INTRODUCTION

The Primary Healthcare Reform Project (PHCR), funded by the United States Agency for International Development (USAID) under the TASC2 IQC No. GHS-I-00-03-00031-00, was awarded to Emerging Markets Group, Ltd. (EMG) on September 30, 2005. Subcontractors on this project are IntraHealth International, Overseas Strategic Consulting, Ltd. and American University of Armenia's Center for Health Services Research. Boston University serves as a resource firm.

This PHCR Project Quarterly Report describes the project activities and results during the period of April 1 to June 30, 2007.

ABBREVIATIONS AND ACRONYMS

BMC	Yerevan State Basic Medical College
FM	Family Medicine
FN	Family Nursing
HF	Healthcare Finance
IRM	Information Resource Management
MIS	Management Information Systems
MOH	Ministry of Health
NHA	National Health Accounts
NIH	National Institute of Health
OE	Open Enrollment
PHC	Primary Healthcare
RFP	Request for Proposal
QOC	Quality of Care
SHA	State Health Agency
TOR	Terms of Reference
TOT	Training of Trainers
UFMC	Unified Family Medicine Curriculum
UFNC	Unified Family Nursing Curriculum
WB	World Bank
WG	Working Group
YSMU	Yerevan State Medical University

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A. COMPONENT 1: EXPANSION OF PHC REFORMS.

A1. Project effectively communicating with external world, counterparts and USAID.

- PHCR Quarterly Bulletin #6 (Q2, 2007) is being finalized and will be distributed to more than 130 Project counterparts and stakeholders, including Health Advisory Board members from Lori, Shirak, Kotayk, Gegharkunik and Tavush, as well as 45 communities in Lori and Shirak and 37 target communities in Kotayk, Gegharkunik and Tavush. It is also posted on the PHCR website.
- PHCR delivered a presentation on "Patient choice of PHC physician and registration with them: New policy in PHC system development of Armenia" at the session of PHC service at the 2nd International Medical Congress of Armenia held on June 28-30.

A2. Project monitoring system operational.

- Baseline facility assessment and facility/provider performance assessment surveys have been completed in Tavush, Kotayk and Gegharkunik marzes. Data entry has started.

A3. PHCR activities begun in Zone 02.

- Ongoing collaboration with stakeholders in Gegharkunik, Tavush and Kotayk marzes, including identification of PHC facilities in need of renovation, introduction of the OE system and preliminary steps in community mobilization.

A4. PHC facilities renovated and equipped through zonal rollout.

- Through collaboration with marz Health and Social Security Departments, 37 communities in Tavush, Gegharkunik and Kotayk were selected as renovation targets.
- Selected renovation sites were divided into lots, and invitation for bids was announced to licensed design/engineering and construction companies to prepare detailed design and architectural work orders that can be included in the RFP for the renovation or construction works. Design engineering works have now been complete by the selected companies ("Norashen", "Hazarashen" and "Vanadzori Nakhagtsogh").
- Out of 30 construction companies who submitted letters of interest to carry out construction and renovation works at the selected sites of Zone 2, 22 were selected and received RFP documents from PHCR. Once their bids have been received and evaluated, final selection will be carried out.

  Finalized the environmental checklist for all target renovation sites to be carried out in Zone 2. This will be submitted to USAID for approval.
- Health posts of Isahakyan and Shirak communities in Shirak Marz and Lernantsk and Djiliza communities in Lori Marz will be renovated during 2007 (remaining from Zone 1).
- In Yerevan-based polyclinic #19 (a training site) metallic bars on the window and the door for the IT room were installed to deter theft of the PHCR computer equipment. LAN network was established and the furniture was installed in the room, and it was used to host IT training for enrollment system operators. This training room will be used to conduct trainings for three groups in Yerevan. (A4.2).
- Delivery of furniture to renovated sites in Lori and Shirak is complete. In total, 22 health posts in Lori and 21 health posts in Lori were supplied with furniture.
- Procurement of medical equipment for Zone 1 and Zone 2 target PHC facilities is underway by EMG Home office (A4.5).

A5. PHC physical improvements sustained by rational management procedures.

- Facility Maintenance Guide was developed and will be distributed to all facilities upgraded by PHCR in Zone 1 next quarter (A5.1).

B. COMPONENT 2: FAMILY MEDICINE.

B2. FM Training Institutions have increased capacity / FM faculties strengthened.

During May 14-23, in collaboration with the YSMU working group, PHCR delivered a TOT course based on the newly developed first draft training package on cardiovascular diseases for family physicians. Nineteen family physicians, including 11 clinical preceptors from Lori, Shirak, Tavush, Gegharkunik and Kotayk marzes, and eight Yerevan based preceptors and FM faculty staff attended the training. All participants gave highly positive feedback on the course content, delivery and organization. The working group finalized the package based on feedback received from TOT course participants (B2.3).

- On May 02, IntraHealth STTA Sara Espada held a seminar on "Learning for Performance" (LFP) for PHCR FM team, NOVA clinical staff and SMU, NIH, BMC FM/FN chair representatives. The steps and tools of LFP were introduced through PPT presentation and Case Scenario. FM/FN chair representatives provided highly positive feedback on the seminar.
- During June 18-22, 2007, PHCR FM Training Advisor (Armine Danielyan) attended "Training and Learning Technical Exchange and Update Workshop" organized by IntraHealth in Chapel Hill. The workshop brought together training staff for skill-building from nine countries to share best practices and planning for continuous strengthening of training and learning strategies, systems, tools and interventions. The FM Training Advisor will organize a similar workshop for FM training institutions on her return to Yerevan.
- Developed a SOW for Dr. Aram Kaligyan who, during his visit planned for July 2007, will conduct a "Patient Examination and Counseling Skills" seminar and hands on training for FM clinical preceptors in Zone 1 marzes and Yerevan (B2.4).

B3. Family Medicine Curriculum is up-to-date with training modules.

- The PHCR FM Team continues reviewing and improving the draft "Cardiovascular Diseases for Family Physicians" training package for the UFMC. Changes based on the opinions and suggestions received from the lecturers and participants of the TOT course (see under B2) are also being incorporated (B3.1).

B4. FM clinical training sites upgraded in Yerevan and at Marz level.

- FM team conducted needs assessment for Zone 2 marz FM training sites to identify the sites in need of furniture and medical equipment.

B6. FN training departments in marz based nursing colleges upgraded.

- PHCR together with NOVA developed the purpose/objectives statement for the Study Tour on Expanded Role of Nurses used for the AED procurement solicitation. The list of eight key nursing stakeholders to participate in the study tour was identified and agreed with USAID.

B7. Unified Family Nursing Curriculum developed.

- PHCR FN Advisor continues reviewing training packages used during the UFNC trainings (see under B8). Materials on Neurology, Dermatology, Pharmacology, and Respiratory Tract Disorders were reviewed and revised (B7.3).

B8. PHC nurses have completed UFNC training and retraining.

- Ongoing monitoring of the UFNC training course delivery to 130 nurses in Lori and Shirak marzes through visits to the training sites (Vanadzor and Gyumri nursing colleges) on a regular basis.
- On June 25, the PHCR FM Team participated in the Partner Coordination Meeting on TB-related activities in Armenia conducted by WHO/Armenia. The training package for PHC physicians developed under the WHO support is already available; physicians underwent a five-day training. Currently the package is under further development incorporating trainees' feedback and will be finalized by the end of September. PHCR envisages that the newly developed TB nursing module will be incorporated into the UFNC training. As per PHCR's suggestion, one of BMC trainers who will provide training on the UFNC TB module was involved in the training course for PHC physicians. Currently, she is working on the training package to adapt it for nurse training. This is an opportunity for PHCR to ensure that 130 nurses undergo the DOTS (Directly Observed Training Scheme) training as planned for in the USAID/Armenia 2007 Operational Plan, TB Section (B8.1).
- PHCR is currently working on the budget and training plan for UFNC trainings in Gegharkunik, Kotayk and Tavush marzes. Discussions with partner organizations (Jinishian Memorial Foundation, World Bank, EyeCare Project) were held on a regular basis to coordinate efforts towards a maximum possible coverage and cost-effectiveness of the training courses (B8.2).

B9. Independent FM practices established.

- Prepared a draft of report on "PHCR assistance plans for establishing independent FM group practices.
- Government Decree on IFMIGP establishment (No. 497-N dated 21.03.07) was translated into English.
- Continued working on the "Guideline on Procedures of Establishment and State Registration of an Independent Solo/Group FM Practice as a Limited Liability Company" to support the establishment of independent FM individual and group practices (B9.2).

C. COMPONENT 3: OPEN ENROLLMENT.

C1. Policies and regulations in place to support open enrollment.

- PHCR drafted amendments to the Government Decree No 420-N, dated March 30, 2007 "On PHC Physician Selection and Registration With Them", which aim to further improve and clarify the OE procedure. The draft was shared with the MOH OE coordinating group and feedback and further processing is expected during the next reporting period (C1.2, C1.4).
- PHCR has provided ongoing support to PHC facilities in carrying out the OE process and applying the approved OE procedures. On May 11, a seminar was held for "Surb Grigor Lussavorich" Medical Center staff to provide explanations on the OE mechanism and implementation details (C1.6)
- With STTA input, PHCR prepared a presentation for the meeting with stakeholders on July 2nd on enrollment related issues, specifically emphasizing the first deadline for enrollment to be ready for contracting with SHA, on the percentage of population enrollment to be considered as a threshold for shifting from the existing payment to a new system, and for identifying the interim period of shifting between old and new payment systems.
- PHCR has printed and distributed 1,200,000 OE forms to rural PHC facilities across the country (C1.7).

C2. OE Coordinators Trained.

- In all marzes, seminars were held by PHCR staff to train PHC facility heads and other administrative staff responsible for enrollment implementation on rules and procedures of enrollment implementation. All 466 PHC staff across all marzes including Yerevan participated at the these seminars and more than 500 copies of implementation manuals were distributed. PHCR provided ongoing support and responded with consultations to all question and queries.

C3. OE information and reporting system functional for launch of OE in Year 2007.

- PHCR OE IT specialists jointly with Harmony Foundation (EMG subcontractor) visited two sites in each of Gegharkunik, Kotayk, Ararat, Aragatsotn, Armavir marzes to oversee the first installations of the OE software. The Harmony Foundation coordinators continue installing the software on HPIU- provided computers and then will finish the work with PHCR provided computers at the remaining facilities of these marzes. PHCR will proceed with the software installation in all other marzes in a similar manner.
- Developed a revised OE hardware equipment distribution plan based on changes in due to the Government healthcare optimization plan. This plan was approved by USAID/Armenia.
- As of the end of June two batches of computer equipment (UPS equipment and printers) had arrived and custom clearance process was underway.
- PHCR developed hardware handover agreements with PHC facilities for signing with the beneficiaries during hardware distribution process. The main points of the agreement include the conditions for the transfer of the agreement with USAID retaining the rights to the equipment within for two years after which title passes to the beneficiary (C3.1).
- As a result of the competitive procurement process, on May 4, 2007, PHCR signed a contract with "Harmony Foundation" for delivery of IT trainings to OE operators at PHC facilities across Armenia (including computer literacy training and OE automated system user's training) and ongoing IT support. Prior to launching the training courses nationwide, PHCR delivered two-day training courses of trainers (TOT) course to 31 "Harmony Foundation" trainers and 14 regional technical coordinators regarding the features and the use of the OE automated system, installation and maintenance issues.
- PHCR assisted the MOH in drafting an IT-deployment related letters that were sent from the MOH to all Marzpets requesting their support in effective organization of IT trainings (e.g. arrange leave for the trainees, and reimburse their travel expenses as needed) and ensure required conditions for IT hardware installation in PHC facilities and marz Health and Social Security Departments.
- PHCR will train 467 OE operators nationwide. By the end of June, 224 operators completed training courses and will receive certificates of completion. The second round of training courses was launched on June 18 in Gyumri, Artik, Stepanavan, Idjevan, Hrazdan, Ashtarak, Goris, Yerevan and Martuni. It is planned that all 467 participants will have completed the training by the end of July (C3.3).

C3. OE monitoring system developed.

- PHCR assisted the MoH with development of aggregate forms for reporting on the enrollment numbers in each PHC facility specifying adults and children. These forms were sent to the Marzpetarans requesting them to obtain enrollment status reporting from each facility using these forms. We expect receipt of this first enrollment status information in July.

D. COMPONENT 4: QUALITY OF CARE.

D2. Improved capacity at MOH Licensing Department.

- Data entry of licensing information into the PHCR developed automated database system by PHCR-hired operators continues.
- PHCR started renovating the rooms assigned to the MOH Licensing Department; however, the new Health Minister asked that the exterior design and materials to be used be changed. PHCR will continue renovation works as soon as relevant agreement is reached with the new Minister. Since PHCR already had a signed contractor for the work and part of the materials were already purchased, PHCR will look to use this material in its renovation works (D2.1, D2.2).

D3. Monitoring system for QoC implemented in each PHC network.

- Through discussions with PHCR STTAs Sara Espada and Melinda Pavin, as well as with USAID, PHCR reviewed and finalized the draft PHC Quality Assurance (QA) Strategy package and submitted it with a formal letter to the Minister of Health for consideration.
- In order to collect the required informational base for developing an implementation plan of the PHC QA Strategy package, PHCR started obtaining and compiling the databases about the PHC facilities' network of Armenia, including data (numbers) on staffing and population served by different types of PHC facilities. Data are clustered by 10 marzes and city of Yerevan, as well as by implementation scenarios (for near-term and longer perspective) that are suggested in the draft PHC QA Strategy paper.
- PHCR finalized and submitted to USAID for approval the SOW for the QoC STTA Lauren Crigler who will arrive in July. The main objective of the STTA is proposed as follows: considering the current stage of reforms in the PHC sector of Armenia, propose a detailed plan for putting the PHC QA Strategies into operation by identifying the key implementers, timeframe and draft tools, roles and scopes of responsibilities/interventions both for MOH, Marz health authorities and PHCR project support (D3.2, D3.3).

D4. Patients have access to primary healthcare family medicine at good level of quality of care.

- Developed two job aids: "Management of Hypertension in Adults in PHC" and "Management of Stable Angina in PHC", which are based on the latest EBM guidelines. The job aids received excellent feedback from the working group engaged in developing the cardiovascular diseases training package for the UFMC and was incorporated in the training package. The job aids were also added to the PHC Quality Assurance Strategy package, as a model reference for performance quality assessment (D4.1).

D5. Patient satisfaction with quality of care monitored.

- Client satisfaction survey has been completed in Kotayk and Tavush marzes and is underway in Gegharkunik marz. Data entry has started.

E. COMPONENT 5: HEALTHCARE FINANCE.

E1. NHA data collected, reports developed. Model developed to integrate NHA into budgeting process.

- PHCR provided technical assistance to the NHA Working Group in development of 2005 NHA report and collection of 2006 health expenditures data from international donors (E1.2).

E2. National budgeting awareness at facility level.

- 85 trainees for Zone 2 were identified and the training planned to be delivered during July 2007.

E3. National MOH health planning and budgeting process is based on policy objectives.

- PHCR developed the section "PHC policy measures" of the 2008-2010 MTEF document, which relates to non-financial (quantitative and qualitative) indicators. The MOH has submitted the document to the Ministry of Finance and Economy for approval (E3.2).

E6. Cost of services is determined.

- Phase I works to determine normative cost of laboratory and instrumental services provided in PHC are underway in collaboration with the NIH. In late June PHCR finished normative description of technological processes of laboratory and instrumental (LI) services, as well as completed a survey in a sample of PHC facilities in order to determine the technologies and/or methods currently used for various types of LI services in Armenia. Based on information collected, PHCR refined the list of LI services under the BBP. STTA Taryn Vian will arrive in August 2007 to review the Phase I work and help plan and start the Phase II costing activities (E6.2).

E7. Financial management systems and computer equipment are in place at targeted facilities.

- PHCR conducted a study at a sample of Yerevan-based PHC facilities aimed to get an understanding of their accounting process and practices. Based on the results of the study, HF team developed a working chart of accounts fully tailored to the needs of PHC facilities. To get it approved as the uniform chart of accounts for use by PHC facilities nationwide, PHCR submitted it for feedback to the Ministry of Health, as well as Health and Social Security Departments of Lori and Shirak marzes and Yerevan.
- Currently, PHCR is also developing a guide on typical transactions carried out in the PHC sector, which aims to assist PHC facility accountants in making the right accounting entries for the most common transactions. The guide is scheduled to be completed by the end of July (E7.1).
- The Project engaged "Armenian Software" company to customize the "AS-Accountant" software based on the newly developed working chart of accounts for PHC facilities. This work is now complete, and the "AS-Accountant" software will be installed at 22 PHC facilities of Lori, Shirak and Yerevan. To ensure smooth deployment and effective use of the software, in June, PHCR held 20-hour training for the accountants of the mentioned PHC facilities. The trainees were also provided with a comprehensive user's guide for the system (E7.1).
- PHCR finalized financial accounting needs assessment in Zone 02 and refined the "Financial Accounting and Cost Accounting" training curriculum (E7.2).

E9. Facility staff trained in sound management and governance practices.

- In collaboration with Health and Social Security Departments of Tavush, Gegharkunik and Kotayk marzes, PHCR selected PHC facility managers to be trained by PHCR (26 in Tavush, 31 in Gegharkunik, and 28 in Kotayk). Based on preliminary focus group discussions with the Health and Social Security Departments of Zone 2 marzes and the potential trainees, PHCR updated the management training curriculum.

  On June 27, the 25-hour management training course commenced in Gavar for PHC facility managers from Gegharkunik. On July 3 it will begin in Yerevan for managers from Kotayk marz, and on July 6 in Ijevan for managers from Tavush marz. (E9.2).

- Based on the assessment of Zone 2 PHC facility accountants' training needs carried out back in March 2007, PHCR developed a preliminary list of accountants to undergo PHCR trainings. However, since as a result of the Government-initiated optimization process new PHC facilities (in particular, PHC centers) have emerged, PHCR considers it appropriate to wait until they have hired their accounting staff and cover them with the training, as well. PHCR was informed that the staffing process is likely to be complete in September 2007, which is when the Project plans to resume accountant selection and training activities (E9.4).

F. COMPONENT 6: PUBLIC EDUCATION.

F1. Public education campaign on OE and FM reach the population.

- Trainings on relevant health topics, as well as OE and PHC reform efforts were delivered to about 400 people of Lori and Shirak communities. CHC members of 21 communities were the main beneficiaries of the trainings. CHC members developed a working plan with the aim of extending the knowledge gained through the trainings to their community members. All community members of the twenty-one communities of Shirak and Lori marzes could be considered as potential beneficiaries of the trainings.
- To provide the public with regularly updated information on PHC services, OE reform and FM, a "Frequently Asked Questions" brochure was developed and tested among 25 people. Upon receipt of USAID approval, the material will also be posted on PHCR website.
- OE poster drafted and tested; comments and suggestions received during the testing process were analyzed and are now being incorporated.
- First draft scenario of OE tutorial developed in cooperation with A.V.T. Ltd. company. Testing is underway. Additionally, the development of the OE Public Service Announcement (PSA) script is underway (F1.1).
- PHCR finalized the Baseline Household Health Survey for 11 Armenian marzes. The findings of the survey were presented at USAID's Health and Social Partners meeting held on June 21 and posted on the PHCR website (F1.2).

F2. MOH actively deliver OE, FM and PE campaigns.

- Three different TV shows covering PHC and OE reform processes were aired through TV2 and AR TV during April-June 2007.
- On April 12-13, 2007 PHCR organized a National Media Workshop on PHC reform and OE processes. The workshop was held in Tsakhkadzor for a total of 15 Yerevan based journalists and 10 journalists from Shirak, Syunik, Tavush, Kotayk, Ararat, Aragatsotn marzes. The workshop was also attended by representatives from MoH, National Institute of Health, State Health Agency, Yerevan Municipality, urban and rural PHC facilities. Among the topics covered were: Development of the PHC system and its future strategy; PHC development and urban and rural areas; PHC financing; PHC physician selection and population enrollment system in Armenia. Questions and answers session followed the presentations. The workshop was organized in collaboration with the MoH.

F3. Health-literacy and health-seeking behavior is improved.

- Public Health training manuals developed by PHCR and reviewed/approved by MoH and USAID. On April 16-20, PHCR delivered a 40-hour TOT course to four Lori and Shirak-based NGOs based on the earlier developed health training manuals.
- Upon completion of the TOT, NGOs delivered training on the topics above to Community Health Committees (CHCs) of 21 communities in Lori and Shirak. PHCR closely monitored the training

delivery process through on-site visits and participating in the training sessions. Due to the wide range and depth of issues covered, training on the "*Primary Healthcare Services"* module (eighth module) was delivered to 21 CHCs by PHCR staff.

- Four local NGOs of Lori and Shirak marzes received PHCR-organized TOTs on the topics mentioned above.

F6. Public is aware of the service packages which are provided in primary care.

- BBP poster and BBP booklet 2007 developed in cooperation with MoH and distributed nationwide.
- Poster on free of charge or privileged drugs 2007 developed in cooperation with MoH. Distribution ongoing.

F7. Journalists are trained and deliver media in healthcare reform issues.

- To provide journalists with detailed information on PHC reform processes, PHCR developed and supplied them with press kits on the following topics: "OE processes", "Family Medicine at the Core of PHC Delivery", "Upcoming Primary Healthcare Activities and Events", "Primary Healthcare Reform", and "Primary Healthcare Finance".
- Training on *How to Communicate Health Messages to the Public* delivered to 12 journalists in Tavush marz.

F8. Grants to NGOs result in community health action and primary care initiatives.

- Community needs assessment and initial steps of community mobilization were done in nine communities of Kotayk marz, eight communities of Tavush marz, and four communities of Gegharkunik marz; thus completing the preliminary phase of community mobilization activities in Zone 2.
- Request for Proposals for NGOs willing to implement Phase 1community mobilization activities (capacity building of CHCs established by PHCR) in Kotayk, Gegharkunik and Tavush was announced on June 27, 2007. Eligible NGOs will be short-listed after the submission deadline, July 13.