 1: The Structure of NHA tables



The NHA differentiates between four main categories of health system participants.

Graph 2: Four main categories of National Health Accounts participants



1. **Financing sources (FS)** answers to the following question: “Where do the funds come from?” For instance, from the State Budget, households, international donor organizations.
2. **Financing agents (FA)** (also called financial intermediaries), who receive funds from financing sources and use them to finance health care services, medical goods (for instance, drugs) and activities. This category addresses the following question: “Who controls and organizes the flow of funds?” For instance, if the annual RA State Budget (financing source) provides funds to the RA Ministry of Health, then the latter, in its turn, decides on how to distribute the received funds. For this reason, the RA Ministry of Health is considered a financial intermediary.
3. **Health Care Providers (P)** are the final users of health system funds. This category addresses the following question: “Whom the funds are allocated to?” Providers are the organizations that provide health care services. For instance, private and public hospitals, polyclinics, rural ambulatories and health centers, pharmacies, etc.
4. **Health functions (F)** are the provided services and implemented activities by the providers within received funds. This category addresses the following question:

“Which type of service, product or activity has been actually provided or implemented?” Examples are medical care, long-term nursing care, medical goods (for instance, drugs), preventive activities and health administration.

The main cluster of tables describes the financial flows between the above mentioned health system categories.

At the same time financial flows can be very complex and involve numerous types of participants and links between them.

1.7. The Process of National Health Accounts Preparation

The preparation of NHA is comprised of the following stages:

1. Health expenditure data collection;
2. Comparison, evaluation and analysis of data and information collected from all sources;
3. Input of indicators into the NHA four standardized tables;
4. NHA Data analysis;
5. Preparation of NHA report, dissemination of findings among consumers.

CHAPTER 2. ANALYSIS AND DESCRIPTION OF THE SITUATION

2.1. General Description, Composition and Structure of the Health System

2.1.1. *Description and Management of Health Sector*

The RA health sector includes:

1. The system of RA Ministry of Health;
2. The system of other RA Public Administration bodies implementing health services;
3. The system of health care facilities founded by the RA Marz governors (Regional Governors);
4. Health care facilities founded by the Local Self-Governance Bodies;
5. Private health care facilities;
6. Local and foreign benevolent organizations and Non-governmental organizations (NGOs) implementing projects in the health sector;
7. Donor countries and international organizations implementing projects in the health sector.

2.2. Health Care Financing

The health system of Armenia is financed by the following main internal sources:

1. RA State Budget and local budgets;
2. Direct (out-of-pocket) payments of citizens (households), including non-official payments;
3. Official co-payments introduced to RA health care system;
4. Medical Insurance.

The external sources of health financing is the expenditure made by the Rest of the world in health system of RA in a decentralized way and not reflected in the state budget:

- a. Import and distribution of goods received from the outside world and qualified as benevolent/humanitarian goods;
- b. Works and services provided within the scope of programs qualified as benevolent and financed by the outside world;
- c. Expenditure made by international donor organizations in the health system of RA.

CHAPTER 3. INFORMATION COLLECTION METHODS AND DATA SOURCES

Data sources in different countries have various characteristics, and for Armenia the following main sources have been used:

- Annual reports of state reporting system (annual budget execution report presented to the approval of RA National Assembly, data from National Statistical Service reports, etc.);
- Official reports of organizations providing health care and registered in State Health Agency database;
- Meeting protocols of RA government's Coordination committee of charitable programs and the annual summary report;
- Survey data from Living standards' report regularly carried out by the National Statistical Service;
- Records of the national, regional and local bodies of the health system;
- Records maintained by insurance companies (including social package and private insurance), Central Bank reports;
- Records of medical service providers;
- Data on assistance provided by donor organizations

Simultaneously data was gathered from additional independent sources, similar results were obtained at least from two different sources, and combined for final outcome.

3.1. Sample Surveys and Assessment Methodology of Household Expenditures

The household surveys and the data from "Integrated Living Conditions Survey" (ILCS) implemented periodically by RA National Statistical Service, are considered to be a

source of information on summary indicators of health spending of households through years, as well as on structure of providers and functions.

Only per capita monthly average health spending, based on the results of ILCS, serve as a base for calculation of the total household expenditure, which ensures satisfactory representation in a country level. In other words, the summary estimate of the health expenditure made by households (volume of the expenditure with estimation of all households) is calculated from the combination of the per capita expenditure based on the data received from “household diary” and the average annual number of the population. The distribution of health expenditure by providers and functions was carried out in accordance with the survey data received from the “Household Survey on Expenditure of Health Services”. The estimations were also based on the population morbidity indicators.

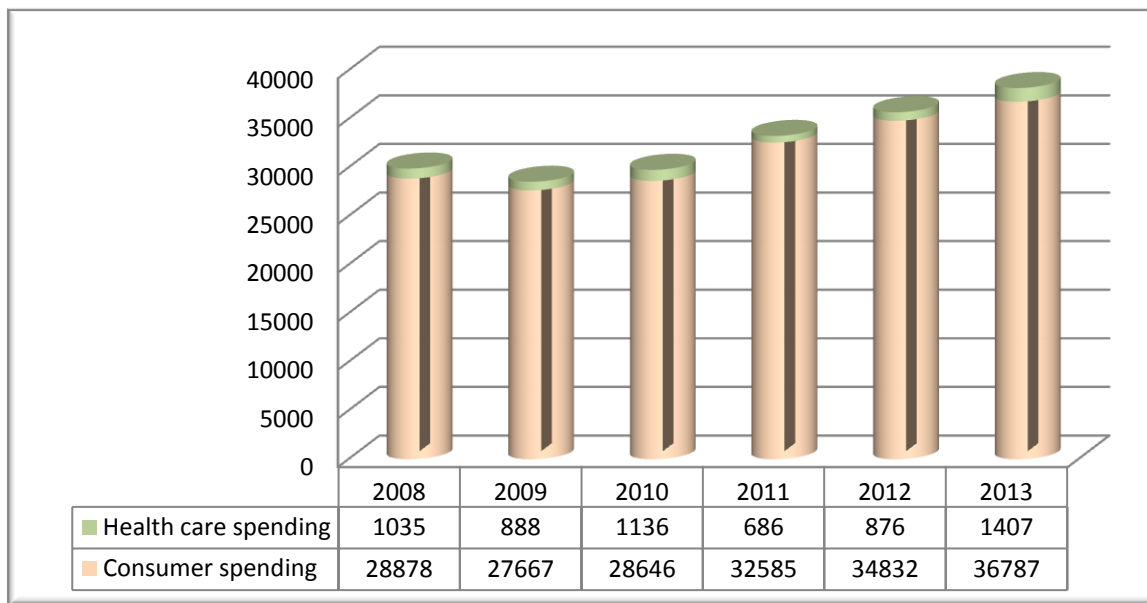
In recent years, however, irregular fluctuations are observed in the dynamics of per capita health expenditure of households.

Particularly, in the beginning of economic crisis, in 2009, RA per capita GDP was decreased from AMD 1,035.0 to AMD 888.0, which the next year, during the crisis, increased up to AMD 1,136.0. In 2011 per capita health expenditure indicator obtained from ILCS had a dramatic decrease up to AMD 686.0. During the preparation of 2011 NHA report per capita health expenditure indicator obtained from ILCS was used, which has decreased compared to the indicator of the previous year by about 40%. Such a decrease in expenditure has lead to the reduction of the proportional weight of health expenditure in overall consumer expenditure from 4.0% to 2.1%, in the case, that an increase of total consumer expenditure of households was recorded.

In 2012 by the results of ILCS implemented by RA NSS, per capita health expenditure amounted to AMD 876.0 approximately equalizing to the level in 2009 (remarkable is the fact that in 2009, in the case of AMD 27,667.0 monthly per capita consumer spending, per capita health care spending amounted to AMD 888.0 and almost as much in 2012 but already in the case of AMD 34,832.0 monthly per capita consumer spending). A more unexpected increase in per capita health spending was recorded in 2013, AMD 1,407.0, which exceeded the previous year's figure by 60.6 percent, in the case, that

the growth of consumer spending in 2013 compared to the previous year was 5.6 percent. The percentage weight of the health care spending in the structure of consumer spending has increased from 2.5 percent to 3.8 percent.

Graph 3. Armenia: The Structure of household nominal consumer spending including per capita health care spending, AMD



Source: *Social Snapshot and Poverty in Armenia – 2012, Statistical analytical report, NSS RA, Yerevan 2009-2014*

Notable is the fact that total or average indicators on health care spending by ILCS results in the dynamics are not correlated both with the socio-economic and demographic development, and with the dynamics of indicators describing the morbidity level of population.

The structure of household nominal consumer spending including average monthly per capita spending by every type of spending is presented below.

Table 3. Armenia: The Structure of household nominal consumer spending, 2004, 2008, 2011-2013

Types of spending	Average household monthly spending per capita									
	Million AMD					%				
	2004	2008	2011	2012	2013	2004	2008	2011	2012	2013
Consumer spending	19 251	28 878	32 585	34 832	36 787	100	100	100	100	100
including										
Food	10 797	14 984	17 184	16 970	17 622	56.1	51.9	52.7	48.7	47.9
including										
Food outside household	227	449	434	439	612	1.2	1.6	1.3	1.3	1.7
Purchase of alcoholic beverages	163	227	245	242	235	0.8	0.8	0.8	0.7	0.6
Purchase of cigarettes	808	1 019	1 123	1 199	1 289	4.2	3.5	3.4	3.4	3.5
Non-food products	2 787	4 730	5 022	6 159	6 568	14.5	16.4	15.4	17.7	17.9
Services	4 696	7 918	9 011	10 262	11 073	24.4	27.4	27.7	29.5	30.1
including										
Health care	1 500	1 035	686	876	1 407	7.8	3.6	2.1	2.5	3.8
Education	708	1 221	167	440	511	3.7	4.2	0.5	1.3	1.4
Utility services	1 146	2 635	3 567	4 305	4 501	6.0	9.1	10.9	12.4	12.2
Transportation	694	967	1 003	1 227	1 138	3.6	3.3	3.1	3.5	3.1
Communication	291	1 404	1 570	2 009	2 068	1.5	4.9	4.8	5.8	5.6
Culture	3	3	12	178	20	0.0	0.0	0.0	0.5	0.1
Legal services	3	16	92	184	525	0.0	0.1	0.3	0.5	1.4
Other services	351	637	1914	1043	903	1.8	2.2	6.0	3.0	2.5

Source: HHILCS 2004, 2008, 2011-2013

When preparing the National health accounts main methodological and useful target is the assessment of households health care spending, the distribution of the latter according to its suppliers and functions. Regarding the assessment of health spending from state sources, the latter does not cause difficulties, as several sources of information operate in the existing reporting system, based on which it is possible to collect information about the state health care expenditure. At the same time state expenditure are planned in the budget monthly and annual reports by economic, functional classification, as well as target spending. Also reports on state expenditure performance are compiled by the format of program budgeting.

For assessing the household health care spending, when preparing the National Health Accounts in 2012, the sample survey data on household spending on health care services, implemented by USAID Health Care System Strengthening Project, was used.

When preparing the National Health Accounts in 2013, already ILCS 2014 results were used, which were accompanied by the indicators of the sample survey of households health care spending, implemented by USAID Health Care System Strengthening Project in 2012, for assessing the household health care spending (for more details on the aforementioned survey, see "Armenia, National Health Accounts 2013" report).

In 2013, information is collected from the surveyed households of Integrated Living Conditions Survey, implemented by National Statistical Service, on the health care spending of the last 30 days, which creates certain difficulties for the sample data dissemination and calculation of the size of possible uncertainties. Accordingly, the analysis of household expenditure is appropriate to carry out with the help of the relative indicators by estimating the expenditure structure by functions and health care expenditure format.

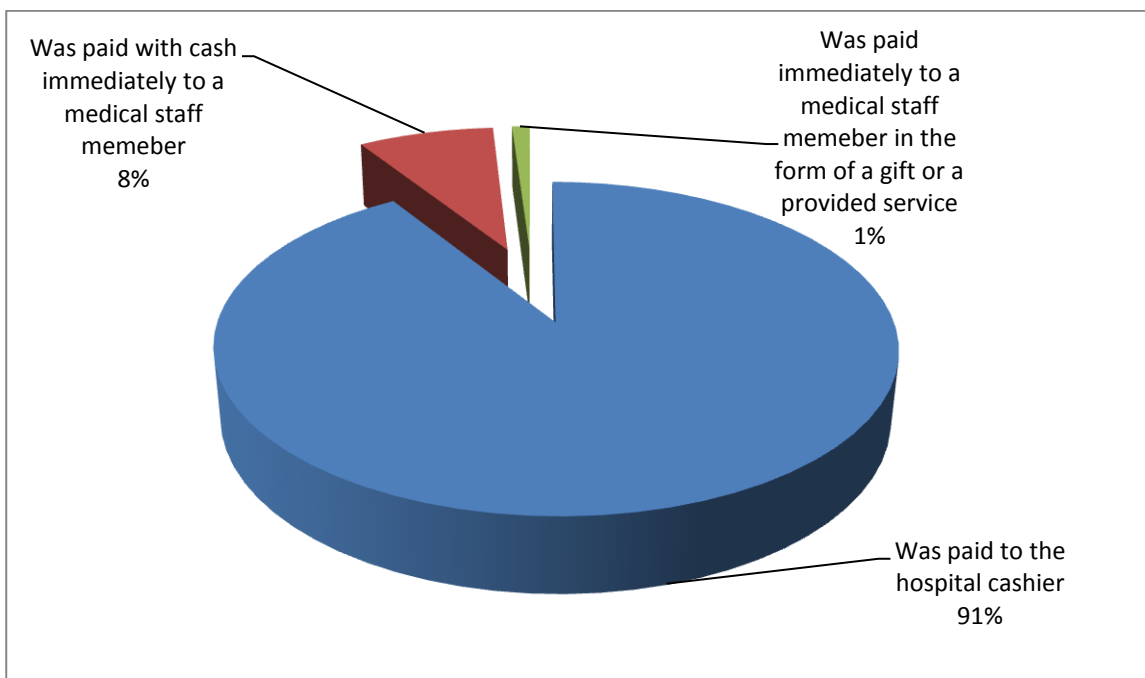
Within ILCS information is obtained from the population on the payments made during their last visit to the hospitals and polyclinics during the last 30 days preceding the survey (by physicians offices and by billing format: cashier, medical personnel, etc.).

According to the aforementioned survey results, in 2013, during the last visit to the hospital by the applicant households, 91% of direct (out-of-pocket) payments was paid directly to the hospital cashier, the percentage weight of informal payments comprised 9

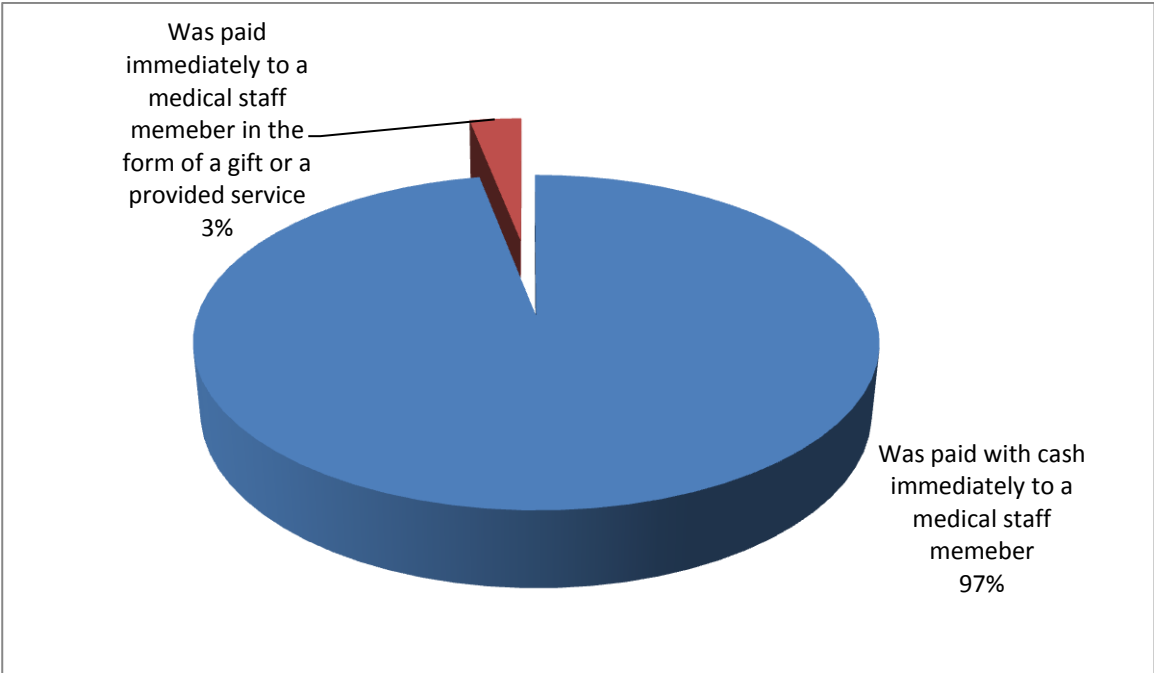
percent, from which 8 percent was paid to a medical staff member, and 1 percent was paid in the form of a gift or a provided service (Graph 4).

Information was collected on the payments made during the last visit to the polyclinic by the applicant households, which was either paid to a medical staff member directly or was paid in the form of a gift or a provided service (Graph 5). In the polyclinics also the most part of the direct household payments (97%) was paid to a medical staff member in the form of a cash and only 3 percent in the form of a gift or a provided service.

Graph 4. The structure of direct payments during the last visit to the hospital in 2013, percent



Graph 5. The structure of direct payments during the last visit to the polyclinic in 2013, percent



CHAPTER 4. MAIN RESULTS OF THE NHA

4.1. Analysis of Main Accounts

4.1.1. *Financing Sources and Financing Agents (FSxFA)*

For studying the financial flows for health care services by financing sources and financing agents, it is important to refer to the tables of *Financing Sources and Financing Agents Account (FSxFA)*, which give an overview on the volumes of financing provided by all Financing Sources to the particular Financing Agent (institutional body or sector).

1) *Financing of the “Public sector” Financing Agent HF.A.1*

The overall amount of financing provided to the health system by all financing sources, including Public, Private Funds and the Rest of the World, in 2013 was **AMD 170,327.3 million**, distributed between the Public, Nonpublic Sectors and the Rest of the World Financing Agents.

The overall amount of financing by “**Public Sector HF A**” - as a financing agent - for provision of health services in 2013 amounted to AMD 68,139 million by current prices, while in 2012 it was AMD 67,332.1 million, so the growth was 1.2%.

Sources for financing of “**Public Sector HF A**” agent were FS 1 Public funds in an amount of AMD 62,670.4 million which was exclusively comprised of HF 1.1.1 Central bodies of state administration in an amount of AMD 62,670.4 million.

FS 3 the Rest of the World, as a financing source, provided AMD 5,468.7 million to “HF A Public sector” agent.

In 2013 the overall funding from RA Ministry of Health was AMD 61,761.6 million, and compared to the previous year reduction in funding was 1.3% (AMD 62,600.5 million in 2012).

In 2013, the state budget funding to the Ministry of Health comprised the 89.8 per cent of overall public sector funding (it was 93.7% in 2012, and it was fluctuating from

87.9% to 95.9% starting from 2006 up to 2011.), which is less from the previous year by 4 percentage points (in 2012 a decrease of 2 percentage points was recorded).

In 2013, AMD 2,811.7 million or the 4.5% of overall financing (AMD 2,909.7 million or 4.3% in 2012; AMD 1,146.0 million or 1.8% in 2011; AMD 2,654.5 million or 4.5% in 2010; AMD 2,794.2 million or 4.9% in 2009) of the state budget funds and generally “Public funds” has been allocated to the RA Ministry of Labor and Social Issues.

In 2013 RA Ministry of Education and Science was not funded (AMD 941.8 million and 1.4% in 2012, AMD 1,043.6 million and 1.7% in 2011; 0 in 2010; AMD 659.7 and 1.5% in 2009).

In 2013, AMD 212.9 million or 0.4% of the overall financing of the state budget was allocated to the RA Ministry of Transport and Communication (AMD 130.0 million or 0.2% in 2012; AMD 128.4 million or 0.2% in 2011; AMD 120.0 million or 0.2% in 2010; AMD 87.0 million or 0.2% in 2009).

In 2013, the funding of RA National Security Service and RA Police amounted to AMD 599.3 million and AMD 60.2 million, respectively, comprising 1% and 0.1%, respectively, in overall state budget funding (AMD 27.7 million and AMD 73.4 million or 0.04% and 0.1% in 2012; AMD 27.9 million and AMD 82.3 million or 0.05% and 0.1% in 2011; AMD 27.9 million and AMD 73.7 million or 0.05% and 0.1% in 2010; AMD 27.9 million and AMD 73.7 million or 0.05% and 0.1% in 2009).

The total financing from public funds for the “Public Sector” component HF 1.1.1.7 TBD in 2013 amounted to AMD 122.6 million (AMD 171.4 million in 2012; AMD 171.4 million in 2011; AMD 159.6 million in 2010; AMD 337.6 million in 2009), which similar to the previous years was entirely funded by the state budget.

The total financing from public funds for the “Public Sector” component HF 1.1.1.8 Ministry of Defense in 2013 amounted to AMD 2,570.8 million.

2. Financing of the “Private sector” Financing Agent HF.B

“**HF.B Nonpublic/private sector**” agent has not received any financing from FS 1 Public funds.

“HF.B Nonpublic/private sector” financing agent has received AMD 149,816.6 million from FS 2 Private Funds, which included AMD 4,800 million FS 2.1 Employers/Private Venture funds, AMD 89,791.3 million FS 2.2. Households funds, and AMD 55.2 million FS 2.3. Nonprofit Institutions Serving Households funds. The Employers/Private venture funds account included health insurance indemnities provided by voluntary medical insurance companies.

FS 3 The Rest of the World wasn’t a source of funding for “**HF.B Nonpublic private sector**”.

The overall financing provided to the Private sector - as a financing agent - in 2013 amounted to AMD 94,646.6 million and it was a decrease of 4.6% compared to the previous year (AMD 99,197.8 million or 48.0% increase in 2012, AMD 67,044.9 million or 27.0% decrease in 2011; AMD 91,373.6 million or 14.7% increase in 2010; AMD 79,666.0 million or 9.6% increase in 2009).

In the overall financing structure 94.9% or AMD 89,791.3 million (98.7% or AMD 97,853.9 million in 2012; AMD 66,002.9 million or 98.4 % in 2011; AMD 88,201.7 million or 96.2% in 2010; AMD 75,794.9 million or 95.1% in 2009) represents the households out-of-pocket payments, which has a decrease of 8.2% compared to the indicator of the previous year (53.4% growth in 2012; 25.2% decrease in 2011; 16.4% growth in 2010; 8.8% growth in 2009).

AMD 4,800.0 million or 5.1% of the overall funding of the private sector (AMD 1,343.9 million or 1.3% in 2012; AMD 1,041.9 million or 1.6% in 2011; AMD 620.1 million or 0.7% in 2010; AMD 426.4 million or 0.6% in 2009) are the payments of private insurance companies financed from the “Private sector” financing sources at the cost of “Employers/Private Venture” component.

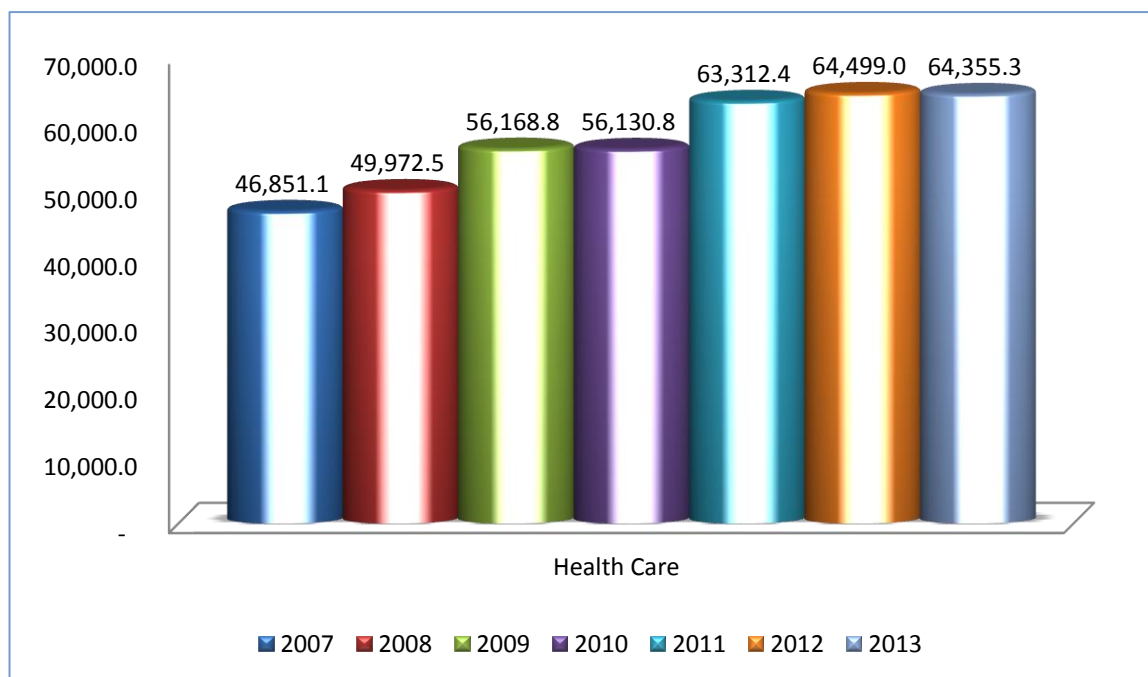
3. Financing of “Rest of the World” financing agent HF.3

In 2013 the funding of financial agents in this sector amounted to AMD 7,541.6 million (AMD 11,538.3 million in 2012; AMD 11,157.9 million in 2011; AMD 4,969.4 million in 2010; AMD 2,938.3 million in 2009), which was completely funded by the Rest of the World financing source. The funding compared with the previous year was reduced by 34.6% (in 2012 was increased by 3.4%; in 2011 the volume of financing was reduced by 6.4%; in 2010 by 2.1%; in 2009 by 12.7%).

The Centralized financing by the Rest of the World was provided to HF 3.1 Humanitarian Programs GoA Committee agent.

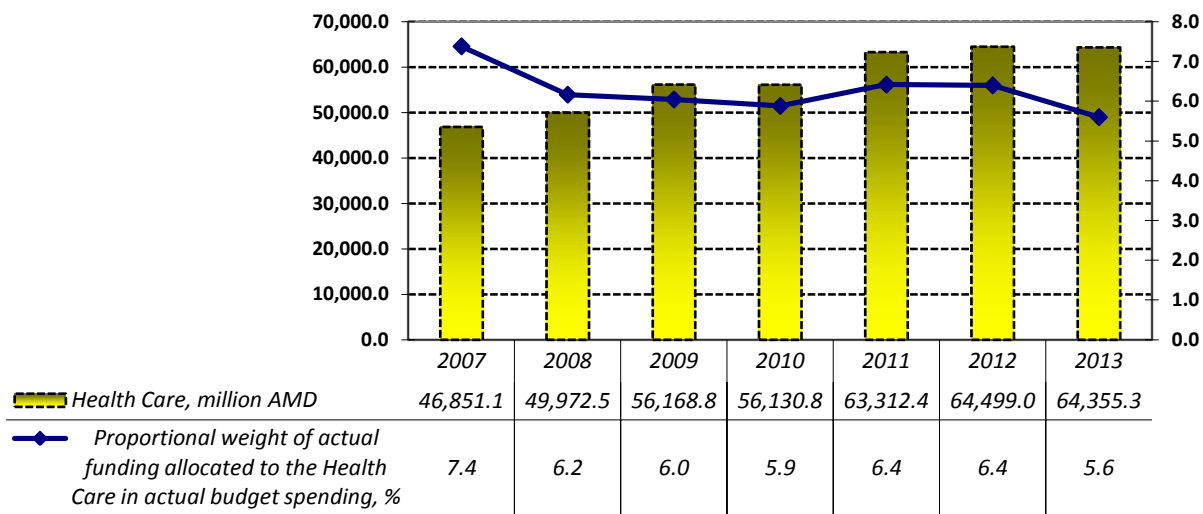
The growing role of the state budget in health care system financing is an evidence for health sector’s state policy effectiveness. In particular, the role of Public Sector agent in overall health care spending has increased from 32.8 percent in 2005 to 36.8 percent in 2013. We will present general dynamics of the state budget health care spending in recent years (only spending included in 07 Health care section of RA state budget is presented below).

Graph 6. The dynamics of the State budget actual funding allocated to Health Care, million AMD



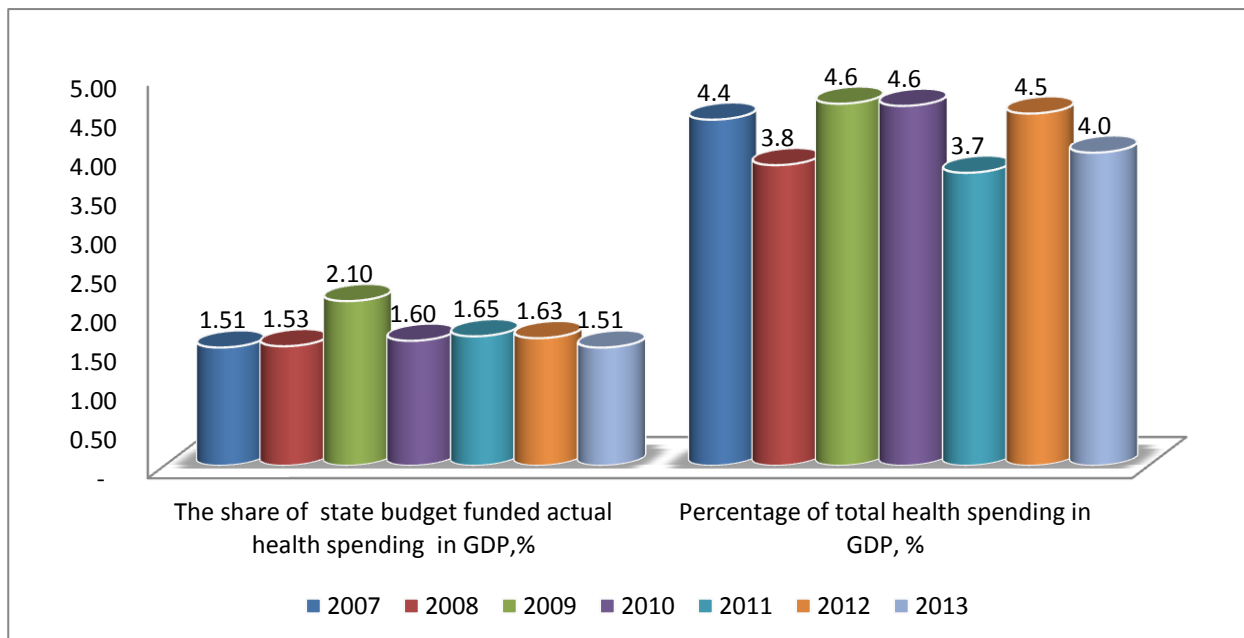
Source: Ministry of Finance annual report on state budget performance.

Graph 7. The dynamics of the State budget actual funding allocated to Health Care, million AMD



Source: Ministry of Finance annual performance report on state budget.

Graph 8. Comparison of the ratios of total health spending - GDP to State budget health spending - GDP, %



Source: Ministry of Finance annual performance report on state budget. Official Yearbook of National Statistical Service, NHA data tables

Summarizing the NHA “Financing Agents and Financing Sources” account, the following could be stated:

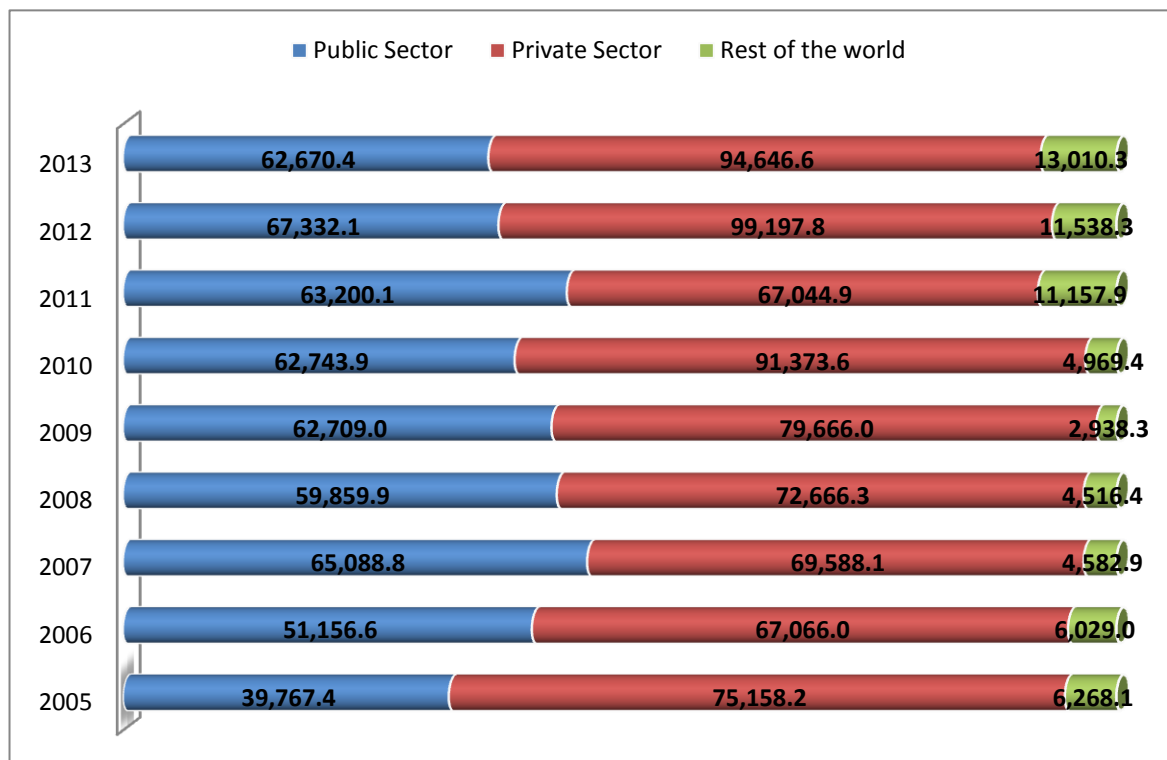
I. The total volume of funding from all financing sources provided to financing agents in 2013 amounted to **AMD 170,327.3 million** (AMD 178,068.2 million in 2012; AMD 141,402.9 million in 2011, AMD 159,086.9 million in 2010; AMD 145,313.3 million in 2009), including:

1. Funding to the “Public Sector” was AMD 62,670.4 million (AMD 67,332.1 million in 2012; AMD 63,200.1 million in 2011; AMD 62,743.9 million in 2010; AMD 62,709 million in 2009);

2. Funding to the “Private Sector” was AMD 94,646.6 million (AMD 99,197.8 million in 2012; AMD 67,044.9 million in 2011; AMD 91,373.6 million in 2010; AMD 79,666.0 million in 2009);

3. Funding to the “Rest of the World” was AMD 13,010.3 million (AMD 11,538.3 million in 2012; AMD 11,157.9 million in 2011, AMD 4,969.4 million in 2010; AMD 2,938.3 million in 2009).

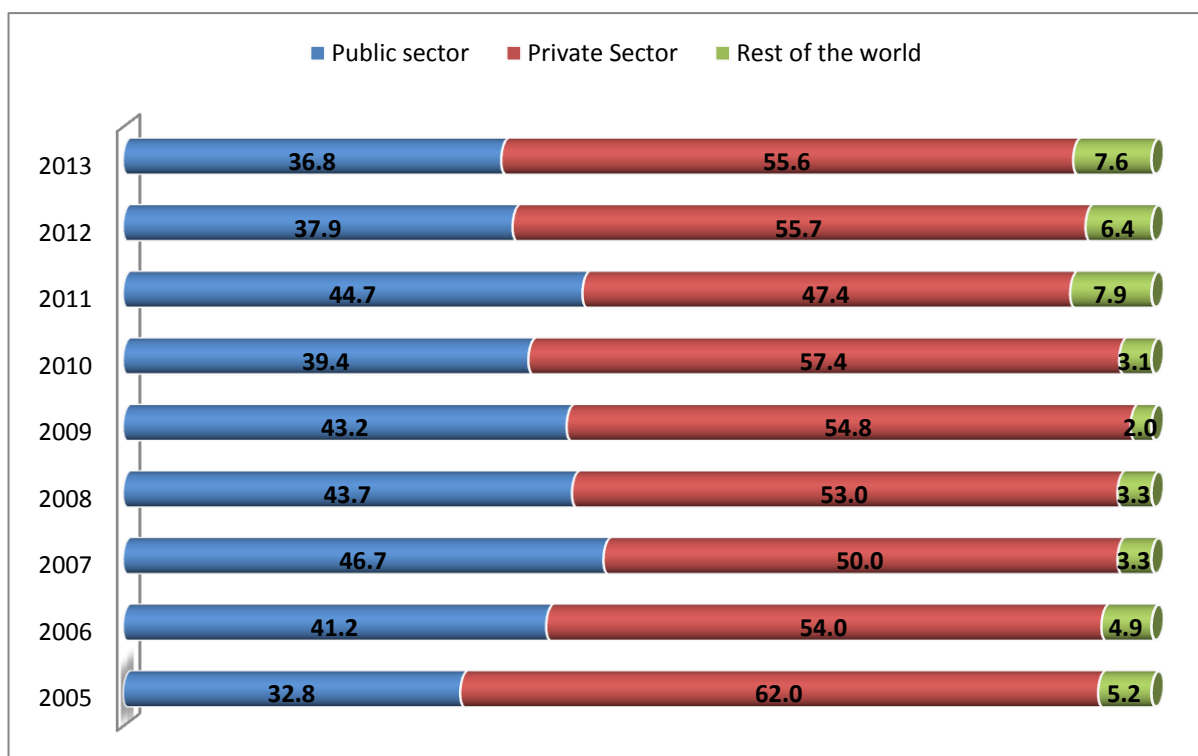
Graph 9. The total amount of funding from all Financing Sources provided to Financing Agents by categories and years, million AMD



Source: NHA data tables

General shares of total funding provided to financing agents by all funding sources are presented below, by proportional weight of categories expressed in percentage as part of the whole.

Graph 10. Proportional weight of categories in total funding provided to Financing Agents by all Financing Sources, by years (%)



Source: NHA data tables

Compared to the previous year, in 2013, public sector expenditure has decreased by 1.1 percentage point, as well as private sector expenditure has a 0.1 percentage point decrease, and the Rest of the World expenditure share has a 1.2 percentage point increase. In the general structure of financing the changes in the shares of individual sources is a result of respective changes in shares of volumes of funds provided by them. At the same time it is important to mention that compared to the previous years the share of public sector financing has been reduced in 2013. Thus, if the share of public sector expenditure increased from 32.8% in 2005 to 37.9% in 2012, then in 2013 it comprised only 36.8%. Private sector expenditure share has decreased from 62.0% in 2005 to 55.6% in 2013, and

what about the Rest of the World, the financing provided by the latter has increased from 6.4% in 2012 to 7.6% in 2013 showing 1.2 percentage point increase.

Table 4. HF Financing agents, million AMD

	2006	2007	2008	2009	2010	2011	2012	2013
HF.A								
Public sector	51,156.6	65,088.8	59,859.9	62,709.0	62,743.9	63,200.1	67,332.1	62,670.4
HF.B								
Private sector	67,066.0	69,588.1	72,666.3	79,666.0	91,373.6	67,044.9	99,197.8	94,646.6
HF.C								
Rest of the world	6,029.0	4,582.9	4,516.4	2,938.3	4,969.4	11,157.9	11,538.3	13,010.3
Total	124,251.6	139,259.8	137,042.6	145,313.3	159,086.9	141,402.9	178,068.2	170,327.3

Source: NHA data tables, 2013

II. By analyzing Financing Sources and Providers, we see that the total financing provided by financing sources in 2013 was **AMD 170,327.3 million** (AMD 178,068.2 million in 2012; AMD 141,402.9 million in 2011; AMD 159,086.9 million in 2010; AMD 145,313.3 million in 2009), where:

1. Financing from Public funds was **AMD 62,670.4 million** in 2013 (AMD 67,032.1 million in 2012; AMD 63,200.1 million in 2011; AMD 58,349.2 million in 2010; AMD 56,917.4 million in 2009),

2. Financing from Private funds/resources was **AMD 94,646.6 million** in 2013 (AMD 99,197.8 million in 2012; AMD 67 044.9 million in 2011; AMD 88,821.8 million in 2010; AMD 76,221.4 million in 2009), where:

- Resources of employers/private venture – AMD 4,800 million (AMD 1,343.9 million in 2012; AMD 1,041.9 million in 2011; AMD 620.1 million in 2010; AMD 426.4 million in 2009);
 - Households out-of-pocket payments – AMD 89,791.3 million (AMD 97,853.9 million in 2012; AMD 66,002.9 million in 2011; AMD 88,201.7 million in 2010; AMD 75,794.9 million in 2009);
 - Non-commercial organizations – AMD 55.2 million (0 in 2012; 0 in 2011; 0 in 2010; 0 in 2009);
 - Private/with Public partnership enterprises 0 (0 in 2012; 0 in 2011; 0 in 2010; 0 in 2009);
2. The Rest of the World financing amounts for **AMD 13,010.3 million** (AMD 11,538.3 million in 2012; AMD 11,157.9 million in 2011; AMD 11,915.9 million in 2010; AMD 12,174.5 million in 2009).

Table 5. Financing Sources, million AMD

	2007	2008	2009	2010	2011	2012	2013
Public Sources	50,825.7	53,100.5	56,917.4	58,349.2	63,200.1	67,332.1	62,670.4
Private Sources, including	67,279.1	69,990.3	76,221.3	88,821.8	67,044.9	99,197.8	94,646.6
Sources of Employers/private enterprises	173.0	309.9	426.4	620.1	1,041.9	1,343.9	4,8
Direct payments of households	67,106.1	69,680.4	75,794.9	88,201.7	66,002.9	97,853.9	89,791.3
Funding of the Rest of the World	21,155.0	13,951.8	12,174.6	11,915.9	11,157.9	11,538.3	13, 010.3
Total	139,259.8	137,042.6	145,313.3	159,086.9	141,402.9	178,068.2	178,068.2

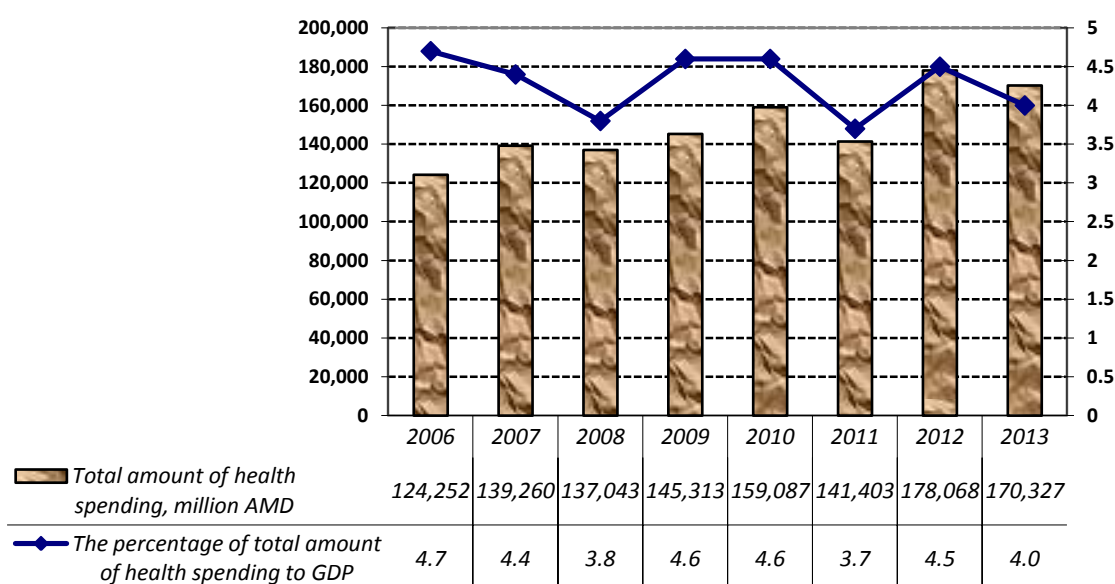
Source: NHA data tables, 2007-2013

Table 6. The percentage of Household out-of-pocket payments in overall health care spending, percentage

The percentage of Household out-of-pocket payments in overall health care spending, percentage	2006	2007	2008	2009	2010	2011	2012	2013
	51.5	48.2	50.8	52.2	55.4	46.7	55.0	52.7

Source: NHA data tables, 2006-2013

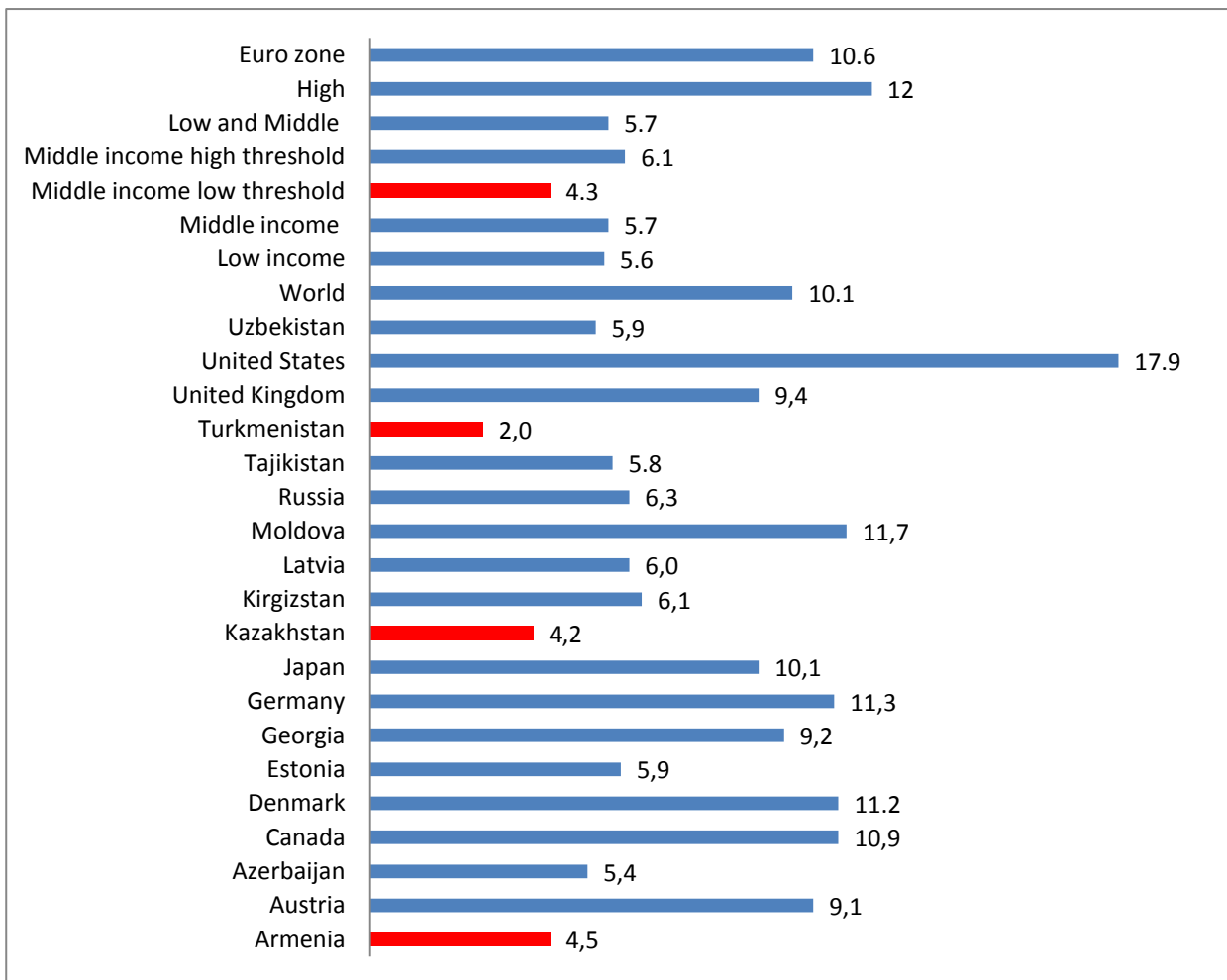
Graph 11. The total amount of funds provided by Financing Sources, million AMD, and percentage of total health spending to GDP



Source: NHA data tables, RA official statistics yearbook

One of the main indicators of health sector financing is the health care spending share of GDP, for which analysis we have used the data from World Bank database. For comparison, we have used indicators of high-, medium-, and low-income countries, as well as indicators of regional neighboring countries. It is clear that the score of Armenia corresponds to the low threshold of average income country indicator. The graph is presented below:

Graph 12. The percentage of total health spending to GDP by countries, percentage

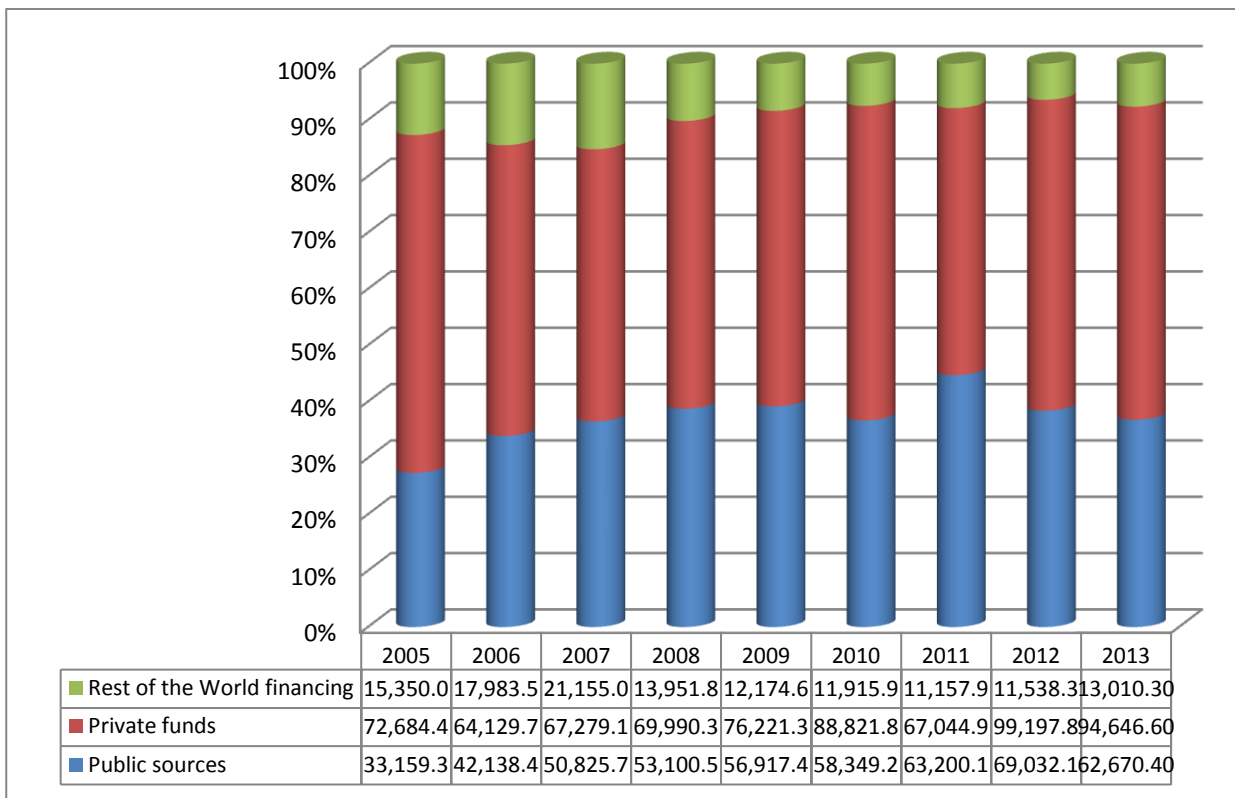


Source: *World Development Indicators 2014, The World Bank*

Let us continue analyzing the NHA second table, according to which the total amount of funds provided by funding sources is presented by main actors: Public funds, Private funds, and the Rest of the world.

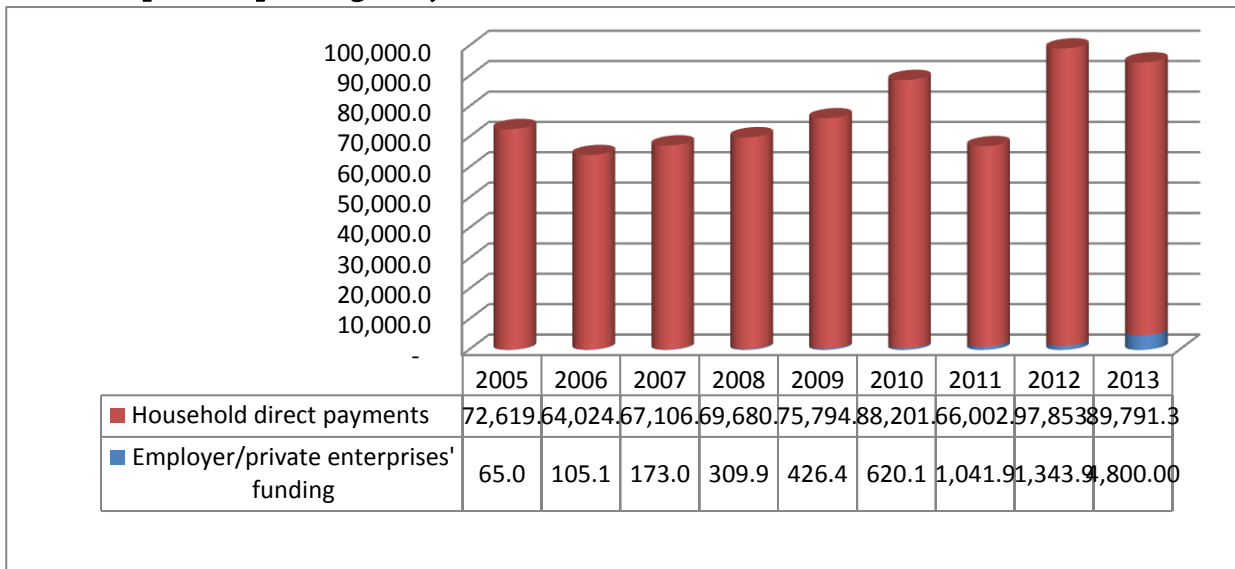
For the period of 2005 to 2013, we can say that the state funding sources have increased by 89% or almost doubled, private funds' financing has increased by 30%, while the role of the Rest of the World has fallen by 15%.

Graph 13. The total amount of funding provided by Funding Sources by years, million AMD



Source: NHA data tables

Graph 14. Household out-of-pocket payments and employer-paid health care spending (private spending analysis), million AMD

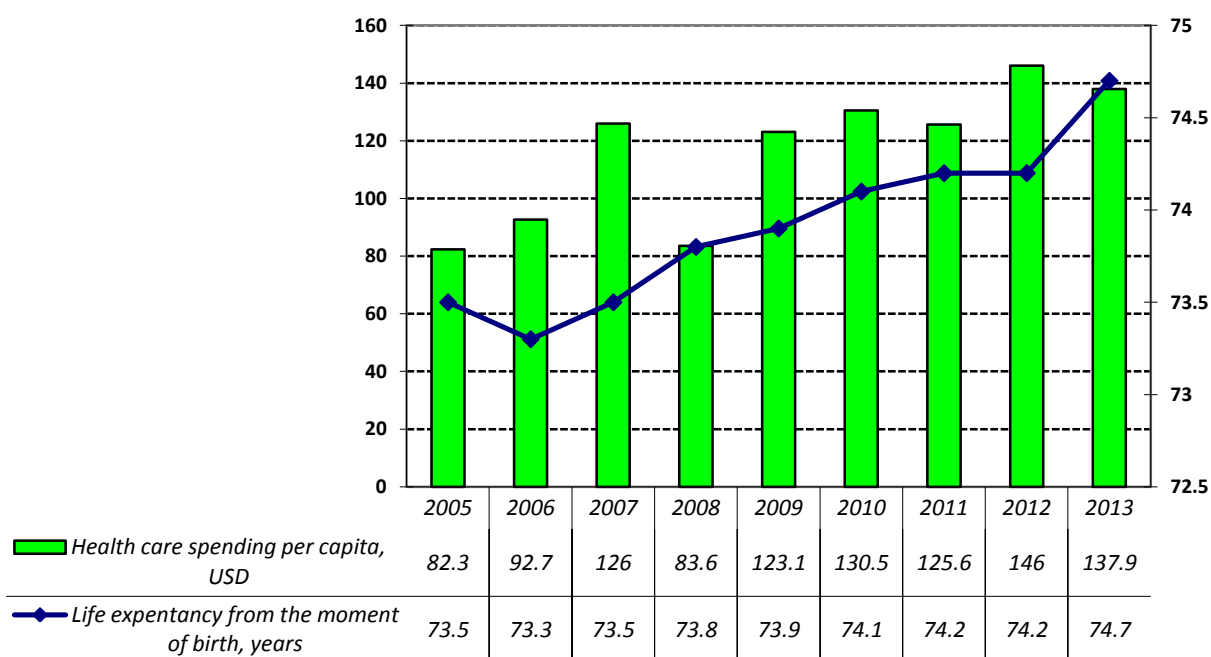


Source: NHA data tables

One of the important characteristic of the Armenian health care financing is the high level of private health expenditure as a percentage of the total, and the major part of private spending consists of population direct spending (out-of-pocket expenditure). At the same time it should be noted that the medical insurance incomes are counted separately in the overall structure of private expenditure, as employer /private enterprise funding.

Next important indicator of health sector financing is per capita health care spending analysis. National Health Accounts included also assessment of per capita health care spending. The latter is also an important indicator when combining with the life expectancy indicator:

Graph 15. Per capita health care spending, in USD, and life expectancy, in years

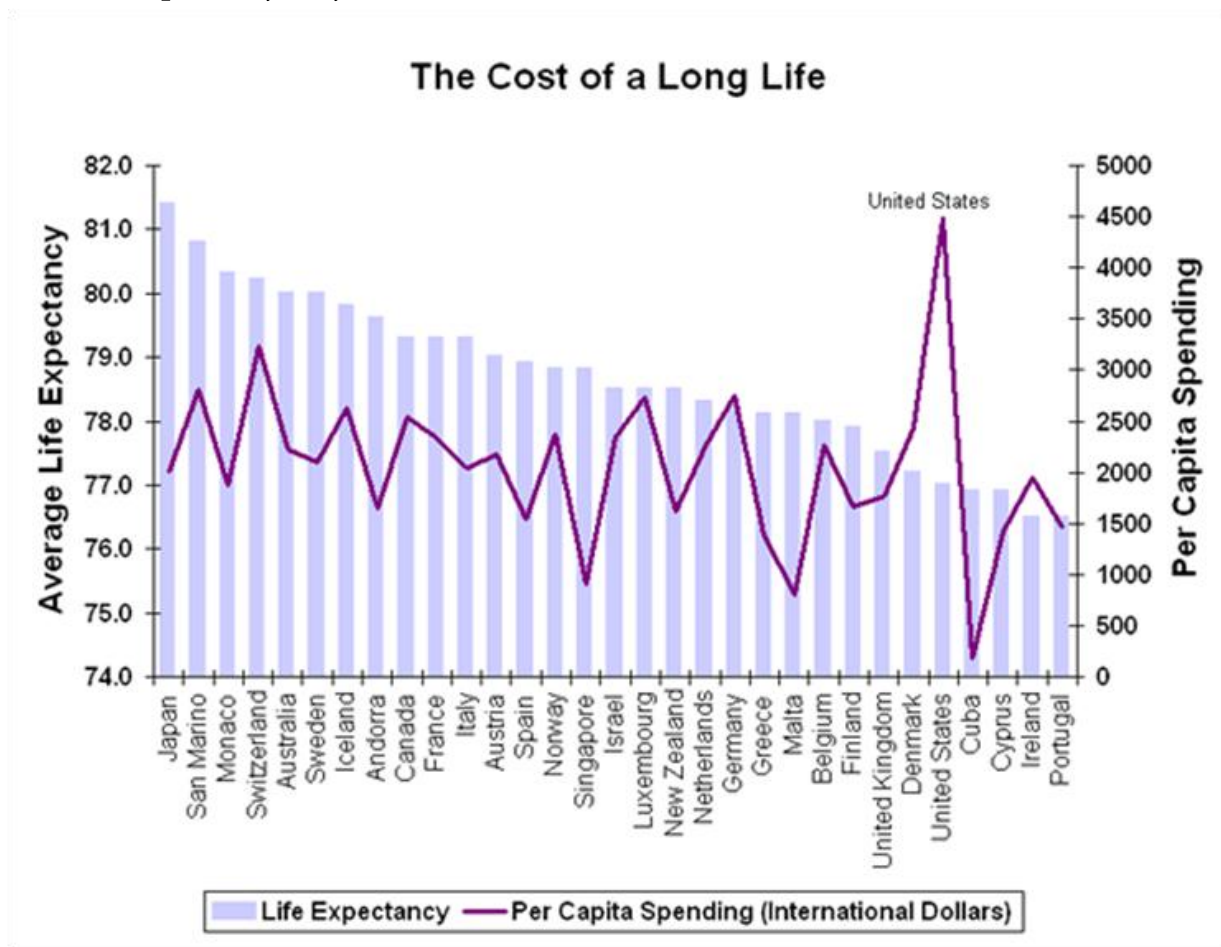


Source: NHA data tables, RA National Statistics Service Yearbook

Currently The World Health Organization believes that there is a direct connection between per capita health spending and life expectancy. Typically, the average life expectancy increases with per capita health spending growth, however, after some point, increase in per capita health care spending will result in less increase in life expectancy.

This trend in Economics is known as the law of diminishing marginal utility. For instance, per capita health care spending in Japan is USD 4,752, in Germany USD 4,683, in Switzerland USD 8,980, in the USA USD 8,895, and respectively, the average life expectancy is 84.6 years in Japan, 81 years in Germany, 82.8 years in Switzerland, and 79.8 years in the USA. It is obvious that the health care spending in the United States is 1.9 times more than in Japan, but by the average life duration the USA is behind Japan by 5 years.

Graph 16. The cost of longevity. Per capita health care spending, in USD, and life expectancy, in years

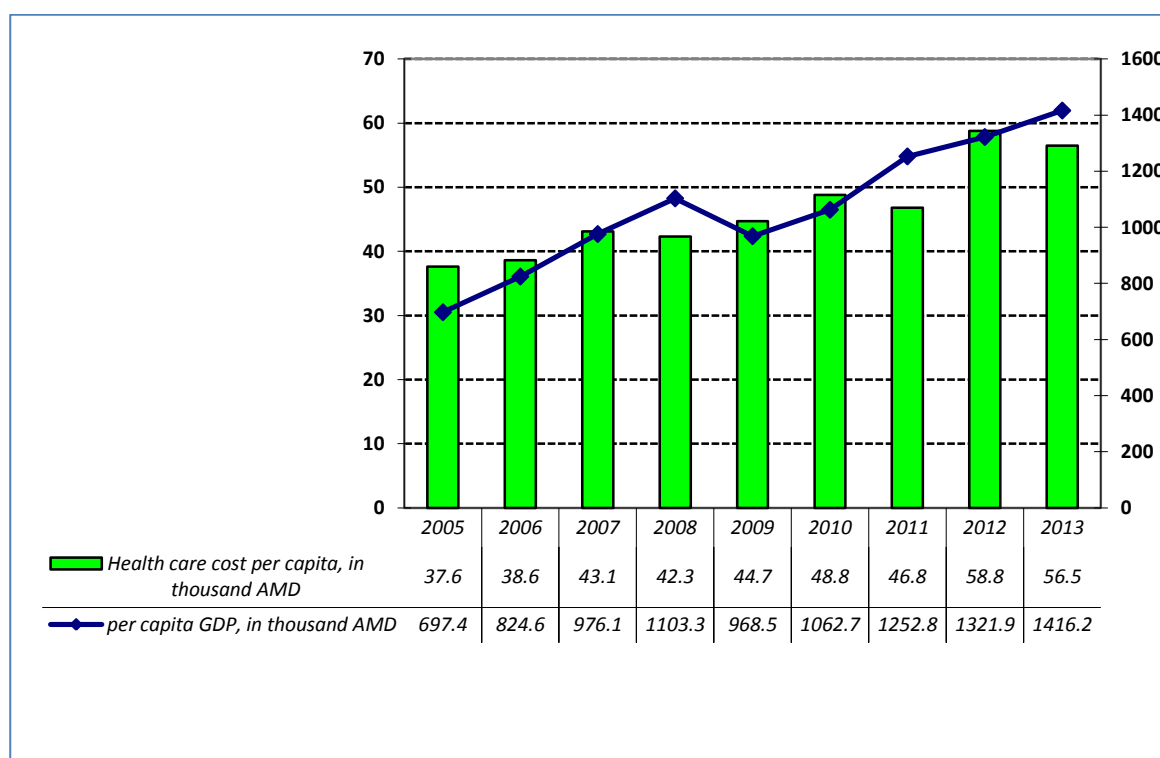


Source: NHA data, (World Health Organization National Health Account database (see <http://apps.who.int/nha/database/DataExplorerRegime.aspx> for the most recent updates)

Table 7. Per capita health care spending, in USD, and life expectancy, in years

Countries	Per capita health care spending, USD	Life expectancy, in years
Japan	4752	84.6
Switzerland	8980	82.8
USA	8895	79,8
Germany	4683	81.0
Russia	887	70.5
Armenia	150	74.4
Kirgizstan	84	69.0
Turkmenistan	129	66.5
Georgia	333	74.5
Latvia	792	74.5

Source: NHA data, (World Health Organization National Health Account database (see <http://apps.who.int/nha/database/DataExplorerRegime.aspx> for the most recent updates)

Graph 17. Health care cost per capita, in thousand AMD and per capita GDP

Source: NHA data tables, RA National Statistics Service Yearbook

4.1.2. Financing Agents and Providers (FAxP) Account

To study the health expenditure flows by providers and financing agents it is necessary to refer to the table of accounts of ***Financing Agents and Providers*** (NHA Table 3), which gives a clear picture about which institutional body or sector has financed a particular expenditure, and which provider has implemented the health care service.

1. The hospitals group HP.1

According to the data from *Financing Agents and Providers Account*, the size of health care services provided by the Hospitals (group HP.1) amounted to AMD 70,264.5 million and the decrease compared to the previous year is 0.3% (in 2012 AMD 70,489.9 million and 29.1% growth; in 2011 AMD 54,618.2 million and 9.6% decrease; in 2010 AMD 60,150.1 million and 2.4% growth; in 2009 AMD 59,060.9 million 10.8% decrease).

The proportional weight of the “Hospital” group in the sector of health care providers amounted 41.3% of the total volume of services (39.6% in 2012; 38.6% in 2011; 37.9% in 2010; 40.6% in 2009).

AMD 26,798.4 million or 38.1% of payments for the mentioned services was made by households (AMD 31,312.2 million or 38.1% in 2012; AMD 16,961.7 million or 31.1% in 2011; AMD 28,320.5 million or 46% in 2010; AMD 32,818.5 million or 55.6% in 2009). There is a decrease in proportional weight of out-of-pocket payments by households in overall financing structure by AMD 4,513.8 million or 14.4% in 2013 (the proportional weight of out-of-pocket payments of householders increased by AMD 14,350.5 million or 84.6% in 2012; decreased by AMD 11,358.8 million or 40.1% in 2011; decreased by AMD 4,498 million or 13.7% in 2010; AMD 6,014.4 million or 15.5% in 2009) and it was explained by the growth of other components’ financing volumes, particularly the growth of public sector funding. In general, the structure of financing for provided services by the hospital group has the following composition by financing sectors and agents:

Public sector funding amounted to AMD 33,946.5 million or 48.3% of the overall funding (AMD 32,899 million or 46.7% in 2012; AMD 35,991.5 million or 65.9% in 2011; AMD 30,663.8 million or 50.7% in 2010; AMD 26,236.3 million or 44.4% in 2009), and the

growth rate compared with the previous year was 3.2% (in 2012 decreased by 8.6% compared to previous year; in 2011 by 17.4%; ; in 2010 by 16.8%; in 2009 by 7.2%).

Financing of this sector by agents is the following: AMD 30,794.6 million or 90.7% (AMD 32,718.5 million or 99.5% in 2012; AMD 35,810.2 million or 99.5% in 2011; AMD 30,476.4 million or 99.3% in 2010; AMD 25,706.3 million or 98% in 2009) was allocated to this sector by the RA Ministry of Health and AMD 184.7 million or 0.5% (AMD 180.5 million or 0.5% in 2012; AMD 181.5 million or 0.5% in 2011; AMD 187.4 million or 0.7% in 2010; AMD 182.7 or 0.7% in 2009) was allocated by RA Ministry of Labor and Social Issues, AMD 2,307.8 million or 6.8% was allocated by RA Ministry of Defense, AMD 599.3 million was allocated by National Security Service, and AMD 60.2 million was allocated RA Police.

Funding from **Public Sector** in 2013 amounted to AMD 33,946.5 million (AMD 32,899.0 million in 2012; AMD 35 991.5 million in 2011; AMD 30,663.8 million in 2010; AMD 26,236.3 million in 2009), which has the following distribution by the components of the “Hospitals” group:

1.1. Multi-profile hospitals: AMD 21,368.7 million or 63% (AMD 19,726.8 million or 60.0% in 2012; AMD 22,745.8 million or 63.2% in 2011; AMD 18,224.9 million or 59.4% in 2010; AMD 14,911.3 million or 56.8% in 2009), of which AMD 19,060.8 million, or 89.1% was provided through the Ministry of Health’s channels (AMD 19,726.8 million or 100% in 2012; AMD 18,107.5 million or 99.3% in 2011; AMD 14,454.5 million or 96.9% in 2009), and AMD 2,307.9 million or 10.8% was provided by the RA Ministry of Defense (RA Ministry of Labor and Social Issues provided AMD 102.4 million in 2011; AMD 117.4 million in 2010; AMD 109.6 million in 2009). No financing was provided to multi-profile hospitals subgroup of providers by other Public Administration Bodies (AMD 183.3 million from TBD component and AMD 163.8 million from Regional Public Administration Bodies in 2009). From the total funding provided by the channels of RA Ministry of Health AMD 12,113.2 million was allocated to public multi-profile hospitals (AMD 13,954.9 million in 2012; AMD 15,610.5 million in 2011; AMD 15, 966.2 million in 2010), and AMD 6,947.7 million was allocated to private multi-profile hospitals (AMD 5,771.9 million in 2012; AMD 7,135.4 million in 2011; AMD 2,141.2 million in 2010).

1.2. Mental health and substance hospitals: AMD 2,476.0 million or 7.2% (AMD 2,385.6 million and 7.3% in 2012; AMD 2,067.9 million in 2010; AMD 2,179.4 million or 8.3% in 2009), out of which AMD 2,291.3 million was provided by the RA Ministry of Health (AMD 2,205.0 million in 2012; AMD 2,313.3 million in 2011; AMD 1,997.9 million in 2010; AMD 2,106.1 million in 2009) and AMD 184.7 million by the Ministry of Labor and Social Issues (AMD 180.5 million in 2012; AMD 78.8 million in 2011; AMD 70.0 million in 2010; AMD 73.2 million in 2009);

1.3. Specialized hospitals: AMD 9,892.3 million or 29.1% (AMD 9,892.3 million or 31% in 2012; AMD 10,541.5 million or 29.3% in 2011; AMD 10,002.9 million or 32.6% in 2010; AMD 8,986 million or 34.3% in 2009). Financing was provided by RA Ministry of Health - AMD 9,232.8 million, National Security Service - AMD 599.3 million, and RA Police - AMD 60.2 million (AMD 7,671.5 million was allocated in 2008; AMD 73.4 million was provided by the Ministry of Labor and Social Issues and AMD 80.0 million by the RA Police).

By providers the state financing was distributed among the following specialized hospitals:

1.3.1. Tuberculosis (TB) Hospitals (include ambulatory units) – AMD 1,370.5 million (AMD 1,246.3 million in 2012; AMD 2,464.9 million in 2011; AMD 1,493.4 million in 2010; AMD 1,051.0 million in 2009);

1.3.2. Oncology Hospitals (include ambulatory units) – AMD 1,230.7 million (AMD 1,667.3 million in 2012; AMD 1,658.1 million in 2011; AMD 1,660.7 million in 2010; AMD 1,346.9 million in 2009);

1.3.3. Maternity Homes (include ambulatory units) – AMD 3,248.4 million (AMD 4,458.2 million in 2012; AMD 3,126.2 million in 2011; AMD 3,483.4 million in 2010; AMD 3,121.3 million in 2009);

1.3.4. HIV/AIDS medical care providers – AMD 116.1 million (AMD 248.0 million in 2012; 0 in 2011; AMD 84.6 million in 2010; AMD 84.6 million in 2009);

1.3.5. Other Hospitals (include ambulatory units) – AMD 3,926.5 million (AMD 2,575.9 million in 2012; AMD 3,292.6 million in 2011; AMD 3,268.4 million in 2010; AMD 3,382.1 million in 2009).

1.4. Sanatoriums: financing by public sector was AMD 209.6 million or 0.6% of the overall financing (AMD 590.9 million or 1.8% in 2012; AMD 209.6 million or 0.6% in 2011; AMD 368.1 million or 1.2% in 2010; AMD 159.7 million or 0.6% in 2009) and entirely was provided by the RA Ministry of Health.

Financing provided by *Private sector* to the provider “Hospitals” in 2013 amounted to AMD 31,459.1 million or 44.8% of the overall funding (AMD 32,655.4 million or 46.4% in 2012; AMD 18,003.7 million or 33% in 2011; AMD 29,227.5 million or 48.3% in 2010; AMD 32,818.5 million or 55.6% in 2009), the overwhelming part of which AMD 26,798.4 million or 85.2% were the households out-of-pocket payments (AMD 27,557.3 million or 88.7% in 2012; AMD 16,961.7 million or 94.2% in 2011; AMD 28,320.5 million or 96.9% in 2010; AMD 32,083.2 million or 97.8% in 2009).

Funding by non-commercial organizations has amounted to AMD 55.2 million or 0.5% (AMD 60.5 million in 2012; 0 in 2011; AMD 205.9 million in 2010; AMD 500.8 million in 2009).

There was no funding provided by private/public partnership organizations in 2013 (0 in 2012; 0 in 2011; AMD 81.7 million or 0.2% in 2010; AMD 234.5 million or 0.7% in 2009). A significant decrease of funding was recorded in 2010 for this subcomponent of Private sector of financial agents - almost 65.2%. It is noteworthy, that a drastic decrease of funding by this component relevant to economic crisis was recorded in 2009 - 41.4%.

In 2013, information on financing from private insurance organizations (HF 2.2) was also collected, the amount was AMD 4,605.5 million (AMD 2,973.5 million in 2012; AMD 1,041.9 million in 2011).

AMD 20,963.7 million or 78.2% of the overall financing of direct payments of households (AMD 24,494.8 or 78.2% in 2012; AMD 13,861.5 or 81.7% in 2011; AMD 23,144.1 million in 2010; AMD 28,151 million or 87.7% in 2009) was provided to the sub-group of “Multi-profile hospitals”, out of which AMD 13,626.4 million (AMD 15,921.6

million in 2012; AMD 11,327.8 million in 2011; AMD 18,913.7 million in 2010; AMD 23,781.0 million in 2009) to public multi-profile hospitals and AMD 7,337.3 million (AMD 8,573.2 million in 2012; AMD 2,533.7 million in 2011; AMD 4,230.4 million in 2010; AMD 4,370 million in 2009) to private multi-profile hospitals. AMD 4,071.6 million are the payments of households to “*Specialized hospitals*” sub-component, of which AMD 2,262.7 million was provided to the Provider “Oncology Hospitals”, and AMD 1,808.8 million were allocated for the services provided by the Maternity Homes (include ambulatory units) belonging to the sub-component “Specialized hospitals” (AMD 2,113.5 million in 2012; AMD 1,268.9 million in 2011; AMD 2,118.6 million in 2010; AMD 1,919.9 million in 2009). In 2013 AMD 669.8 million (AMD 782.7 million in 2012; 520.1 million in 2011; AMD 1,488.5 million in 2010; AMD 1,226.5 million in 2009) was paid by the households for the services provided by “Non-allopathic/alternative hospitals” from the subgroup of Specialized hospitals.

In 2013 the payments of the population for services provided by Sanatoriums amounted to AMD 1,093.2 million (AMD 1,277.4 million in 2012; AMD 491.9 million in 2011; AMD 821,3 million in 2010; AMD 785.8 million in 2009).

Financing from the *Rest of the World* in 2013 amounted to AMD 4,858.9 million or 6.9% of the overall financing of Providers “Hospitals” group (AMD 4,935.5 million or 6.6% in 2012; AMD 623.1 million or 1.1% in 2011; AMD 558.8 million or 0.9% in 2010; AMD 6.1 million or 0.01% in 2009).

Taking into consideration the fact, that the logical flow of financial resources in the system of national health accounts starts from Financing Sources, and through Agents is transferred to Providers, the distribution of financial resources in the account of “Financing agents and providers” can be presented more fully by the funding of providers, which has the following structure:

*In 2013 the structure of total financing in amount of AMD 70,264.5 million (AMD 74,244.8 million in 2012; AMD 54,618.2 million in 2011; AMD 60,450.1 million in 2010; AMD 59,060.9 million in 2009) allocated to the **Hospitals group** by all financial agents has the following distribution per service provider:*

1.1. Multi-profile hospitals: AMD 47,106.5 million or 67.0% of the overall financing of Hospitals group (AMD 52,215.9 million or 70.3% in 2012; AMD 37,066.2 million or 67.9% in 2011; AMD 41,908.8 million or 69.3% in 2010; AMD 43,358.4 million or 73.4% in 2009);

1.2. Mental health and substance hospitals: AMD 2,476 million or 3.5% of the overall financing (AMD 2,385.6 million or 3.2% in 2012; AMD 2,392.1 million or 4.4% in 2011; AMD 2,067.9 million or 3.4% in 2010; AMD 2,212.6 million or 3.7% in 2009). In comparison with 2012, there was an increase of funding by 3.8% (decrease by 0.3% in 2012; increase by 15.6% in 2011). In 2010, the absolute value of financing (by 6.5%) and the proportional weight in the financial structure had decreased compared to the previous year (by 0.7 percentage points).

1.3. Specialized hospitals: AMD 18,709.3 million or 26.6% of the overall financing (AMD 16,992.4 million or 22.9% in 2012; AMD 12,896.3 million or 23.6% in 2011; AMD 13,795.5 million or 22.8% in 2010; AMD 11,317.9 million or 19.2% in 2009). Compared to the previous year, the rate of increase in funding for Specialized hospitals is 10.1%.

1.4. Non-allopathic (alternative medicine) providers: AMD 669.8 million or 1% of the overall financing of the “Hospitals” group (AMD 782.7 million or 1.1% in 2012; AMD 520.1 million or 1% in 2011; AMD 868.4 million or 1.4% in 2010; AMD 1,226.5 million or 2.1% in 2009);

1.5. Sanatorium: AMD 1,302.8 million was provided by all Financial Agents or 1.9% of overall financing (AMD 1,868.3 million or 2.5% in 2012; AMD 701.5 million or 1.3% in 2011; AMD 1,189.4 million or 2% in 2010; AMD 945.5 million or 1.6% in 2009).

1.1 The subgroup of multi-profile hospitals (HP.1)

Out of all services provided to the population by hospitals, AMD 47,106.5 million or 67.0% (AMD 52,215.9 million or 70.3% in 2012; AMD 37,066.2 million or 67.9% in 2011; AMD 41,908.8 million or 69.3% in 2010; AMD 43,358.3 million or 73.4% in 2009) was provided by the “**Multi-profile hospitals**” (HP 1.1) subgroup divided, in its turn, into **public multi-profile hospitals** (HP 1.1.1) component amounting to AMD 28,160.8 million (AMD 32,805.0 million in 2012; AMD 27,288.1 million in 2011; AMD 35,407.3 million in 2010;

AMD 33,942.2 million in 2009) and **private multi-profile hospitals (HP 1.1.2)** component amounting to AMD 18,945.7 million (AMD 19,410.9 million in 2012; AMD 9,778.2 million in 2011; AMD 6,501.5 million in 2010; AMD 9,416.2 million in 2009).

The financial distribution of provided services of the “Hospitals” Providers Group by Financing Agent has the following structure:

In 2013 AMD 31,459.1 million or 44.8% of the overall financing (AMD 36,410.3 million or 49.0% in 2012; AMD 18,003.7 million or 33.0% in 2011; AMD 29,227.6 million or 48.3% in 2010; AMD 28,447.1 million or 65.6% in 2009) has been financed by the private sector, including households out-of-pocket payments amounting to AMD 20,963.7 million (AMD 31,312.2 million in 2012; AMD 16,961.7 million in 2011; AMD 28,320.5 million in 2010; AMD 28,151.0 million in 2009) or 81.8 % of this sector’s expenditure (86.0% in 2012; 94.2% in 2011; 94.1% in 2010; 97.8% in 2009).

In the overall financial structure of the provider “Hospitals” the “**Public Sector**” Agent’s financing amounted to AMD 33,946.5 million or 48.3% (AMD 32,899.0 million or 44.3%; AMD 35,991.5 million or 65.9% in 2011; AMD 30,663.8 million or 50.7% in 2010; AMD 14,911.3 million or 34.4% in 2009), the main part of which in an amount of AMD 30,794.6 million or 90.7% (AMD 32,718.5 million or 99.4% in 2012; AMD 35,810.2 million or 99.5% in 2011; AMD 30,474.6 million or 99.4% in 2010; AMD 14,454.5 million or 96.9% in 2009) has been implemented by RA Ministry of Health, and remaining AMD 184.7 million or 0.5% was provided by RA Ministry of Labor and Social Issues (AMD 180.5 million in 2012; AMD 11.2 million in 2011; AMD 187.4 million in 2010), 6.8% or AMD 2,307.9 million was provided by Ministry of Defense, 1.8% or AMD 599.3 million was provided by National Security Agency, and 0.2% or AMD 60.2 million was provided by RA Police. In 2009 AMD 183.3 million or 1.2% (AMD 667.5 million or 4.1% in 2008; AMD 785.1 million or 4.8% in 2007) was funded by the *HF 1.1.1.7 TBD* component, AMD 163.8 million (AMD 3.9 million in 2008) by the Public administration bodies in marzes. There was no financing provided by self-governing bodies in 2009 and 2011 (AMD 47.3 million in 2008; AMD 49.3 million in 2007).

Funding provided by the RA Ministry of Health for this group of providers in an amount of AMD 19,060.8 million or 61.8% have been distributed among multi-profile hospitals as follows: AMD 12,113.2 million or 63.6% to public hospitals (AMD 13,954.9 million or 70.7% in 2012; AMD 15,610.5 million or 68.6% in 2011; AMD 15,966.2 million or 88.2% in 2010; AMD 9,583.3 million or 66.3% in 2009) and AMD 6,947.7 million or 36.4% was allocated to multi-profile private hospitals (AMD 5,771.9 million or 29.3% in 2012; AMD 7,135.4 million or 31.4% in 2011; AMD 2,141.4 million or 11.8% in 2010; AMD 4,871.2 million or 33.7% in 2009).

In 2013, the financing by RA Ministry of Health to other components of “Hospitals” Group is the following:

HP1.2 Mental health and substance hospitals – AMD 2,291.3 million (AMD 2,205.0 million in 2012);

HP1.3 Specialized (other than mental health and substance abuse) hospitals – AMD 9,232.8 million (AMD 10,195.8 million in 2012), including:

- HP1.3.1 Tuberculosis (TB) Hospitals – AMD 1,370.5 million (AMD 1,246.3 million in 2012);
- HP1.3.2 Oncology Hospitals – AMD 1,230.7 million (AMD 1,667.3 million in 2012);
- HP1.3.3 Maternity Homes – AMD 3,248.4 million (AMD 4,458.2 million in 2012);
- HP1.3.4 HIV/AIDS medical care providers - AMD 116.1 million (AMD 248.0 million in 2012)
- HP1.3.9 Other Hospitals – AMD 3,267.1 million (AMD 2,575.9 million in 2012);

HP1.5 Sanatoriums – AMD 209.6 million (AMD 590.9 million in 2012).

The funding by RA Ministry of Labor and Social Issues in 2013 amounted to AMD 184.5 million (AMD 180.5 million in 2012; AMD 181.2 million in 2011; AMD 187.4 million in 2010), which was fully allocated to mental health and substance hospitals (AMD 78.8 million in 2011, AMD 70.0 million in 2010, and to multi-profile hospitals AMD 102.4

million in 2011; AMD 117.4 million in 2010). In 2009, no financing was provided and in 2008 the funding in an amount of AMD 96.8 million (AMD 153.3 million in 2007) has been entirely allocated to the multi-profile private hospitals. AMD 125.1 million funding provided in 2006 has been distributed in favor of private hospitals (AMD 49.6 million to public and AMD 75.6 million to private).

1.2 Subgroup of mental health and substance hospitals HP 1.2

The overall volume of services provided under this subcategory of hospitals in 2013 amounted to AMD 2,476.0 million or 3.5% of the overall financing (AMD 2,385.6 million or 3.2% in 2012; AMD 2,392.1 million or 4.4% in 2011; AMD 2,067.9 million or 3.4% in 2010; AMD 2,212.6 million or 3.7% in 2009). Financing for the provided services was entirely provided by the Public Sector (RA Ministry of Health and RA Ministry of Labor and Social Issues), and in 2009 AMD 2,106.1 million or 98.5% of financing was provided by Public Sector (RA Ministry of Health), and AMD 33.0 million or 1.5% by Private Sector subagents “Non-commercial organizations” and “Private entities with public participation”.

1.3 The subgroup of Specialized hospitals HP 1.3

The overall volume of services provided under this subgroup of hospitals in 2013 amounted to AMD 18,709.3 million or 26.6% of the overall funding (AMD 16,992.4 million or 22.9% in 2012; AMD 12,896.3 million or 23.6% in 2011; AMD 13,795.5 million or 22.8% in 2010; AMD 11,317.9 million or 19.2% in 2009), including AMD 9,892.3 million or 52.9% financing by Public Sector (AMD 10,195.8 million or 60% in 2012; AMD 10,541.5 million or 81.7% in 2011; AMD 10,002.9 million or 72.5% in 2010; AMD 8,986 million or 79.4% in 2009).

AMD 4,071.5 million or 21.8% of the overall funding of services was provided by Private Sector (AMD 5,089.8 million or 30% in 2012; AMD 2,088.2 million or 16.2% in 2011; AMD 3,590.4 million or 26% in 2010; AMD 2,331.9 million or 20.6% in 2009). Out-of-pocket payments of households constituted 100% of private sector funding with AMD 4,071.5 million (AMD 4,757.4 million or 93.5% in 2012; 100% in 2011; AMD 3,486.6 million or 97.1% in 2010; AMD 1,919.9 million or 82.3% in 2009). In 2012 AMD 332.4

million or 6.5% was funded by the Insurance programs of Private enterprises. In 2010 payments made by Non-commercial Organizations amounted to AMD 74.3 million or 2.1% (AMD 329.5 million or 14.1% in 2009; AMD 776.6 million or 32.9% in 2008; AMD 257.1 million in 2007; AMD 31.5 million in 2006), and AMD 29.6 million or 0.8% was funded by Private/Public partnership organizations (AMD 76.4 million or 3.6% in 2009; AMD 32.0 million or 1.3% in 2008; AMD 261.2 million in 2007; AMD 57.0 million in 2006).

The Rest of the World funded an amount of AMD 4,745.5 million in 2013. In 2012 the funding was AMD 1,706.8 million, and in 2010 — AMD 202.2 million, from which AMD 148.9 million were contributions and loans from donors, and AMD 53.3 million in the form of technical assistance from donors (AMD 6.1 million in 2009; AMD 6.2 million in 2008; AMD 80.1 million in 2007; AMD 240.7 million in 2006). In 2006 AMD 2,639.5 million or 34.1% of the overall funding of the private sector was provided by the out-of-pocket payments of the households.

The subcategory of specialized hospitals consists of the following hospital subgroups:

a/ **Tuberculosis (TB) Hospitals (HP1.3.1)** – in 2013 provided services amounted to AMD 2,826.7 million (AMD 1,280.1 million in 2012; AMD 2,466.0 million in 2011; AMD 1,497.0 million in 2010; AMD 1,051.0 million in 2009), which was funded by Public Sector in an amount of AMD 1,370.5 million (RA Ministry of Health), and by the Rest of the World in an amount of AMD 1,456.5 million.

b/ **Oncology Hospitals (HP1.3.2)** – in 2013 provided services amounted to AMD 3,493.5 million (AMD 5,123.4 million in 2012; AMD 2,572.4 million in 2011; AMD 3,085.1 million in 2010; AMD 1,417.9 million in 2009), including AMD 1,230.7 million financing by the **RA Ministry of Health** (AMD 1,667.3 million in 2012; AMD 1,658.1 million in 2011; AMD 1,660.7 million in 2010; AMD 1,346.9 million in 2009) and out-of-pocket payments of households amounted to AMD 2,262.8 million (AMD 2,643.9 million in 2012).

c/ **Maternity Homes (HP1.3.3)** – provided services amounted to AMD 6,097.2 million (AMD 6,836.6 million in 2012; AMD 4,486.7 million in 2011; AMD 5,682.1 million in 2010; AMD 5,044.6 million or 44.6% in 2009).

In 2013 the overall financing from RA Ministry of Health comprised an amount of AMD 3,248.4 million (AMD 10,195.8 million in 2012; AMD 3,126.2 million in 2011; AMD 3,486.4 million in 2010; AMD 3,121.3 million in 2009).

“The Rest of the World” has been AMD 1,040 million in 2013 in the form of technical assistance and grants by donors and through the RA Humanitarian Programs GoA Committee.

d/ **HIV/AIDS in-patient care providers (HP1.3.4)** funding was AMD 2,365.3 million (AMD 288.3 million in 2012; 0 in 2011; AMD 1,148.8 million in 2010; AMD 84.6 million in 2009).

e/ **Other Hospitals (HP1.3.9)** have provided to the population services in the amount of AMD 3,926.5 million in 2013 (AMD 3,463.9 million in 2012; AMD 3,371.2 million in 2011; AMD 3,382.4 million in 2010; AMD 3,719.7 million in 2009). Overall funding (AMD 2,575.9 million in 2012; AMD 3,292.6 million in 2011; AMD 3,216.5 million in 2010; AMD 3,382.1 million in 2009) was provided by Public Sector out of which AMD 3,267.1 million through the Ministry of Health channels, AMD 599.3 million through the Committee of National Security channels, and 60.2 million through RA Police channels. As in previous year, there was no funding received from Private Sector (0 in 2012; 0 in 2011; AMD 56.3 million in 2010; AMD 331.5 million in 2009).

In 2013, no financing was provided by the Rest of the World to this group of hospitals (AMD 888.0 million in 2012; AMD 78.6 million in 2011; AMD 109.6 million in 2010; AMD 6.1 million in 2009).

1.4 The group of non-allopathic (alternative) providers HP 1.4

In 2013 services in an amount of AMD 669.8 million (AMD 782.7 million in 2012; AMD 520.1 million in 2011; AMD 868.4 million in 2010; AMD 1,226.5 million in 2009) were provided by this subgroup of providers, which was entirely funded by the Private Sector. It should be noted that if financing allocated to this provider compared with the previous year was increased 2.3 times in 2009, it increased 1.5 times in 2012. In 2006 and 2007, there was no funding recorded for this provider.

1.5 The subgroup of Sanatoriums HP 1.5

The volume of provided services in 2013 amounted to AMD 1,302.8 million (AMD 1,868.3 million in 2012; AMD 701.5 million in 2011; AMD 1,189.4 million in 2010; AMD 945.5 million in 2009). In the overall financing AMD 1,093.2 million were the households out-of-pocket payments (AMD 1,277.4 million in 2012), AMD 209.6 million was financed by RA Ministry of Health (AMD 590.9 million in 2012), no financing was provided by the Rest of the World.

2. The Group of Nursing and residential care facilities HP.2

Ministry of Labor and Social Affairs provided AMD 1,449.4 million funding which was distributed among the following sub-providers: “Community care facilities for the elderly” received AMD 1,417.1 million and “Residential mental retardation, mental health and substance abuse facilities” received AMD 12.5 million. In 2012 AMD 1832.3 million funding was provided by the Ministry of Labor and Social Affairs, which was distributed among the following sub-providers: “Community care facilities for the elderly” received AMD 1,742.3 million and “All other residential care facilities” received AMD 90.0 million. In 2010 financing of AMD 1,376.7 million was provided by RA Ministry of Labor and Social Affairs, and was distributed to the following sub-providers: AMD 16.5 million to “Residential mental retardation, mental health and substance abuse facilities” HP 2.2 and AMD 1,360.2 million to “Community care facilities for the elderly”. In 2009 the “Community care facilities for the elderly” subcategory alone has provided health services to population amounting to AMD 1,323.8 million which was fully financed by the Public sector (RA Ministry of Labor and Social Affairs).

3. The group of Providers of ambulatory health care HP.3

This group includes the following subcategories by types: Offices of physicians, Offices of dentists, Offices of other health practitioners, Polyclinics, Medical and diagnostic laboratories/facilities, Providers of home health care services, Other providers of ambulatory health care services. Every group in its turn is divided into subgroups.

The overall volume of services provided to the population in 2013 by this group of health care providers amounted to AMD 43,914.9 million (AMD 48,836.8 million in 2012;

AMD 31,066.3 million in 2011; AMD 37,883.4 million in 2010; AMD 32,804.8 million in 2009) and the growth of volume compared to the previous year was 57.2% (0.5% in 2009; 8.7% in 2008).

The financing of services implemented by providers has been carried out by all the sectors.

Funding of **Public Sector** amounted to AMD 19,840.2 million or 45.2% (AMD 18,838.5 million or 38.6% in 2012; AMD 21,016.4 million or 67.7% in 2011; AMD 20,071.7 million or 53.0% in 2010; AMD 17,216.3 million or 52.5% in 2009).

The overall Public Sector funding has significantly increased and essential changes have taken place in funding, proportional weights of each financial agent, as well as proportional weights of funding for specific components within the structures of three sectors of agents. In 2013, the financing from RA Ministry of Health amounted to AMD 19,369.8 million or 97.6% of the overall public sector financing (AMD 18,357.1 million or 37.5% in 2012; AMD 20,706.4 million or 98.5% in 2011; AMD 19,405.9 million or 96.7% in 2010). In 2009 a different picture was observed: the funding by RA Ministry of Health amounted to AMD 16,962.9 million, which was a decrease of 11.8% compared with the previous year. However, it still had the main share in the structure of funding with 98.5%.

Financing from RA Ministry of Health in 2013 in the financial structure of this group of providers funding amounted to 44.1% (29.1% in 2012; 66.7% in 2011; 51.2% in 2010; 51.7% in 2009).

The dynamic picture of funding structure provided by other components of Public Sector in 2013 is the following:

HF 1.1.1.5 RA Ministry of Transport and Communication – AMD 140.0 million or 0.3% of the overall funding (AMD 130.0 million or 0.7% in 2012; AMD 128.4 million or 0.6% in 2011; AMD 120.0 million or 0.6% in 2010; AMD 87.0 million or 1.5% in 2009);

HF 1.1.1.9 RA National Security Service provided no financing (AMD 27.7 million in 2012; AMD 27.9 million in 2011; AMD 27.9 million in 2010; AMD 27.9 million in 2009);

HF 1.1.1.10 RA Police provided no financing (AMD 73.4 million in 2012; AMD 82.3 million in 2011; AMD 73.7 million in 2010; AMD 73.7 million in 2009);

HF 1.1.1.7 Other Public Sources HF 1.1.1.7 TBD – AMD 72.9 million (AMD 74.4 million in 2012; AMD 71.4 million in 2011; AMD 159.6 million in 2010; AMD 64.8 million in 2009);

HF 1.1.1.2 Ministry of Labor and Social Affairs provided AMD 257.6 million funding.

Private Sector funded AMD 22,068.4 million or 54.3% of the overall funding (AMD 26,519.5 million or 54.3% in 2012; AMD 9,944.6 million or 32.0% in 2011; AMD 16,988.5 million or 46.1% in 2010; AMD 15,463.8 million or 47.1% in 2009).

AMD 21,873.9 million or 99.1% of funding provided by Private Sector was performed through households out-of-pocket payments (AMD 25,558.2 million or 96.4% in 2012; AMD 9,944.6 million or 100% in 2011; AMD 16,604.2 million or 97.7% in 2010; AMD 14,958.8 million or 96.7% in 2009), AMD 194.5 million was provided through payments of private insurance companies. In 2010, AMD 275.1 million (AMD 477.3 million or 3.1% in 2009; AMD 433.1 million in 2008; AMD 712.3 million in 2007) was funded by non-commercial companies and AMD 109.5 million (AMD 27.7 million in 2009) by private/public partnership organizations.

External sector or the **Rest of the World** has financed AMD 2,006.3 million or 4.6% of the overall funding (AMD 3,478.8 million or 7.1% in 2012; AMD 105.1 million or 0.3% in 2011; AMD 749.1 million or 2% in 2010; AMD 124.6 million or 0.2% in 2009).

The picture of services provided by the main subgroups of ambulatory health care service providers and the relevant financing is presented below.

In 2013, funding of Public Sector sub-agents by providers was allocated by the following proportions:

HP 3.1 Offices of physicians

In 2013, services provided by the Offices of physicians amounted to AMD 5,504.3 million or 12.5% of the overall funding (AMD 5,070.3 million or 10.4% in 2012; AMD

4,521.5 million or 14.6% in 2011; AMD 5,223.2 million or 13.8% in 2010; AMD 3,588.9 million or 10.9% in 2009).

Financing by **Public Sector** agent amounted to AMD 4,497.4 million (AMD 4,480.0 million in 2012; AMD 4,196.3 million in 2011; AMD 4,269.3 million in 2010; AMD 3,557.4 million in 2009) and was implemented by RA Ministry of Health – AMD 4,357.4 million, and RA Ministry of Transport and Communication – AMD 140.0 million.

In 2013, funding provided by the **Private Sector** amounted to AMD 453.9 million through the households out-of-pocket payments. The proportional weight of Private Sector financing in the overall structure of funding is 8.3% (AMD 579.1 million or 1.2% in 2012; AMD 321.9 million or 7.1% in 2011; AMD 678.8 million or 13.0% in 2010; 0 in 2009).

The Rest of the World has contributed AMD 553.1 million or 10.0% of the overall financing (AMD 10.6 million or 0.02% in 2012; AMD 3.2 million or 0.1% in 2011; AMD 275.1 million or 5.3% in 2010; AMD 31.6 million or 0.9% in 2009) through technical assistance and grant programs.

HP 3.2 Offices of dentists

In 2013, provided services amounted to AMD 15,345.4 million or 34.9% of the overall services (AMD 18,050.6 million or 37% in 2012; AMD 3,550.8 million or 11.4% in 2011; AMD 5,884.8 million or 15.5% in 2010; AMD 6,658.4 million or 17.2% in 2009) which was financed in the following way:

Public Sector - AMD 817.5 million or 5.3% (AMD 713.9 million or 4.0% in 2012; AMD 710.2 million or 20.0% in 2011; AMD 863.3 million or 14.7% in 2010; AMD 714.3 million or 13.2% in 2009).

Private Sector - AMD 14,292.3 million or 93.1%, including mainly households out-of-pocket payments (AMD 16,897.0 million or 93.6% in 2012; AMD 2,840.6 million or 80.0% in 2011; AMD 4,837.3 million or 81.4% in 2010; 4,409.6 million or 86.8% in 2009). In 2010, non-commercial organizations funded AMD 67.6 million (AMD 371.7 million in 2009).

The Rest of the World - AMD 235.6 million (AMD 439.7 million in 2012; 0 in 2011; AMD 184.1 million in 2010; AMD 34.5 million in 2009).

HP 3.3 Offices of other health practitioners

In 2013, as in previous 2011-2012, no financing was provided under this group of providers. In 2010, provided services and the volume of implemented financing amounted to AMD 139.2 million, out of which AMD 105.9 was provided by the private sector non-commercial subagent, AMD 32.3 million by the technical assistance of the Rest of the World (29.4 million in 2009).

HP 3.4 Polyclinics

In 2013, the overall volume of provided services and corresponding financing amounted to AMD 15,498.9 million (AMD 15,840.7 million in 2012; AMD 17,306.8 million in 2011; AMD 18,810.8 million in 2010; AMD 18,328.9 million in 2009) or 35.3% of the total financing of the group (32.4% in 2012; 55.7% in 2011; 49.6% in 2010; 55.9% in 2009). The decrease of the financing compared with the previous year was 2.2% (8.5% in 2012; 8.0% in 2011; increase was 2.6% in 2010; 3.5% in 2009).

Services provided by this subgroup of Providers were funded by three sectors, in particular Public financing was AMD 12,249.5 million or 79% of the overall funding (AMD 11,315.7 million or 71.4% in 2012; AMD 14,241.4 million or 82.3% in 2011; AMD 13,372.7 million or 71.1% in 2010; AMD 11,805.7 million or 64.4% in 2009), which was fully provided by the Ministry of Health.

The funding from the Private Sector amounted to AMD 2,049.4 million or 16.7% of the financing of this sub-provider, the volume was reduced by 19.8% compared to the previous year (by 14.8% in 2012; by 41.8% in 2011, and by 20.3% in 2010), while in 2009 the growth was 61.7%.

In 2013 financing from the Rest of the World amounted to AMD 1,200.0 million (AMD 1,968.4 million in 2012; AMD 64.4 million in 2011; AMD 282.3 million in 2010; AMD 50.8 million in 2009).

AMD 13,812.0 million or 89.1% of funding (AMD 14,846.0 million or 93.7% in 2012; AMD 17,297.1 million or 99.9% in 2011; AMD 18,797.9 million or 99.9% in 2010; AMD 18,225.7 million or 99.5% in 2009) was provided to the sub-provider of “All other outpatient multi-specialty and cooperative service centers”, AMD 6,115.4 million or 44.3% of the funding (AMD 7,843.1 million or 49.5% in 2012; AMD 7,931.6 million or 45.9% in 2011; AMD 10,010.8 million or 53.3% in 2010; AMD 11,540.5 million or 63.3% in 2009) was provided to the “Free standing polyclinics” provider, the remaining AMD 7,693.3 million or 55.7% (AMD 7 002.9 million or 44.2% in 2012; AMD 9 365.5 million or 54.1% in 2011; AMD 8,787.1 million or 46.7% in 2010; AMD 6,685.2 million or 36.7% in 2009) was provided to the “Polyclinics within medical centers”.

HP 3.5 Medical and diagnostic laboratories/facilities

In 2013, the overall volume of provided services and corresponding funding amounted to AMD 5,136.7 million or 11.7% of the overall financing of this group of providers (AMD 6,889.2 million or 14.1% in 2012; AMD 2,646.9 million or 15.3% in 2011; AMD 4,529.8 million or 12.0% in 2010; AMD 2,063.5 million or 6.3% in 2009). This subgroup of providers was mainly funded by the Private Sector, including households out-of-pocket payments – AMD 4,726.2 million (AMD 5,516.0 million in 2012; AMD 2,569.5 million in 2011; AMD 4,290.1 million in 2010; AMD 2,055.8 million in 2009). In 2013, the funding from the RA Ministry of Health was AMD 410.5 million, and in 2012 AMD 474.4 million and from the Rest of the World – AMD 589.3 million.

HP 3.6 Providers of home health care services

In 2013 RA Ministry of Labor and Social Affairs provided AMD 257.5 million financing. In 2012 similar to the previous year, no financing was provided under this group of providers. In 2010, financing for this provider amounted to AMD 10.6 million, which was entirely provided by the Private sector agent Non-commercial organizations.

HP 3.9 Other providers of ambulatory health care services

In 2013 provided services amounted to AMD 2,172 million or the 4.9% of the overall financing of this group (AMD 2,986.1 million or the 6.1% in 2012; AMD 3,040.1 million or 9.8% in 2011; AMD 3,433.9 million or 9.1% in 2010; AMD 3,135.6 million or 9.5% in 2009). The funding was provided by three sectors of Agents in the following shares:

Public sector financing amounted to AMD 1,607.8 million (AMD 1,828.5 million in 2012; AMD 1,828.5 million in 2011; AMD 1,407.3 million in 2010; AMD 1,138.9 million in 2009), which, as in 2012, was fully funded by RA Ministry of Health (AMD 1,700.1 million in 2011; AMD 1,221 million in 2010; AMD 987.1 million in 2009), out of which AMD 1,390.4 million (AMD 1,643.3 million in 2012; AMD 1,402 million in 2011; AMD 966.2 million in 2010; AMD 787.7 million in 2009) for Ambulance services, AMD 217,4 million (AMD 211.3 million in 2012; AMD 211.3 million in 2011; AMD 200 million in 2010; AMD 199.4 million in 2009; AMD 193.9 million in 2008; AMD 170.9 million in 2007; AMD 147.2 million in 2006) for providers maintaining Blood and organ banks.

There was no funding provided to this provider by TBD component in 2013, as in previous year, (AMD 128.4 million in 2011; AMD 186.2 million in 2010; AMD 151.7 million in 2009).

Private sector financing amounted to AMD 546.6 million or 25.2% of the overall financing (AMD 660.6 million or 22.1% in 2012; AMD 1,211.6 million or 39.9% in 2011; AMD 2,023.9 million or 58.9% in 2010; AMD 1,996.7 million or 63.7% in 2009).

The Rest of the World financing amounted to AMD 17.6 million (AMD 470.9 million in 2012; 0 in 2011; AMD 2.4 million in 2010; 0 in 2009).

4. The group of Retail sale and other providers of medical goods HP.4

In 2013, the volume of medical goods provided by Retail sale and other providers of medical goods amounted AMD 42,595.1 million (AMD 42,602.6 million in 2012; AMD 39,096.6 million in 2011; AMD 43,277.1 million in 2010; AMD 28,752.8 million in 2009)

out of which AMD 41,119.1 million was financed by the households out-of-pocket payments and AMD 1,476.0 million was provided by RA Ministry of Health.

In 2013, an increase was recorded in the group of Retail sale and other providers of medical goods by 0.02% (a rapid increase of 9.0% in 2012; a decrease of 9.6% in 2011; an increase of 50.6% in 2010; 51.4% in 2009).

5. Provision and administration of public health programs HP.5

Health care services rendered under this group of providers in 2013 have amounted to AMD 3,104.8 million (AMD 5,923.3 million in 2012; AMD 4,402.3 million in 2011; AMD 11,517.2 million in 2010; AMD 5,084.2 million in 2009).

The distribution of provided services by the components of this group is the following:

- AMD 904.3 million was provided for Disease Control (AMD 2,534.3 in 2012; AMD 128.4 million in 2011; AMD 658.5 million in 2010; AMD 1,604.4 million in 2009), including AMD 179.9 million provided for HIV/AIDS prevention and control (AMD 1,083.1 million in 2012; AMD 112.9 million in 2011; AMD 637.4 million in 2010; AMD 112.9 million in 2009);
- AMD 1,951 million was provided for Sanitary epidemiological control (AMD 1,882.9 million in 2012; AMD 2,639.7 million in 2011; AMD 2,714.2 million in 2010; AMD 3,275.7 million in 2009);
- AMD 69.7 million was provided as funding for services provided by “Other (e.g. NGOs) organizations” (AMD 1,506.0 million in 2012; AMD 1,634.2 million in 2011; AMD 8,144.5 million in 2010; AMD 204.1 million in 2009).

In 2013, the financing of this group of providers by Agents has the following distribution:

- AMD 3,015.7 million or 97.1% of the overall financing has been funded by the public sector (AMD 3,764.8 million or 63.6% in 2012; AMD 2,516.7 million or 57.2% in 2011; AMD 6,204.6 million or 53.4% in 2010; AMD 3,388.6 million or 66.6% in

2009) out of which AMD 2,966.0 million was provided by the Ministry of Health and AMD 49.7 million was provided by HF 1.1.1.7 TBD;

- In 2013, no financing was provided by the private sector, as in 2011-2012. In 2010, private sector has provided AMD 1,802.5 million or 15.6% of the overall financing (AMD 1,598.3 million or 31.4% in 2009);

- “The Rest of the World” sector financing amounted to AMD 89.1 million or 2.9% (AMD 2,158.5 million or 36.4% in 2012; AMD 1,885.6 million or 42.8% in 2011; AMD 3,510.1 million or 30.5% in 2010; AMD 97.2 million or 2.0% in 2009).

6. General health administration and insurance HP.6

According to the table data, the overall health management spending in 2013 amounted to AMD 1181 million (AMD 4,976.8 million in 2012; AMD 1,629.2 million in 2011; AMD 2,067.8 million in 2010; AMD 7,839.5 million in 2009), which entirely was provided by RA Ministry of Health (AMD 4,614.6 million in 2012; AMD 7,413.1 million or 94.6% in 2009).

In 2011-2012, no financing was provided from the Private Sector. In 2010, the financing from Private Sector amounted to AMD 72.0 million, including financing from Non-commercial organizations in an amount of AMD 51.5 million, and Private/public partnership organizations – AMD 20.5 million. In 2009, AMD 426.4 million (AMD 309.9 million in 2008; AMD 173.0 million in 2007; AMD 105.1 million in 2006) financing was provided by private insurance companies.

The Rest of the World provided no financing (AMD 362.1 million in 2012; AMD 8,475 million in 2011; AMD 140.2 million in 2010; AMD 123.4 million in 2009).

8. The group of Institutions providing health-related services HP.8

In 2013, provided services amounted to AMD 1,781.3 million (AMD 3,346.1 million in 2012; AMD 1,052.1 million in 2011; AMD 2,488.1 million in 2010; AMD 3,101.4 million in 2009), where the overall funding was provided by the Public Sector (AMD 2,804.2

million or 83.8% in 2012; AMD 1,043.6 million or 99.2% in 2011; AMD 2,471.2 million or 99.3% in 2010; AMD 2,420.7 million or 78.1% in 2009). The Rest of the World didn't provided any funding (AMD 541.9 million in 2012; AMD 8.4 million in 2011; AMD 11.2 million in 2010; AMD 111.0 million in 2009). In 2010 AMD 5.7 million or 0.2% of the overall funding was provided by the Private Sector (AMD 569.8 million or 18.4% in 2009).

9. The Rest of the World HP.9

The volume of provided services and financing amounted to AMD 6,036.3 million (AMD 60.6 million in 2012; AMD 964.8 million in 2011; AMD 26.6 million in 2010; AMD 4,772.5 million in 2009), in which the portion of the "Rest of the World" was AMD 567.6 million (0 in 2010; AMD 176.6 million in 2009).

10. Providers not specified by kind HP.nsk

No funding was provided in 2013 (0 in 2012; AMD 60.7 million in 2011; 0 in 2010, AMD 2,551.6 million in 2009). In 2009, AMD 237.6 million was funded by Public Sector.

After summarizing the data of the NHA "Financing Agents and Providers" account, the following can be stated:

1. The overall financing by the financing agents in 2013 amounted to **AMD 170,327.3 million** (AMD 178,068.2 million in 2012; AMD 141,402 .9 million in 2011; AMD 159,086.9 million in 2010; AMD 145,313.3 million in 2009), including:

1.1 Public sector – **AMD 62,670.4 million** (AMD 67,332.1 million in 2012; AMD 63,200.1 million in 2011; AMD 62,743.9 million in 2010; AMD 62,709 million in 2009);

1.2 Private sector – **AMD 94,646.6 million** (AMD 99,197.8 million in 2012; AMD 67,044.9 million in 2011; AMD 91,373.6 million in 2010; AMD 79,666.0 million in 2009);

1.3 The Rest of the World – **AMD 13,010.3 million** (AMD 11,538.3 million in 2012; AMD 11,157.9 million in 2011; AMD 4,969.4 million in 2010; AMD 2,938.3 million in 2009).

2. The overall volume of services provided by the Providers in 2013 amounted to **AMD 170,327.3 million** (AMD 178,068.2 million in 2012; AMD 141,402.9 million in 2011; AMD 159,086.9 million in 2010; AMD 145,313.3 million in 2009), including:

2.1 **Hospitals group – AMD 70,264.5 million** (AMD 70,489.9 million in 2012; AMD 54,618.2 million in 2011; AMD 60,450.1 million in 2010; AMD 59,060.9 million in 2009), of which:

- *Multi-profile hospitals* – **AMD 47,106.5 million** (AMD 52,215.9 million in 2012; AMD 37,066.22 million in 2011; AMD 41,908.8 million in 2010; AMD 43,358.3 million in 2009);

- *Mental health and substance hospitals* – **AMD 2,475.6 million** (AMD 2,385.6 million in 2012; AMD 2,392.1 million in 2011; AMD 2,067.9 million in 2010; AMD 2,212.6 million in 2009);

- *Specialized hospitals* – **AMD 18,709.3 million** (AMD 16,992.4 million in 2012; AMD 12,896.3 million in 2011; AMD 13,795.5 million in 2010; AMD 11,317.9 million in 2009);

- *Non-allopathic providers* – **AMD 669.9 million** (AMD 782.7 million in 2012; AMD 520.1 million in 2011; AMD 868.4 million in 2010; AMD 1,226.5 million in 2009);

- *Sanatoriums* – **AMD 1,302.8 million** (AMD 1,868.3 million in 2012; AMD 701.5 million in 2011; AMD 1,189.4 million in 2010; AMD 945.5 million in 2009);

2.2 **Nursing and residential care facilities – AMD 1,449.4 million** (AMD 1,832.3 million in 2012; 0 in 2011; AMD 1,376.7 million in 2010; AMD 1,345.3 million in 2009);

- 2.3 Providers of ambulatory health care – AMD 43,914.9 million** (AMD 48,836.8 million in 2012; AMD 31,066.1 million in 2011; AMD 37,883.4 million in 2010; AMD 32,804.8 million in 2009);
- 2.4 Retail sale and other providers of medical goods – AMD 42,595.1 million** (AMD 42,602.6 million in 2012; AMD 39,096.7 million in 2011; AMD 43,277.1 million in 2010; AMD 28,752.8 million in 2009);
- 2.5 Provision and administration of public health programs – AMD 3,104.8 million** (AMD 5,923.3 million in 2012; AMD 4,402.3 million in 2011; AMD 11,517.2 million in 2010; AMD 5,084.2 million in 2009);
- 2.6 General health administration and insurance – AMD 1,181 million** (AMD 4,976.7 million in 2012; AMD 10,104.2 million in 2011; AMD 2,067.8 million in 2010; AMD 7,839.6 million in 2009);
- 2.7 All other industries (rest of the economy) – 0** (AMD 0 in 2012; AMD 37.8 million in 2011; 0 in 2010; 0 in 2009);
- 2.8 Institutions providing health-related services – AMD 1,781.3 million** (AMD 3,346.0 million in 2012; AMD 8.4 million in 2011; AMD 2,488.1 million in 2010; AMD 3,101.5 million in 2009);
- 2.9 The Rest of the World – AMD 6,036.3 million** (AMD 60.6 million in 2012; AMD 964.8 million in 2011; AMD 26.6 million in 2010; AMD 4,772.5 million in 2009);
- 2.10 Providers not specified by kind – 0** (AMD 0 in 2012; AMD 60.7 million in 2011; 0 in 2010; AMD 2,551.7 million in 2009).

4.1.3. Financing Agents and Functions (FAx_F) Account

1. Services of curative care HC.1

Based on the FAx_F account data, the total value of services provided under the health care functions in 2013 amounted to AMD 93,020.5 million (AMD 88,317.9 million in 2012; AMD 61,563.5 million in 2011; AMD 70,475.3 million in 2010; AMD 73,524.9 million in 2009), which compared with the indicator of the previous year was increased by 5.3% (in 2012 the financing was increased by 51.7%, in 2011 the financing was reduced by 12.6%, by 4.1% in 2010, and by 5.7% in 2009).

Public Sector has provided to the Services of curative care AMD 43,398.4 million or 46.7% (AMD 41,028.5 million or 46.5% in 2012; AMD 38,406.4 million or 62.4% in 2011; AMD 33,393.9 million or 47.4% in 2010; AMD 32,815.6 million or 44.6% in 2009).

Private Sector funded AMD 44,020.1 million or 47.3% of the overall funding (AMD 46,250.7 million or 52.4% in 2012; AMD 22,458.2 million or 36.5% in 2011; AMD 36,616.8 million or 51.9% in 2010; AMD 40,643.3 million or 55.3% in 2009), which compared with the indicator of the previous year has decreased by 4.8% (compared with the indicator of the previous year has increased 2.3 times in 2012; and was reduced by 38.7% in 2011; reduced by 9.9% in 2010; reduced by 6.7% in 2009).

The Private Sector funding distribution is the following: households out-of-pocket payments in the amount of AMD 39,175.7 million or 89% of the overall funding of this group of agents (AMD 44,906.8 million or 91.7% in 2012; AMD 21,416.3 million or 95.4% in 2011; AMD 35,758.1 million or 97.6% in 2010; AMD 39,858.6 million or 98.1% in 2009), non-governmental/private insurance companies funded AMD 4,789.2 million (AMD 1,343.9 million in 2012; AMD 1,042.0 million in 2011; AMD 620.1 million in 2010; AMD 426.5 million in 2009), non-commercial organizations financed AMD 55.2 million (AMD 60.5 million in 2012; 0 in 2011; AMD 170.6 million in 2010; AMD 358.2 million in 2009) and no financing was provided by private enterprises (0 in 2012; 0 in 2011; AMD 67.9 million in 2010; 0 in 2009).

Funding from the Rest of the World formed the 6.0% of the overall financing of the Services of curative care or AMD 5,602 million (1.1% or AMD 1,038.7 million in 2012; 1.1% or AMD 698.9 million in 2011; 0.6% or AMD 464.6 million in 2010; AMD 66.1 million or 0.1% in 2009), which in 2013 has increased almost 84.8 times in comparison with the decrease of 2009.

Out of total expenditure within “Services of curative care” functions group, AMD 62,618.9 million or 67.3% are the payments for **Inpatient curative care** HC1.1 (AMD 61,642.4 million or 66.0% in 2012; AMD 41,096.8 million or 66.8% in 2011; AMD 46,425.8 million or 65.9% in 2010; AMD 51,070.6 million or 69.5% in 2009).

The funding was disaggregated by Financing Agents in the following way:

- Public Sector funding – AMD 30,597.2 million or 48.9% of the overall funding (AMD 29,793.9 million or 48.3% in 2012; AMD 26,344.8 million or 64.1% in 2011; AMD 21,583 million or 46.5% in 2010; AMD 22,613.5 million or 44.3% in 2009);
- Private Sector funding – AMD 27,109.0 million or 43.3% of the overall funding (AMD 31,163.4% or 50.6% in 2012; AMD 14,652.5% or 35.7% in 2011; AMD 24,593.0 million or 52.9% in 2010; AMD 28,457 million or 55.7% in 2009);
- “Rest of the Word” funding – AMD 4,912.7 million or 7.8 % (AMD 685.1 million or 1.1 % in 2012; 0 in 2011; AMD 249.7 million or 0.5% in 2010; 0 in 2009).

93.6% of funding provided by Public Sector agents to functions of “Services of curative care” was provided through RA Ministry of Health, which is distributed in the following proportions:

- HC1 Services of curative care - AMD 43,398.4 million, including
 - HC1.1 Inpatient curative care- AMD 30,597.1 of which
 - HC1.1.1 Specialized curative care AMD 12,770.2 million, of which AMD 2,218.9 million to Mental care and narcological services, AMD 2,012.5 million for TB services, AMD 1,117.2 million for Oncology services; AMD 6,913.9 million for Obstetrician services and AMD 504.9 million for HIV/AIDS services.

- HC1.1.2 Other inpatient curative care – AMD 17,826.9 million (AMD 17,648.9 million in 2012; AMD 15,043.6 million in 2011; AMD 10,471.5 million in 2010; AMD 12 243.1 million in 2009);
- HC 1.2 Day cases of curative care - no funding was provided;
- HC1.3 Outpatient curative care – AMD 12,801.2 million including Primary PHC/Basic medical and diagnostic services – AMD 6,860.0 million, Outpatient dental care – AMD 817.5 million, All other specialized medical services – AMD 3,253.6 million, All other outpatient curative care – AMD 1,870.1 million.

The amount of payments for medical services HC1 was AMD 39,175.7 million from households out-of-pocket payments; AMD 4,789.2 million from private insurance companies; AMD 55.2 million from non-commercial organizations; no financing was provided from insurance programs by private enterprises.

The households out-of-pocket payments by functions have the following distribution:

- HC1 Services of curative care – AMD 39,175.7 million, including:
 - HC1.1 Inpatient curative care – AMD 22,454.3 million, from which:
 - HC1.1.1 Specialized curative care – AMD 4,284.7 million, from which AMD 2,262.8 million for Oncology services, and AMD 2,261.0 million for Obstetrician services;
 - HC1.1.2 Other inpatient curative care – AMD 18,169.6 million (AMD 20,779.7 million in 2012; AMD 13,288.9 million in 2011; AMD 17,887.7 million in 2010; AMD 20,546.9 million in 2009).
 - HC1.3 Outpatient curative care – AMD 16,721.3 million, from which Primary PHC/Basic medical and diagnostic services – AMD 2,380.3 million, Outpatient dental care – AMD 14,065.7 million, All other specialized medical services – AMD 131.9 million, All other outpatient curative care – AMD 143.5 million;
 - HC 1.4 Services of curative home care - no financing was provided.

The financing from the “Rest of the World” by function HC1 Services of curative care was AMD 5,602.0 million.

Financing by functions of HC1 Services of curative care received from all financial agents is distributed in the following proportions:

- HC1 Services of curative care – AMD 93,020.5 million, out of which:
 - HC1.1 Inpatient curative care – AMD 62,618.9 million, out of which
 - HC1.1.1 Specialized curative care – AMD 21,909.5 million (AMD 18,254.2 million in 2012; AMD 12,705.0 million in 2011; AMD 18,066.5 million in 2010; AMD 17,854.2 million in 2009), including Mental care and narcological services – AMD 2,218.9 million (AMD 2,087.4 million in 2012; AMD 1,856 million in 2011; AMD 1,689.8 million in 2010; AMD 1,764.5 million in 2009), TB services – AMD 3,484.3 million (AMD 1,673.2 million in 2012; AMD 1,298.1 million in 2011; AMD 2,681.0 million in 2010; AMD 1,588.7 million in 2009), Oncology services – AMD 3,391.5 million (AMD 4,028.4 million in 2012; AMD 1,904.1 million in 2011; AMD 2,520 million in 2010; AMD 713.5 million in 2009), Obstetrician services – AMD 10,214.8 million (AMD 9,389.8 million in 2012; AMD 7,461.0 million in 2011; AMD 7,228.8 million in 2010; AMD 7,148.7 million in 2009) and HIV/AIDS services – AMD 2,783.8 million (AMD 1,075.4 million in 2012; AMD 185.9 million in 2011; AMD 218.9 million in 2010; AMD 84.6 million in 2009);
 - HC 1.1.2 Other inpatient curative care - AMD 40,709.4 million.
 - HC 1.2 Day cases of curative care - no funding was provided.
 - HC1.3 Outpatient curative care – AMD 30,401.5 million, including Primary PHC/Basic medical and diagnostic services – AMD 9,240.4 million, Outpatient dental care – AMD 15,308.5 million, All other specialized medical services – AMD 3,839.1 million, All other outpatient curative care - AMD 2,013.5 million.
 - HC1.4 Services of curative home care - no financing was provided.

2. Services of rehabilitative care HC.2

The implementation of functions under this group in 2013 resulted in provision of services for AMD 1,687.2 million or 1.8% of the total of all functions (AMD 2,266.4 million or 2.4% in 2012; AMD 1,234.6 million or 2.0% in 2011; AMD 1,728.0 million or 1.1% in 2010; AMD 1,471.2 million or 2.0% in 2009), including AMD 574.0 million or 34.0% financed by the public sector (AMD 969.5 million or 42.8% in 2012; AMD 742.7 million or 60.2% in 2011; AMD 906.7 million or 52.5% in 2010; AMD 678.6 or 46.1% in 2009), of which AMD 561.5 million was financed by RA Ministry of Health (AMD 569.5 million in 2012; AMD 561.5 million in 2011; AMD 772.8 million in 2010; AMD 569 million in 2009). Unlike previous years the Ministry of Labor and Social Issues hasn't provided any funding (0 in 2012; AMD 181.2 million in 2011; AMD 133.9 million in 2010; AMD 109.6 million in 2009).

Financing by Private Sector amounted to AMD 1,093.2 million or 64.7% of the overall funding, which was mainly financed by the households (AMD 1,277.4 million or 56.4% in 2012; AMD 491.9 million or 39.8% in 2011; AMD 821.3 million or 47.5% in 2010; AMD 792.5 million or 53.9% in 2009). The overall volume of households out-of-pocket payments is provided to the Inpatient rehabilitative care sub-function.

Financing implemented by the Ministry of Health per component of this group functions has been entirely allocated to Inpatient rehabilitative care - AMD 561.5 million (AMD 969.5 million in 2012; AMD 561.5 million in 2011; AMD 755.5 million in 2010; AMD 529.7 million in 2009). In 2010, Day cases of rehabilitative care was also funded by AMD 17.3 million (AMD 39.3 million in 2009).

3. Services of long-term nursing care HC. 3

In 2013, as in previous 2011-2012, no financing was provided to these services. In 2010 the funding amounted to AMD 11.8 million, of which AMD 4.4 million was provided by the Ministry of Health, AMD 2.5 million- from Private Sector (AMD 1.8 million by non-commercial organizations and AMD 0.7 million by private/public partnership

organizations), AMD 4.9 million was provided as grants and technical assistance from the Rest of the World.

4. Ancillary services to medical care HC. 4

The volume of services provided under this functional group in 2013 amounted to AMD 15,776.6 million (AMD 18,125.2 million in 2012; AMD 10,483.4 million in 2011; AMD 11,946.4 million in 2010; AMD 9,949.1 million in 2009).

The functions were funded by *Public Sector* in an amount of AMD 8,019.4 million (AMD 8,266.1 million in 2012; AMD 6,388.2 million in 2011; AMD 5,122.0 million in 2010; AMD 4,926.1 million in 2009), by *Private Sector* - AMD 7,351.1 million (AMD 9,079.5 million in 2012; AMD 4,084.5 million in 2011; AMD 6,821.3 million in 2010; AMD 5,015.3 million in 2009) and AMD 406.0 million (AMD 779.7 million in 2012; AMD 10.8 million in 2011; AMD 2.2 million in 2010; AMD 7.8 million in 2009) by the *Rest of the World*.

The funding of this group subcomponents has been distributed as follows:

- 4.1 The overall funding of functions performed by **Clinical laboratories** amounted to AMD 2,931.2 million (AMD 3,603.8 million in 2012; AMD 1,316.6 million in 2011; AMD 2,198.3 million in 2010; AMD 1,420.3 million in 2009), out of which AMD 2,910.5 million or 99.0% was implemented by the households out-of-pocket payments.

- 4.2 The overall funding of **Diagnostic services** amounted to AMD 6,720.2 million or 42.6% (AMD 7,487.2 million or 41.3% in 2012; AMD 5,056.5 million in 2011; AMD 6,177.4 million or 51.7% in 2010; AMD 4,989.7 million or 50.2% in 2009).

AMD 3,164.4 million of the overall financing allocated for this sub-function (AMD 3,047.5 million in 2012; AMD 3,207.9 million AMD 3,086.2 million or 49.9% in 2010; AMD 3,251.1 million or 65.2% in 2009) was provided by Public Sector. Private sector provided financing of AMD 3,555.8 million which entirely consisted of the households out-of-pocket payments (AMD 4,439.8 million in 2012; AMD 1,848.6 million in 2011; AMD 3,086.6 million in 2010; AMD 1,730.8 million in 2009). There was no financing provided by the

Rest of the World in 2013 (0 in 2012; 0 in 2011; AMD 6.6 million in 2010; AMD 7.7million in 2009; AMD 23.3 million in 2008).

- 4.3 Funding for functions of **Emergency care and transportation of patients** – AMD 3,184.4 million (AMD 3,533.1 million in 2012; AMD 3,368.2 million in 2011; AMD 2,122.4 million in 2010; AMD 2,113.2 million in 2009); including AMD 2,969.5 million (AMD 3,259.9 million in 2012; AMD 2,969 million in 2011; AMD 1,456.0 million in 2010; AMD 1,475.5 million in 2009) provided by the Public Sector, and the remaining AMD 215.0 million (AMD 273.2 million in 2012; AMD 399.2 million in 2011; AMD 666.5 million in 2010; AMD 637.7 million in 2009) were the households out-of-pocket payments.

- 4.9 Financing of **All other miscellaneous ancillary services** – AMD 2,940.7 million (AMD 3,501.1 million in 2012; AMD 742.2 million in 2011; AMD 1,448.3 million in 2010; AMD 1,425.9 million in 2009), including AMD 1,864.9 million (AMD 1,938.7 million in 2012; AMD 211.3 million in 2011; AMD 579.9 million in 2010; AMD 199.4 million in 2009) provided by the Public Sector and AMD 669.9 million (AMD 782.7 million in 2012; AMD 520.1 million in 2011; AMD 868.4 million in 2010; AMD 1,226.5 million in 2009) were provided as the households out-of-pocket payments, and AMD 406.0 million was provided by the Rest of the World.

5. Medical goods dispensed to outpatients HC. 5

In 2013, services provided under functions included in this group amounted to AMD 48,360.2 million or 52.0% of overall funding for all functions (AMD 54,598.5 million or 58.5% in 2012; AMD 52,857.1 million or 37.4% in 2011; AMD 58,191.1 million or 36.6% in 2010; AMD 33,129.1 million or 22.8% in 2009) the decrease compared with the preceding year was 11.4% (3.3% growth in 2012; 9.2% decrease in 2011; 75.6% growth in 2010; 37.3% growth in 2009).

Distribution of the total funding for provided services by agents is the following:

The financing provided by **Public Sector** amounted to AMD 7,181.2 million or 14.8% of the overall funding of this group (AMD 7,077.3 million or 13% in 2012; AMD 6,244.8 million or 11.8% in 2011; AMD 9,220.2 million or 15.8% in 2010; AMD 4,376.0

million or 13.2% in 2009). In Public Sector AMD 5,318.9 million or 74.1% of the overall public funding is provided by the RA Ministry of Health (AMD 5,989.4 million or 84.6% in 2012; AMD 5,169.8 million or 84.3% in 2011; AMD 8,028.2 million or 87% in 2010; AMD 3,286.8 million or 75.1% in 2009), AMD 939.9 million or 13.1% of overall public funding (AMD 986.9 million or 13.9% in 2012; AMD 964.8 million or 15.7% in 2011; AMD 1,090.4 million or 13.5% in 2010; AMD 987.6 million or 22.6% in 2009) was provided by RA Ministry of Labor and Social Affairs. Financing provided by RA National Security Service and RA Police amounted to AMD 599.3 million and AMD 60.2 million, respectively (AMD 27.7 million and AMD 73.4 million in 2012; AMD 27.9 million and AMD 82.2 million in 2011; AMD 27.9 and 73.7 million in 2009-2010), and AMD 263.0 million financing was provided by RA Ministry of Defense.

Public funding of this group functions has been implemented for the components of Pharmaceuticals and other medical nondurables in an amount of AMD 5,169.3 for the function of Prescribed medicines, AMD 2,071.8 million for Therapeutic appliances and other medical durables, out of which AMD 81.8 million for Orthopedic appliances and other prosthetics, AMD 81.6 million for Hearing aids, AMD 858.2 million Medical technical equipment and AMD 1,050.2 million for All other miscellaneous medical goods.

Private Sector funding was AMD 41,119.1 million, which was entirely funded by the household subgroup (AMD 41,348.1 million in 2012; AMD 39,096.7 million in 2011; AMD 45,208.9 million in 2010; AMD 28,752.8 million in 2009).

Funding provided by the **Rest of the World** amounted to AMD 60.0 million (AMD 6,173.0 million in 2012; AMD 7,515.6 million in 2011; AMD 3,762.0 million in 2010; AMD 0.6 million in 2009).

6. Prevention and public health services HC. 6

Services provided under the functions of this group in 2013 amounted to AMD 8,610.9 million (AMD 6,079.4 million in 2012; AMD 5,608.8 million in 2011; AMD 5,738 million in 2010; AMD 6,762.8 million in 2009), where the share of Public Sector financing was AMD 6,250.8 million or 72.6% of the overall financing (AMD 3,806.2 million or 62.6%

in 2012; 4,301.4 million or 76.7% in 2011; AMD 4,212.6 million or 73.4% in 2010; AMD 4,175.7 million or 61.7% in 2009), including AMD 6,201.1 million funded by the Ministry of Health (AMD 3,706.2 million in 2012; AMD 4,073.1 million in 2011; AMD 4,092.6 million in 2010; 4,088.7 million in 2009, and AMD 128.4 million in 2011 funded by the Ministry of Transport and Communication; AMD 120.0 million in 2010; AMD 87.0 million in 2009), and provided TBD financing - AMD 49.7 million.

Private Sector financing amounted to AMD 1,063.0 million or 12.3% (AMD 1,242.1 million or 20.4% in 2012; AMD 913.6 million or 16.3% in 2011; AMD 1,525.4 million or 26.6% in 2010) of the overall funding and was totally financed by the households. In 2009, the financing amounted to AMD 2,356.1 million or 34.8%, out of which AMD 1,382.3 million were the households out-of-pocket payments, and AMD 973.8 million funding provided by non-commercial organizations.

Financing provided by the Rest of the World sector in this field of activity amounted to AMD 1,297.1 million or 15.1% (AMD 1,031.1 million or 17% in 2012; AMD 393.8 million or 7.0% in 2011; 0 in 2010; AMD 231.0 million or 3.5% in 2009):

Funding of functions and distribution of provided services per subcomponent is the following:

6.1 Maternal and child health: RA Ministry of Health – AMD 1,349.3 million (AMD 1,254.9 million in 2012; AMD 1,237.3 million in 2011; AMD 1,105.8 million in 2010; AMD 1,040.2 million in 2009), Private Sector - households out-of-pocket payments AMD 1,063 million (AMD 1,242.1 million in 2012; AMD 913.6 million in 2011; AMD 1,525.4 million in 2010; AMD 1,382.3 million in 2009), and the Rest of the World – AMD 1,221.8 million (AMD 252.0 million in 2012; AMD 57.9 million in 2011, 0 in 2010; AMD 42.0 million in 2009).

6.2 Health care services at schools: RA Ministry of Health – AMD 419.0 million (AMD 450.6 million in 2012; AMD 419.0 million in 2011; AMD 410.4 million in 2010; AMD 393.4 million in 2009).

6.3 Prevention of communicable diseases: RA Ministry of Health – AMD 1,115.9 million (AMD 884.9 million in 2012; AMD 2,416.8 million in 2011; AMD 2,576.4 million in

2010; AMD 2,655.0 million in 2009), the Rest of the World – no funding was provided (AMD 559.2 million in 2012; AMD 335.9 million in 2011; AMD 1,132.7 million in 2010; AMD 114.2 million in 2009).

6.4 Prevention of non-communicable diseases: no financing was provided by the Ministry of Health (0 in 2012; 0 in 2011; 0 in 2010; 0 in 2009)

6.5 Health maintenance in industry: no funding was provided (0 in 2012; RA Ministry of Transport and Communication provided AMD 128.4 million in 2011; AMD 120.0 million in 2010; AMD 87.0 million in 2009).

6.9 Other public health services: Public other funding – AMD 3,366.6 million (AMD 1,070.9 million in 2012; AMD 99.9 million in 2011; 0 in 2010), TBD - AMD 49.7 million, the Rest of the World- AMD 75.3 million (AMD 8.6 million in 2012).

7. Health administration and health insurance HC. 7

The volume of services provided under the functions included in this group and its funding amounted to AMD 1,230.6 million (AMD 806.4 million in 2012; AMD 2,958.5 million in 2011; AMD 2,293.5 million in 2010; AMD 1,225.8 million in 2009), where the overall funding (AMD 1,444.3 million or 80.0% in 2012; AMD 2,532.2 million or 85.6% in 2011; AMD 2,047.2 million or 89.2% in 2010; AMD 1,213.9 million or 99% in 2009) was provided by the Public Sector (RA Ministry of Health) and was directed to General government administration of health function.

In 2013, no financing was provided from Private Sector agent. In 2013, no financing (AMD 362.1 million in 2012; AMD 426.3 million in 2011; AMD 162.7 million in 2010; AMD 11.9 million in 2009) was provided by the Rest of the World for the above mentioned function.

8. Other health expenditure not classified by kind HC.nsk

In 2013, as well as in 2011-2012, no financing was provided under this group of providers. The volume of services related to functions of this group in 2010 amounted to

AMD 1,360.2 million (AMD 415.7 million in 2009), which was financed by Public sector - the Ministry of Labor and Social Affairs. In 2009, the main part of the financing was provided by the Ministry of Health - AMD 379.5 million.

9. Health related functions HC.R.1-5

Capital formation for facilities providing health services HC.R.1

The volume of services related to the functions in this group in 2013 amounted to AMD 1,641.2 million (AMD 6,813.8 million in 2012; AMD 6,696.9 million in 2011; AMD 7,342.6 million in 2010; AMD 16,987.7 million in 2009) and the volume has decreased by 75.9% compared with the previous year.

The funding by agents is the following: AMD 1,484.7 million or 90.5% of the total funding (AMD 4,740.2 million or 69.6% in 2012; AMD 4,584.4 million or 68.5% in 2011; AMD 6,476.7 million or 88.2% in 2010; AMD 12,318.4 million or 72.5% in 2009) has been financed by the **Public Sector**, including the Ministry of Health funding of AMD 1,484.7 million (AMD 3,798.4 million in 2012; AMD 5,075.8 million in 2011; AMD 11,052.9 million in 2009), no funding was provided by the Ministry of Labor and Social Affairs (0 in 2012; 0 in 2011; 0 in 2010; AMD 25.5 million in 2009); there was no funding from the Ministry of Education and Science (AMD 941.8 million in 2012; AMD 1,043.6 million in 2011; AMD 935.8 million in 2010; AMD 659.7 million in 2009).

In 2013, as well as in 2011-2012, no financing was provided by **Private Sector**. In 2010 financing by Private Sector amounted to AMD 293.8 million or 4.0% of the total (AMD 2,069.9 million or 12.2% in 2009).

Financing by the **Rest of the World** was implemented in the amount of AMD 156.5 million (AMD 2,073.6 million in 2012; AMD 2,112.5 million in 2011; AMD 572.1 million in 2010; AMD 2,599.7 million in 2009).

In 2013, in this group of functions no financing was allocated to **Capital formation for facilities providing health services HC.R.1** (AMD 3,044.7 million or 44.7% in 2012;

AMD 5,589.8 million or 83.5% in 2011; AMD 6,119.1 million or 83.3% in 2010; AMD 16,023.5 million or 94.3% in 2009)

In 2013, there was no financing provided by Private Sector (0 in 2012; 0 in 2011; AMD 253.8 million or 4.1% in 2010; AMD 2,054.4 million or 12.2% in 2009).

Funding from the Rest of the World amounted to AMD 156.5 million (AMD 502.8 million in 2012; AMD 2,049.0 million in 2011; AMD 494.2 million in 2010; AMD 2,310.4 million in 2009).

The funding for the function of **Education and Training of Health care personnel HC.R.2** amounted to AMD 378.0 million (AMD 1,803.1 million in 2012; AMD 1,098.7 million in 2011; AMD 1,108.1 million in 2010; AMD 756.6 million in 2009), out of which AMD 275.9 million was provided by the Ministry Health, the Rest of the World provided AMD 102.2 million (AMD 479.5 million in 2012; AMD 55.1 million in 2011; AMD 63.1 million in 2010; AMD 96.9 million in 2009), and no financing was provided by RA Ministry of Education and Science (AMD 941.8 million in 2012; AMD 935.8 million in 2010; AMD 659.7 million in 2009).

The funding for the function of **Research and development in health HC.R.3** amounted to AMD 1,625.8 million, out of which the Rest of the World provided AMD 54.3 million (AMD 1,351.3 million in 2012; AMD 8.4 million in 2011; AMD 115.4 million in 2010; AMD 207.6 million in 2009), the Ministry of Health provided AMD 571.0 million (AMD 260.1 million in 2012; AMD 93.1 million in 2011), AMD 8.0 million (AMD 15.2 million in 2009) by private sector non-commercial organizations and private enterprises, and AMD 14.8 million (AMD 192.4 million in 2009) by the agent the Rest of the World.

10. Expenditure not classified by kind HC.R nsk

In 2013, no financing was provided for expenditure not classified by kind (AMD 60.6 million in 2012; 0 in 2011; 0 in 2010; AMD 1,550.9 million in 2009). In 2009, financing was entirely provided by Public Sector, including the Ministry of Health in an amount of AMD 227.1 million and the Ministry of Labor and Social Affairs in an amount of AMD 1,323.8 million.

After summarizing the data of the Financial Agents and Functions Account of the National Health Accounts, the following could be stated:

1. The overall funding by the financial agents in 2013 amounted to **AMD 170,327.3 million** (AMD 178,068.2 million in 2012; AMD 141,402.9 million in 2011; AMD 159,086.9 million in 2010; AMD 145,313.3 million in 2009), including:

1.1 Public sector – **AMD 62,670.4 million** (AMD 67,332.1 million in 2012; AMD 63,200.1 million in 2011; AMD 62,743.9 million in 2010; AMD 62,709 million in 2009);

1.2 Private sector – **AMD 94,646.6 million** (AMD 99,197.8 million in 2012; AMD 67,044.9 million in 2011; AMD 91,373.6 million in 2010; AMD 79,666 million in 2009);

1.3 Rest of the World – **AMD 13,010.3 million** (AMD 11,538.3 million in 2012; AMD 11,157.9 million in 2011; AMD 4,969.4 million in 2010; AMD 2,938.3 million in 2009).

2. The overall volume of implemented functions in 2013 amounted to **AMD 170,327.3 million** (AMD 178,068.2 million in 2012; AMD 141,402.9 million in 2011; AMD 159,086.9 million in 2010; AMD 145,313.3 million in 2009), out of which:

2.1 **Services of curative care** – **AMD 93,020.5 million** (AMD 88,317.9 million in 2012; AMD 61,563.5 million in 2011; AMD 70,475.3 million in 2010; AMD 73,524.9 million in 2009);

2.2 **Services of rehabilitative care** – **AMD 1,687.2 million** (AMD 2,266.4 million in 2012; AMD 1,234.6 million in 2011; AMD 1,728 million in 2010; AMD 1,471.2 million in 2009);

2.3 **Services of long-term nursing care** – **0** (0 in 2012; 0 in 2011; AMD 11.8 million in 2010; AMD 296 million in 2009);

- 2.4 Ancillary services to medical care – AMD 15,776.6 million** (AMD 18,125.2 million in 2012; AMD 10,483.4 million in 2011; AMD 11,946.4 million in 2010; AMD 9,949.1 million in 2009);
- 2.5 Medical goods dispensed to outpatients – AMD 48,360.2 million** (AMD 54,598.5 million in 2012; AMD 53,801.1 million in 2011; AMD 58,191.1 million in 2010; AMD 33,129.1 million in 2009);
- 2.6 Prevention and public health services – AMD 8,610.9 million** (AMD 6,079.4 million in 2012; AMD 5,608.8 million in 2011; AMD 5,738 million in 2010; AMD 6,762.8 million in 2009);
- 2.7 Health administration and health insurance – AMD 1,230.6 million** (AMD 1,806.4 million in 2012; AMD 2,958.5 million in 2011; AMD 2,293.5 million in 2010; AMD 1,225.8 million in 2009);
- 2.8 Other health expenditure not classified by kind – 0** (0 in 2012; 0 in 2011; AMD 1,360.2 million in 2010; AMD 415.7 million in 2009);
- 2.9 Health related functions HCR 1-5 – AMD 1,641.2 million** (AMD 6,813.8 million in 2012; AMD 6,696.9 million in 2011; AMD 7,342.6 million in 2010; AMD 16,987.8 million in 2009);
- 2.9.1. *Capital formation of the health service provider institutions* – 0 (AMD 3,044.7 million in 2012; AMD 5,589.8 million in 2011; AMD 6,119.1 million in 2010; AMD 16,023.5 million in 2009);
- 2.9.2. *Personnel education and training* – AMD 378 million (AMD 1,803.1 million in 2012; AMD 1,098.7 million in 2011; AMD 1,108.1 million in 2010; AMD 756.6 million in 2009);
- 2.9.3. *Research and development in health* – AMD 625.8 million (AMD 1,351.3 million in 2012; AMD 8.4 million in 2011; AMD 115.4 million in 2010; AMD 207.6 million in 2009).
- 2.9.4. *Monitoring of food and water quality, as well as hygiene regulations-* AMD 637.4 million (AMD 614.6 million in 2012; no funding in previous years).

2.10 **Expenditure not classified by kind – 0** (AMD 60.6 million in 2012; 0 in 2011; 0 in 2010; AMD 1,550.9 million in 2009).

4.1.4. Providers and Functions (PxF) Account

Observing the data of the NHA Providers and Functions Accounts the following could be stated:

1. The overall services financed by the Financial agents and provided by Providers in 2013 amounted to **AMD 170,327.3 million** (AMD 178,068.2 million in 2012; AMD 141,402.9 million in 2011; AMD 159,086.9 million in 2010; AMD 145,313.3 million in 2009), including:

1.1 **Hospitals group – AMD 70,264.5 million** (AMD 70,489.9 million in 2012; AMD 54,618.2 million in 2011; AMD 60,450.1 million in 2010; AMD 59,060.9 million in 2009), of which:

- *Multi-profile hospitals – AMD 47,106.5 million* (AMD 52,215.9 million in 2012; AMD 37,066.2 million in 2011; AMD 41,908.8 million in 2010; AMD 43,358.3 million in 2009);

- *Mental health and substance hospitals – AMD 2,476 million* (AMD 2,385.6 million in 2012; AMD 2,392.1 million in 2011; AMD 2,067.9 million in 2010; AMD 2,212.6 million in 2009);

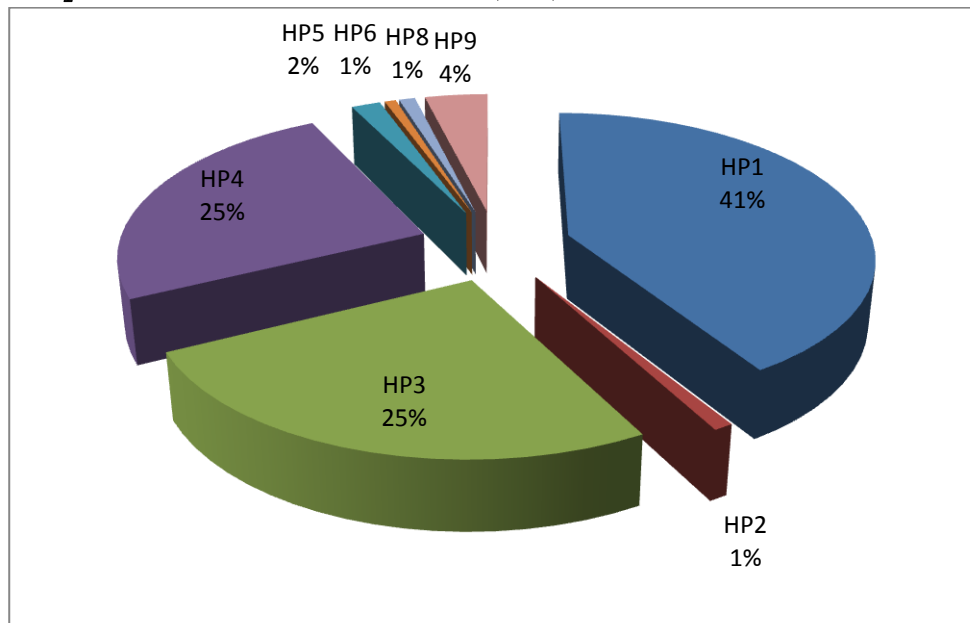
- *Specialized hospitals – AMD 18,709.3 million* (AMD 16,992.4 million in 2012; AMD 12,896.3 million in 2011; AMD 13,795.5 million in 2010; AMD 11,317.9 million in 2009);

- *Non-allopathic providers – AMD 669.9 million* (AMD 782.7 million in 2012; AMD 520.1 million in 2011; AMD 868.4 million in 2010; AMD 1,226.5 million in 2009);

- *Sanatoriums – AMD 1,302.8 million* (AMD 1,868.3 million in 2012; AMD 701.5 million in 2011; AMD 1,189.4 million in 2010; AMD 945.5 million in 2009);

- 1.2 Nursing and residential care facilities – AMD 1,449.4 million** (AMD 1,832.3 million in 2012; 0 in 2011; AMD 1,376.7 million in 2010; AMD 1,345.3 million in 2009);
- 1.3 Providers of ambulatory health care – AMD 43,914.9 million** (AMD 48,836.8 million in 2012; AMD 31,066.1 million in 2011; AMD 37,883.4 million in 2010; AMD 32,804.8 million in 2009);
- 1.4 Retail sale and other providers of medical goods – AMD 42,595.1 million** (AMD 42,602.6 million in 2012; AMD 39,096.7 million in 2011; AMD 43,277.1 million in 2010; AMD 28,752.8 million in 2009);
- 1.5 Provision and administration of public health programs – AMD 3,104.8 million** (AMD 5,923.3 million in 2012; AMD 4,402.3 million in 2011; AMD 11,517.2 million in 2010; AMD 5,084.2 million in 2009);
- 1.6 General health administration and insurance – AMD 1,181 million** (AMD 4,976.7 million in 2012; AMD 10,104.2 million in 2011; AMD 2,067.8 million in 2010; AMD 7,839.6 million in 2009);
- 1.7 All other industries (rest of the economy) – 0** (0 in 2012; AMD 37.8 million in 2011; 0 in 2010; 0 in 2009);
- 1.8 Institutions providing health-related services – AMD 1,781.3 million** (AMD 3,346.0 million in 2012; AMD 8.4 million in 2011; AMD 2,488.1 million in 2010; AMD 3,101.5 million in 2009);
- 1.9 The Rest of the World – AMD 6,036.3 million** (AMD 60.6 million in 2012; AMD 964.8 million in 2011; AMD 26.6 million in 2010; AMD 4,772.5 million in 2009);
- 1.10 Providers not specified by kind – 0** (0 in 2012; AMD 60.7 million in 2011; 0 in 2010; AMD 2,551.7 million in 2009).

Graph 18. Providers and Functions (PxF) Account



Source: NHA data tables

By analyzing the Providers and Functions Account of the National Health Accounts, we observe that the main role or **41.0%** played the **Hospitals**, the second were **Providers of ambulatory health care** with **26.0%**, and the third major provider is **Retail sale and other providers of medical goods** with **25.0%**.

2. The overall volume of implemented functions in 2012 amounted to **AMD 170,327.3 million** (AMD 178,068.2 million in 2012; AMD 141,402.9 million in 2011; AMD 159,086.9 million in 2010; AMD 145,313.3 million in 2009), out of which:

2.1 **Services of curative care – AMD 93,020.5 million** (AMD 93,398.1 million in 2012; AMD 61,563.5 million in 2011; AMD 70,475.3 million in 2010; AMD 73,524.9 million in 2009);

2.2 **Services of rehabilitative care – AMD 1,687.2 million** (AMD 2,266.4 million in 2012; AMD 1,234.6 million in 2011; AMD 1,728 million in 2010; AMD 1,471.2 million in 2009);

2.3 **Services of long-term nursing care – 0** (0 in 2012; 0 in 2011; AMD 11.8 million in 2010; AMD 296 million in 2009);

2.4 Ancillary services to medical care – AMD 15,776.6 million (AMD 18,125.2 million in 2012; AMD 10,483.4 million in 2011; AMD 11,946.4 million in 2010; AMD 9,949.1 million in 2009);

2.5 Medical goods dispensed to outpatients – AMD 48,360.2 million (AMD 54,598.5 million in 2012; AMD 53,801.1 million in 2011; AMD 58,191.1 million in 2010; AMD 33,129.1 million in 2009);

2.6 Prevention and public health services – AMD 8,610.9 million (AMD 6,079.4 million in 2012; AMD 5,608.8 million in 2011; AMD 5,738 million in 2010; AMD 6,762.8 million in 2009);

2.7 Health administration and health insurance – AMD 1,230.6 million (AMD 1,806.4 million in 2012; AMD 2,958.5 million in 2011; AMD 2,293.5 million in 2010; AMD 1,225.8 million in 2009);

2.8 Other health expenditure not specified by kind – 0 (0 in 2012; 0 in 2011; AMD 1,360.2 million in 2010; AMD 415.7 million in 2009);

2.9 Health related functions HCR 1-5 – AMD 1,641.2 million (AMD 6,813.8 million in 2012; AMD 6,696.9 million in 2011; AMD 7,342.6 million in 2010; AMD 16,987.8 million in 2009);

2.9.1. Capital formation of the health service provider institutions – 0 (AMD 3,044.7 million in 2012; AMD 5,589.8 million in 2011; AMD 6,119.1 million in 2010; AMD 16,023.5 million in 2009);

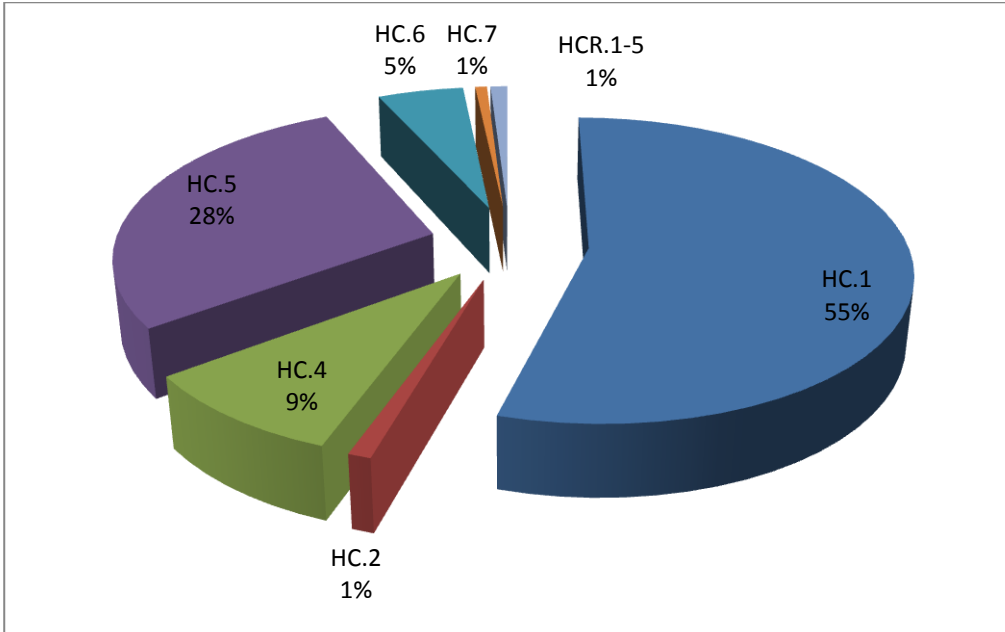
2.9.2. Personnel education and training – AMD 378.0 million (AMD 1,803.1 million in 2012; AMD 1,098.7 million in 2011; AMD 1,108.1 million in 2010; AMD 756.6 million in 2009);

2.9.3. Research and development in health – AMD 625.8 million (AMD 1,351.3 million in 2012; AMD 8.4 million in 2011; AMD 115.4 million in 2010; AMD 207.6 million in 2009);

2.9.4. Monitoring of food and water quality, as well as hygiene regulations- AMD 637.4 million.

2.10 Expenditure not classified by kind – 0 (AMD 60.6 million in 2012; 0 in 2011; 0 in 2010; AMD 1,550.9 million in 2009).

Graph 19. The overall volume of Functions 2012, percentage



Source: NHA data tables

PRIORITIES FOR THE FUTURE

Throughout the world health care systems continue to develop. Priorities in health care policy change, the system begins to operate with more advanced methods of management and organization, as well as more complex financing mechanisms, therefore, a need has arisen for the collection and analysis of more detailed and accessible information on health care services. Health accounts should also be integrated into these developments and predict future trends.

World Health Organization (WHO), in cooperation with the Organization of Economic Cooperation and Development (OECD) and European Statistical Service (Eurostat), has developed a new methodology for System of Health Accounts (SHA, 2011 Edition) which is an international standardized methodology for health system expenditure estimation.

System of Health Accounts (SHA 2011) presents a systemized description of financial flows related to the consumption of health care products and services. Its direct goal is to describe the expenditure of health care system.

More and more countries continue to calculate and analyze the Health accounts, the expectations of analysts, politicians and public grow, there is a need for more comprehensive information, which can be reached through a more available database of health care expenditure.

Health care accounts, along with other statistical data, provide improved analytical tools to monitor and evaluate the health care system execution. One of the priorities is to develop a reliable, timely data that are comparable across countries and over time. This is necessary for detecting the trends in health care expenditure and its guide factors, which, in turn, can be used to compare it in different countries and for the future forecast.

Health accounts is used in two ways: **international**, where the emphasis is put on the selection of internationally comparable data on expenditure, and **national**, where the health care expenditure is analyzed in more details, and the emphasis is put on comparability over time.

The new methodology is based on the System of Health Accounts both conceptual, as well as practical opportunities. A great importance is attached to the policy relevance, realism and stability.

System of Health Accounts (SHA 2011) presents a series of reforms compared with SHA 1.0. Although it maintains the three-dimensional ratio, which lies at the base of the description of System of Health Accounts and its health care and long-term medical care costs, that is what is consumed is delivered and financed, however, SHA 2011 suggests more complete coverage of functional classification in areas, such as the prevention and long-term medical care, a more accurate picture of health care providers with close linkages with the standard industrial classification, and financing in the health care sector using the new classification of financing schemes.

System of Health Accounts (SHA 2011), as well as SHA 1.0, based on the three dimensional approach to health care expenditure, also develops three analytical means of computation: **health care consumption, provision and financing interfaces** that allow countries to focus on certain areas of the national health policy.

System of Health Accounts (SHA 2011) develops the health care financing interface to allow a measurable estimation of finance mobilization, management and usage, including systemized estimation of **Financing schemes, Financing agents, and Revenues of financing schemes**.

Output interface is a separate profile for capital formation in order to avoid ambiguities of the past between current expenditure and capital expenditure of health care system. Consumer health interface especially is a functionality dimensional base for further analysis, because it helps to study health care expenditure classification by the characteristics of the stakeholders such as **disease**, age, sex, socio-economic status.

Guiding principles of dimensions and classification of SHA 2011 are relevance and usefulness for health research purposes, compliance with existing standards and improved

linkage to System of National Accounts (SNA). A starting point for SHA 2011 is the consumption of goods and services by residents of a country or region. This affects the structure of the classification in the sense that in the system description the priority is given to the final consumption by the residents, and not to the production.

The electronic instrument **SHA Production Tool, SHA 2011 (English)** has been developed by the joint efforts of the **World Health Organization (World Health Organization)**, the **US Agency for International Development (USAID)**, an **international consulting organization Abt. (Abt. Association)**, and **Prognoz organization**, which will give a capacity to form Health Account database.

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Appendixes

Appendix 1. NHA summarized tables

Financing Agents and Providers Account (FAxP)

PROVIDERS	2012				2013				Change in total	
	Total	Public Sector	Private Sector	Rest of the World	Total	Public Sector	Private Sector	Rest of the World	Million AMD	%
HP.1	70,490	32,899	32,655	4,935	70,264	33,947	31,459	4,859	(226)	(0,3)
Hospitals										
HP.2	1,832	1,832	-	-	1,449	1,430	-	20	(383)	(20,9)
Nursing and residential care facilities										
HP.3	48,837	18,839	26,52	3,479	43,915	19,840	22,068	2,006	(4,922)	(10,1)
Providers of ambulatory health care service										
HP.4	42,603	2,579	40,023	1	42,595	1,476	41,119	-	(8)	(0,1)
Retail sale and other providers of medical goods										
HP.5	5,923	3,765	-	2,159	3,105	3,016	-	89	(2,818)	(47,6)
Provision and administration of public health programs										
HP.6	4,977	4,615	-	362	1,181	1,181	-	-	(3,796)	(76,3)
General health administration and										

insurance										
HP.7					-	-	-	-	0	0
All other organizations providing administrative services in health care sector										
HP.8	3,346	2,804	-	542	1,781	1,781	-	-	(1,565)	(46,8)
Institutions providing health-related services										
HP.9	61	-	-	61	6,036	5,469	-	568	5975	98
Rest of the world										
HP.nsk	-	-	-	-	-	-	-	-	0	0
Provider not specified by type										
TOTAL	178,068	67,332	99,198	11,538	170,327	68,139	94,647	7,542	(7,741)	(4)

Financing Agents and Functions Account (FAx_F)

FUNCTIONS	2011				2012				Change in total	
	Total	Public Sector	Private Sector	Rest of the World	Total	Public Sector	Private Sector	Rest of the World	Million AMD	%
HC.1 Services of medical care	88,318	41,029	46,251	1,039	93,020	43,398	44,020	5,602	4,702	5,3
HC.2 Services of rehabilitative care	2,266	969	1,277	20	1,687	574	1,093	20	(579)	(25,6)
HC.4 Auxiliary services to medical care	18,125	8,266	9,079	780	15,777	8,019	7,351	406	(2,348)	(13)
HC.5 Medical goods dispensed to outpatients	54,598	7,077	41,348	6,173	48,360	7,181	41,119	60	(6,238)	(11,4)
HC.6 Prevention of diseases and public health services	6,079	3,806	1,242	1,031	8,611	6,251	1,063	1,297	2,532	41,7
HC.7 Health administration and health insurance	1,806	1,444	-	362	1,231	1,231			(575)	(31,8)
HCR.1-5 Health related functions	6,814	4,74		2,074	1,641	1,485		157	(5,173)	(75,9)
HP.nsk Providers	61			61					(61)	(100)

not specified by type										
Total	178,068	67,332	99,198	11,538	170,327	68,139	94,647	7,542	(7,741)	(4,3)

Appendix 2. SYSTEM OF HEALTH ACCOUNTS, 2011 Summary of Preliminary Discussions

SYSTEM OF HEALTH ACCOUNTS 2011

MAIN CHANGES

14 November 2014, WHO Yerevan office

OBJECTIVE

- Health care systems continue their development throughout the world,
- Priorities of health care policy change,
- The system begins to operate with more advanced methods of management and organization,
- More complex financing mechanisms

Therefore:

A need has arisen for the collection of more detailed and accessible information on health care services.

Health accounts should also be integrated into these developments and predict future trends.

SHA 2011 goals

- To define internationally harmonized boundaries of health care for tracking expenditure on consumption
- To provide a framework of the main aggregates relevant to international comparisons of health expenditure and health systems analysis
- To provide a tool, expandable by individual countries, which can produce useful data in the monitoring and analysis of the health system

Background

World Health Organization (WHO), in cooperation with the Organization of Economic Cooperation and Development (OECD) and European Statistical Service (Eurostat), has developed a new methodology for System of Health Accounts (SHA, 2011 Edition) which is an international standardized methodology for health system expenditure estimation.

System of Health Accounts (SHA 2011) presents a systemized description of financial flows related to the consumption of health care products and services. Its direct goal is to describe the expenditure of health care system.

Key improvements in SHA 2011

- Greater distinction between **current health spending vs. capital formation**
- Improved consistency in **financing** classifications by separating various roles and flows (revenue, scheme, agent)
- Updated **provider classifications** for improved clarity
- Updated **functional classifications** for more complete and consistent coverage
- Tracking of the **inputs to the provision of services** (“factors of provision”)
- Reporting on the **characteristics of beneficiaries** of health services
- Mapping of SHA 1.0 and SHA 2011 to ensure continuity

“Functional” definition of health spending

Expenditure is counted when the *primary purpose* is to:

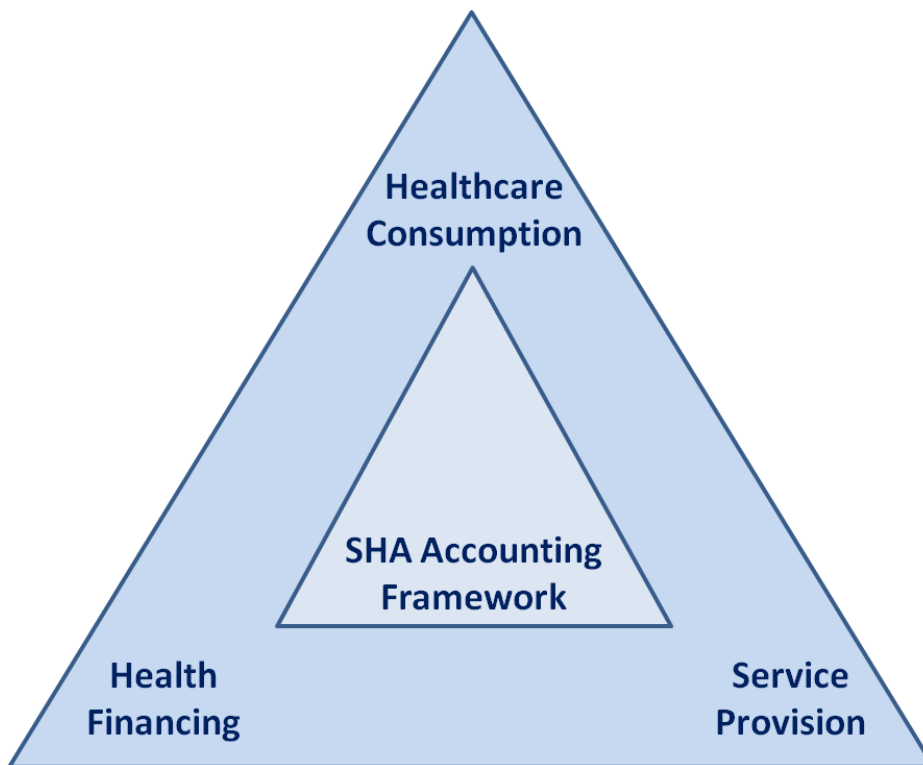
- Promote health, prevent diseases, or cure illness
- Care for chronic conditions or persons with disabilities
- Administer public health, health programs, health insurance, etc.

This is the case regardless of who pays or who provides the service. System of Health Accounts (SHA 2011) presents a series of reforms compared with SHA 1.0. Although it maintains the three-dimensional ratio, which lies at the base of the description of System of Health Accounts and its health care and long-term medical care costs, that is what is consumed is delivered and financed, however, SHA 2011 suggests more complete coverage of

functional classification in areas, such as the prevention and long-term medical care, a more accurate picture of health care providers with close linkages with the standard industrial classification, and financing in the health care sector using the new classification of financing schemes.

System of Health Accounts (SHA 2011) develops the health care financing interface to allow a measurable estimation of finance mobilization, management and usage, including systemized estimation of **Financing schemes, Financing agents, and Revenues of financing schemes.**

Three dimensions of health accounting (SHA 1.0, PG)



SHA 2011 accounting framework

Dimensions	Core Classifications	Extensions
Consumption	Healthcare Functions (HC)	Beneficiaries (HB) Products
Provision	Healthcare Providers (HP)	Capital Formation (HK) Factors of Provision (FP) Trade
Financing	Financing Schemes (HF)	Revenues of Financing Schemes (FS) Financing Agents (FA)

Main SHA 2011 aggregates and boundaries

- Reduced ambiguity about spending on healthcare provision vs. investments in infrastructure and equipment
- Greater detail on the content of investments

Capital formation SHA 1.0 vs. SHA 2011

THE (SHA 1.0) = CHE + HK (SHA 2011)

Instead of having **THE (Total Health Expenditure)**, in SHA 2011 we have two main aggregates:

- **CHE**: the aggregate covering all spending on healthcare that falls within the functional boundary (which now excludes capital spending),
- **HK**: classifies all spending on capital formation in a supplemental account.