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 the project are IntraHealth International, Overseas Strategic Consulting, Ltd. and American University of Armenia's Center for Health Services Research.

This PHCR Project Quarterly Report describes the project activities and results during the period of July 1 to September 30, 2008. The major project accomplishments that occurred during the report period include the following:

- Approval by USAID of PHCR project extension for Year 4, including revised Statement of Work and reconfigured budget;
- Completion and submission to USAID of Year 4 work plan;
- Launching of renovation of 44 target PHC facilities in Zone 3 Stage 1 (Ararat, Aragatsotn, and Armavir regions), and starting assessment of 54 Zone 3 Stage 2 (Vayots Dzor and Syunik regions) sites;
- MOH official approval of forms developed by PHCR as an amendment to normative-legal framework for Independent Family Medicine Practices (IFMPs);
- Training of 599 managers and operators from all PHC facilities of Armenia, and local health authorities on the amended OE GoA Decree No 420, draft GoA Decree on enrollment database processing and data transfer processes, other OE regulations and policies, as well as on double-registration cleanup and other database error correction processes;
- Completion of training on "Financial accounting and Cost accounting" for 27 accountants (1st group) from Zone 3 Stage 1;
- On-going 6.5 month training of 100 community nurses in Tavush, Kotayk, and Gegharkunik regions;
- Completion of training of trainers (TOT) on Most Common Childhood Illnesses and TOT on Cardiovascular Diseases for clinical preceptors; and,
- Launching of Small Grants Program in Zone 3 Stage 1 for community mobilization.

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ABBREVIATIONS AND ACRONYMS

BMC	Yerevan State Basic Medical College
COAF	Children of Armenia Fund
FM	Family Medicine
FN	Family Nursing
FY	Financial Year
HF	Healthcare Finance
IMCI	Integrated Management of Childhood Illnesses
MIS	Management Information Systems
MOH	Ministry of Health
NHA	National Health Accounts
NIH	National Institute of Health
OE	Open Enrollment
OP	Operational Plan
PHC	Primary Healthcare
PMP	Performance Management Plan
QOC	Quality of Care
SHA	State Health Agency
TOT	Training of Trainers
UFMC	Unified Family Medicine Curriculum
UFNC	Unified Family Nursing Curriculum
WB	World Bank
WG	Working Group
WHO	World Health Organization
YSMU	Yerevan State Medical University
HSSD	Health and Social Security Departments

A. COMPONENT 1: EXPANSION OF PHC REFORMS

A1. Project effectively communicating with external world, counterparts and USAID (1-2).

- PHCR Quarterly Bulletin #10 (Q2, 2008) was finalized, published (500 copies) and distributed to Project implementing partners and counterparts, including MOH, Marz authorities, health and social partner organizations and professional associations, as well as PHCR target communities. It is also posted on the PHCR website and sent out to more than 120 subscribers through a targeted subscription list. (A1.1)
- Following the approval of the MOH PHC strategy document (2008-2013) by GOA Protocol Decree N24, dated June 19, 2008, PHCR team participated in working discussions on drafting the implementation timeline for the Strategy. In addition, PHCR participated in a group discussion of GOA 5-year Action Plan for 2008-2012 (Quality of Care section), where PHCR worked with MOH officials to have included in the GoA Plan: a) the task of development and approval of quality standards and regulations, and their unification, and b) creation of a "coordination body" at the MOH for Quality Improvement. With some modifications, the suggestions were included into the Plan and subsequently approved by the Government Decree N878-N, dated July 24, 2008.

  PHCR actively participated in and contributed to events organized by other organizations, such as: "Realizing Quality" workshop organized by Project NOVA; a seminar devoted to the achievements of DFID projects implemented in public sector; USAID workshop on Good Governance in Health Sector; and 9th "Bazeh" National Forum organized by "Bazeh" (Hawk) National Youth Organization. (A1.2)
- The PHCR project work plan for Year 4, (October 2008 – September 2009) was submitted to USAID, on September 29, 2008. The preparation process began with each team leader identifying and consulting relevant resources (MOH, WB and other partners, sub-contractors in home office, PHCR SOW and other documents, etc.) in putting together a first draft; this was followed by numerous internal reviews and iterations, reaching consensus in the 3rd draft at the PHCR retreat, sending the 3rd draft to and meeting with key stakeholders to get their feedback, and making final revisions resulting in the 5th draft that was submitted to USAID.

PHCR Family Planning Activities

- PHCR facilitated distribution of nearly 250,000 condoms, provided by USAID Washington, to recipients shown in table below.

Recipient	Quantity
Medical-Scientific Center of Dermatology and STIs of RA	99,000
Armenian Association of Family Physician NGO	42,000
National Aids Prevention Center of MOH of RA	42,000
National Youth Council of Armenia NGO	39,000
Real World, Real People NGO	24,000
Yerevan State Medical University	3,000
Total	**249,000**

A2. Project monitoring system operational (1-4).

- PHCR M&E Team completed analysis of the *follow-up data* from Facility Resource and Facility/Provider Performance assessments in Lori and Shirak regions. The Team developed a

combined draft report containing both the results of the follow-up Facility Resource and Facility/Provider Performance assessments. (A2.1)

- In addition, PHCR M&E Team completed analysis of the *baseline data* from Facility Resource and Facility/Provider Performance assessments in Ararat, Armavir, and Aragatsotn regions. Here also, the Team developed a combined draft report containing the results of the baseline Facility Resource and Facility/Provider Performance assessments. (A2.2)
- M&E team keeps the MIS database constantly updated with most recent data on PMP indicators. Based on the data collected from PHCR components, M&E team prepared a document reflecting up-to-date values for PMP and OP indicators, and explanations of discrepancies between those and the set targets for FY 2008. In addition, PHCR set the preliminary targets for 2009 FY PMP and OP indicators. (A2.3)

A3. PHCR activities on Marz level begun.

A4. PHC facilities renovated and equipped through zonal rollout (1-7).

- As part of it routine operations in building collaborative relationships, PHCR worked closely with COAF in Shenik community (one of COAF's target communities) to maximize synergies. In particular, joint negotiations were conducted in respect to the provision of space and the involvement of the community mayor as a legal party in the acceptance of the PHCR renovation and commitment obtained towards the further maintenance of the facility.(A4.3)
- PHCR, through a competitive bidding process, selected construction companies for renovation of 45 target (subsequently one facility was excluded, see A4.5) facilities divided into eight lots of renovations (approximately six facilities for each lot) in Armavir, Aragatsotn and Ararat marzes. Contracts were signed with 7 companies, with one of the companies responsible for two lots, and the others for one each. (A4.4)
- PHCR handed over the 44 renovation sites to the contracted construction companies (PHCR excluded Melikgyugh village's FAP from the renovation plan since the mayor of community did not fulfill the initially agreed commitments), and construction activities started in Armavir, Aragatsotn and Ararat marz target facilities. PHCR engineering team carefully monitors the construction activities to ensure compliance with the contract terms and conditions. (A4.5)
- Within the framework of PHCR activities to provide medical equipment to PHCR target facilities and clinical preceptors, PHCR revised the medical equipment list and prepared the equipment specifications to be included in the tender package. The procurement will include items that supplement the equipment provided in PHCR zones 1 and 2, as well as provide the full list to the new PHCR target facilities in Zone 3. As of the end of the reporting period 14 companies responded to the PHCR tender announcement and requested the tender documentation. The deadline for receipt of bids is October 20, 2008. Provision of equipment is a part of the process of upgrading PHCR renovated health posts and also aims to improve clinical training environment at training sites. (A4.7)
- PHCR prepared a plan for furniture distribution and for ordering door signs for Zone 3 Stage 1 (Armavir, Aragatsotn and Ararat marzes) sites, selected a provider of furniture through an open tender, and received the furniture in Yerevan. The distribution of furniture to actual facilities will begin after acceptance of the renovation sites in October.

PHCR renovation activities in Zone 3 Stage 2 – Vayots Dzor and Syunik Marzes

- Per advisement of USAID indicating that PHCR needs to complete its renovation activities by September 30, 2009, one year ahead of schedule, PHCR started the assessment of PHC facilities (FAPs) in Vayots Dzor and Syunik marzes for subsequent selection of renovation sites. Since the

renovation in the last two marzes was envisaged to begin a year later, the assessment activities were not included in PHCR Year 3 work plan.

In order to manage timely implementation of these activities PHCR decided to extend contract with Vanadzori Nakhagtsogh LTD for provision of design and engineering services in the year 2008 - 2009. In addition, PHCR temporarily contracted the services of an additional engineer to support the engineering team. PHCR engineering team, in close cooperation with marz HSSDs, prepared a short list of Syunik (37) and Vayots Dzor (17) marz communities to conduct an assessment for selecting FAPs for renovation during 2009. PHCR developed an assessment schedule, and started the assessment of these facilities on September 16, 2008.

A5. PHC physical improvements sustained by rational management procedures.

A6. Content and process of institutionalizing relevant PHCR interventions advocated for among senior MOH/GOA decision-makers.

- PHCR received, but not yet reviewed, STTA report on institutionalization of key PHCR activities into GOA/MOH. The models and costing elements derived from the STTA report will be used in a presentation to the MOH next quarter.

B. COMPONENT 2: FAMILY MEDICINE

B1. PHC/FM policy improved.

- *For report on activities under B1.1 please see A1.2.*
- PHCR FM team continued working with Academy for Educational Development (AED) in preparation for upcoming Leadership and Management Training for non-governmental organizations (NGOs) involved in the health sector to upgrade their management and fundraising skills, and Blood Pressure Measurement Skill trainings for nurses from the remote areas of Armenia. The training courses will be fully funded by USAID through AED, and PHCR will provide technical assistant in preparation for the training.

  For the Leadership and Management training, PHCR evaluated three training course proposals and provided feedback to AED. In addition, PHCR will review the outline of the Work Plan, proposed by Dr. Adam O. Goldstein - the selected facilitator of the Leadership Course. PHCR will also provide AED with the names and contact information of the professional associations for AED to send out the participant nomination letters (see also section B5.4).

B2. FM Training Institutions have increased capacity / FM faculties strengthened (1-6).

- On July 8, 2008, PHCR held the closing ceremony of the nine-day TOT course on "Most Common Childhood Illnesses" (MCCI) for 25 FM trainers representing FM faculty staff of the NIH and the YSMU, as well as FM clinical preceptors. The purpose of the TOT was to provide them with skills necessary to use the training package effectively in FM specialty training and continuing medical education.

  Participant average score for the post-training test was 95%, versus the pre-test average score of 43%. The participants expressed their gratitude to all PHCR staff and the USAID for valuable course, particularly mentioning its good organization, selection of experienced trainers, the opportunity to update their knowledge and skills, and to visit the tertiary clinics in Yerevan and observing patient care pathways, which is important for effective referral and continuity of care. (B2.5, B5.2)

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

- After incorporating the feedback from participants of MCCI TOT (see B2.5), PHCR and MCCI training package development WG prepared the second draft of the MCCI training package (including 7 pediatric job-aids) that was further reviewed by the three external reviewers - Anahit Ghazaryan, RA MoH Chief Pediatrician, Sonya Arushanyan, Country Coordinator of joint UNICEF and WHO IMCI Project in Armenia, and Samvel Hovhannisyan, Head of FM Chair of the NIH. Following the review and finalization of the training package, PHCR signed an acceptance act with YSMU, and completed the development of MCCI training package. Thirty copies of the package were delivered to participants of the MCCI TOT. (B3.1)

B4. FM/FN clinical training sites established/upgraded at Marz level.

- *For a report on provision of medical equipment, please see Section A4.7 above.*

B5. FM providers' performance improved through training and QA activities (1-3).

- *For MCCI TOT (B5.2) please see section B2.5.*
- From September 22-30, 2008, PHCR conducted a training course on "Management of Cardiovascular Diseases (CVD) in Primary Care" for Zone 2 (Tavush, Gegharkunik and Kotayk marzes) clinical preceptors, and PHC cardiologists, based on the training package developed by WG formed by YSMU under PHCR supervision. The course took place at Polyclinic #17 in Yerevan, which is the FM Clinical Training Center for Yerevan and adjacent marzes. The following trainers (specialists in CVD) conducted the sessions: Parounak Zelveyan, Smbat Jamalyan, Armen Pirouzyan, Konstantin Ter-Voskanyan, Hamayak Sisakyan, Karine Malayan. The training course covered topics such as "Cor Pulmonale", "Hypertension, "CV Risk Management;" "Myocardial Infarction", "CPR", "Care after myocardial infarction", etc. Evidence of the importance of the course is that many other physicians, not included in the participant list, requested permission and attended different sessions of the course. PHCR provided the copies of training package to the participants. (B5.3)
- PHCR FM team continued working with Academy for Educational Development (AED) in preparation for the upcoming Blood Pressure Measurement Skill trainings for nurses from the remote areas of Armenia. PHCR evaluated two training course proposals: "Blood Pressure Certification Course for Armenian Nurses" and "Hypertension and Blood Pressure Measurement Technique", and provided feedback to AED. The proposals were submitted to AED by the Armenian Red Cross Organization. (B5.4, see also section B1)

B6. Unified Family Nursing Curriculum is up-to-date with EBM-based training materials (1-3).

B7. PHC nurses have completed UFNC training and retraining (1-2).

- Training of 100 community nurses from Tavush, Kotayk, and Gegharkunik regions is in progress, and will run through late October, 2008. PHCR monitors the delivery of the course (13 monitoring visits made during the reporting period), and provides ongoing technical assistance to the trainers and the hosts of the training.

  In order to achieve consensus on the format and content of the final examination of the training, PHCR made necessary preparations for a roundtable with participation of FN chairs of BMC and NIH. The roundtable is scheduled for October 7, 2008. (B7.2)
- In preparation for PHCR Year 4 activities, PHCR FN Advisor started preparing for Zone 3 Stage 1 (Armavir, Aragatsotn and Ararat marzes) FAP nurse training: meetings were held with Heads of marzpetaran HSSDs of all three marzes, as well as a number of meetings with BMC and NIH management. Decisions were made on the best way to organize the training, the most appropriate

location, as well as potential trainees in accordance with the PHCR selection criteria. As a next step, the marzpetaran HSSDs will prepare lists of nominated trainees and share with PHCR.

B8. Establishment of independent FM practices is supported (1-3).

- The following forms developed by PHCR as an amendment to normative-legal framework for independent family medicine practices were approved by the MoH (order #13, 04.08.08), and registered at the Ministry of Justice (MoJ) (registration # - 10008244):
  - Application on receiving initial approval for implementation of Independent Family Medicine Individual/Group Practice and signing a contract on provision of Primary Healthcare and services in the scope of the State Order
  - Statement on the number of population registered (enrolled) by Family Physician for receiving initial approval for implementation of Independent Family Medicine Individual Practice and signing a contract on provision of Primary Healthcare and services in the scopes of the State Order
  - Statement on the number of population registered (enrolled) by Family Physicians for receiving initial approval for implementation of Independent Family Physicians Group Practice and signing a contract on provision of Primary Healthcare and services in the scopes of the State Order (B8.1).
- On July 22, 2008, at the Yerevan State Medical University, PHCR made an orientation presentation on possible options, regulations, and procedures for starting an independent family medicine (FM) solo or group practice in Armenia. This presentation was made to 11 family physicians that were undergoing YSMU FM training through WB support. (B8.3)

B9. Technical assistance provided to MOH as needed for TB/ (DOTS approach) program.

- PHCR continued collaborating with National TB Program on nurse training on TB. In order to avoid overlaps, an agreement was reached between PHCR and the TB Program that TB training for nurses of Kotayk, Gegharkunik and Tavush will be provided within the framework of PHCR nurse training. For future training of nurses from Ararat, Armavir and Aragatsotn marzes, it was agreed to have further discussion. PHCR is planning to clarify approaches of major stakeholders on TB related activities during the upcoming ICRC conference devoted to TB control, on October 10, 2008.

C. COMPONENT 3: OPEN ENROLLMENT

C1. Policies and regulations in place to support open enrollment (1-5).

- PHCR started drafting OE provisions to be included in the draft Health Law. PHCR met with Dr. Ara Babloyan, Chairperson of the Standing Committee on Health Care of the National Assembly of Armenia, and Dr. Elena Nanushyan, Leading Specialist-Expert of the same Committee, at the National Assembly to discuss FM and OE concepts in Armenia and ways to reflect their relevant aspects in the current draft Law on Health.
- PHCR sent a letter to the Minister of Health, and had a follow-up meeting, drawing his attention to a number of important decisions needing to be made with respect to OE:
  a) The method of financing to be used, particularly for the non-enrolled population.
  b) RA Government Decree "The Order of Management of Computerized Integrated, Yerevan City, Regional and Healthcare Facility Databases and Data Transfer" needing approval by the RA Government and ratification by the RA President.

c) A national home for the enrollment database needs to be established.

d) The need to approve the population enrollment data. (C.1.2., C.1.3 and C2.1)

- PHCR OE team continued providing assistance to the MOH legal department in refining the Draft GoA Decree on OE database processing and transfer. PHCR revised the OE data vertical reporting schedule based on SHA request, agreed on revisions with SHA, and submitted the revised draft decree to the MoJ. Further, PHCR OE team drafted a document answering the subsequent comments of the MoJ on the revised draft government decree. The prepared answers were used by the MoH legal department to respond to the MoJ comments and in the explanation to be submitted to the Government with the draft decree. (C1.2 and C2.1)
- For enrollment-based financing of PHC providers and as a follow up to PHCR-developed Policy Brief on enrollment-based financing options, PHCR had a meeting with Dr. Ara Babloyan, Chairperson of the Standing Committee on Health Care of the RoA National Assembly, to discuss the four options of enrollment-based financing described in the Policy Brief. Mr. Babloyan expressed a clear opinion in support of Option 1, which excludes state funding for non-enrolled population.
- After a follow-up meeting with Dr. Babloyan, Ms. Elena Nanushyan, Expert of the aforementioned Committee, and Dr. Ashot Khachatryan, Head of Legal Department at the RoA NA, an agreement was reached to elaborate and incorporate in the draft Law on Health provisions on enrollment defining the procedures of the Order to utilize state-funded PHC services, which is a requirement of Article 38 of RA Constitution. (C.1.2., C.1.3)

  In addition, PHCR met with the MoH mid-level decision-makers - Ruzanna Yuzbashyan, Karine Saribekyan, Izabella Abgaryan, and Armen Karapetyan to discuss the Policy Brief on financing options. The MoH representatives expressed a view more inclined towards the other three options - which include some level of state-funding for non-enrolled population - as being more politically acceptable considering the RoA Constitution and the requirements set forth by patients' rights. According to SHA, the Minister of Health also holds the same position in relation to this issue. (C.1.2., C.1.3)
- Overall, 599 managers and operators from all PHC facilities of Armenia, and local government authorities (e.g. Kotayk Marzpet) including heads and staff of HSSDs, were trained on the amended OE GoA Decree No 420, draft GoA Decree on enrollment database processing and data transfer processes, other OE regulations and policies, as well as on double-registration cleanup and other database error correction processes. Almost 800 packages including the amended decree and lists of double registrations for each facility, instructions on double-registration cleaning, were distributed to all participants and through them to other PHC providers (C1.5 and C1.4).
- PHCR provided ongoing technical support and explanations to PHC staff from all marzes, answering their inquiries both on the phone and at the PHCR office. In the majority of cases the questions referred to issues of patient transfer and removing double registrations from the database. (C.1.5 and C.2.4)

C2. OE information and reporting system functional for operation in Year 2008 (1-7).

- PHCR provided assistance in drafting a letter on behalf of the Minister of Health to marzpets urging them to foster the creation of OE databases at the facilities and marzpetarans. The focus of the letter was to inform all marzpets on OE data entry progress in their marz primary health care (PHC) facilities and to ask for their measures to expedite the data entry and database cleanup by facilities – giving emphasis to those facilities which entered OE data for less than 50 percent of their catchment area population. (C2.1)
- PHCR regularly prepared reports on OE status based on already entered electronic data per PHC facility, and shared with the MoH. (C.2.1)

- PHCR provided the upgraded version of regional OE database software (with a new feature of database consolidation history recording) on CDs (installation package to be used if needed) to operators of all marzpetarans. The upgraded regional OE database software was successfully installed by PHCR IT team and is functioning in all marzes. In addition, the Team retrained the HSSD specialists on the usage of the upgraded version of marzpetaran open enrollment software. (C2.3)
- On September 2, 2008, PHCR conducted a seminar for marzpetaran OE software operators from all marzes of Armenia. The purpose was to improve their skills in regional database consolidation and to educate them on new regional level database functionalities. As a follow-up to the seminar, PHCR IT team provided technical assistance to the operators advising them on database consolidation issues. (C.2.2, C.2.3)
- PHCR updated OE database internal dictionary of cities and villages to reflect the amendments to RA Law on Administrative-Territorial Division (AL N18) that changed the names of several communities, as of mid 2007. In addition, PHCR IT team undertook necessary measures to prevent consolidation of data from two ambulatories with the same name but from different marzes under one facility database, at the national level. (C2.3)
- PHCR prepared a report on duplications in OE databases based on July data for Yerevan and marzes. The report has two subcategories: information about double registration, i.e. same individuals being registered with more than one PHC physician/facility; and information regarding cases of registering different individuals as having the same passport numbers. The mentioned cases were extracted, the lists printed (1st subcategory) and saved on CDs (2nd subcategory), and were distributed to marzpetaran HSSDs. In turn, marzpetaran operators will distribute the lists of such cases to PHC facilities. (C1.5 and C2.1)
- PHCR IT team assessed the usage of hardware and OE software in Gegharkunik marz – Akunk, Dprabak, Aygut, Chambarak, Shorja, Tsakkar, Tsovasar and Lichk PHC facilities. Based on the assessment, PHCR IT team recommended having a follow-up assessment on the effective use of the hardware, and drafted necessary documentation for reallocating the computer hardware from Akunk facility to the newly organized PHC facility of Vardadzor community. (C2.3)
- *For C2.4 activities please see section C1.5.*
- PHCR held intensive discussions to better specify OE and performance based payment incentive system implementation and automation. Automation considers development of a new integrated software product for both enrollment and encounter systems. PHCR OE and Healthcare Finance (HF) teams drafted an activity plan with implementation schedule and reviewed it with the State Health Agency. (C2.5)
- *For C2.6 please see section E3.2.*

D. COMPONENT 4: QUALITY OF CARE

D1. State-of-the-art quality improvement methodologies in use, including: a) reviewed policies and regulations to support QoC; b) monitoring system for QoC implemented in each PHC network; c) capacity building for QA implementation and institutionalization (1-10).

- On July 3, 2008, per MOH request, PHCR QoC Advisor participated in the working discussion of the MOH draft timeline for implementation of the PHC Strategy 2008-2013, in particular its Quality Assurance (QA) section. PHCR made suggestions aimed at harmonizing the MOH timeline with the outline schedule of PHCR QA Implementation Plan.

- In cooperation with STTA Mary Segall, PHCR QoC Advisor, revised and finalized two QA documents: (a) outline curricula/schedules for training of PHC facility representatives, and (b) progress test for QCs training course.
- On August 14, 2008, PHCR officially submitted the final drafts of two QA documents to the MOH for approval: a) "Strengthening Quality Assurance in Primary Health Care in the Republic of Armenia: Implementation Toolkit", and b) "Detailed Implementation Plan to Strengthen PHC Quality Assurance in the Republic of Armenia".
- PHCR QoC Advisor worked with MoH PHC Department to facilitate the process of Quality Assurance (QA) package approval; internal MoH circulation of document drafts will be initiated to collect feedback from the relevant MoH departments (D1.4).
- PHCR QoC team worked on the budget for QA implementation including contracting QCs for nationwide implementation of QA activities. The draft service contracts developed by PHCR, as well as QC payment and transportation issues, and relevant adjustments to QA implementation budget are being discussed with IntraHealth.
- PHCR QoC Advisor continued working with STTA Mary Segall for development, revision and completion of the QA Training Curricula, both online and during her visit to Armenia (D1.6).
- On July 22-24, PHCR QoC Advisor together with STTA Mary Segall conducted a 4-day "field test" training on the QA package for selected Quality of Care Coordinators in order to assess the strengths and limitations of the QoC training course content. The training was attended by 9 participants including four representatives from Lori, Tavush and Kotayk marzes, four representatives from Yerevan polyclinics, and NOVA's QoC Adviser. Following the training, PHCR reviewed and finalized recommendations based on the observations and feedback obtained during the training. A detailed report on the field test including training highlights is available (D.1.7).
- PHCR QoC team developed a checklist to be used for selection of Quality Coordinators (QCs) and conducted initial competitive selection interviews of Quality Coordinators (QC) for the following marzes:
    - Yerevan. Selection interviews were conducted jointly with the Deputy Head of Yerevan HSSD Robert Sukiasyan. A decision was made to conduct an additional round of competitive selection to seek for more candidacies for QCs.
    - Ararat, Aragatsotn, Armavir and Kotayk marzes (from August 19 to 22, 2008). In Aragatsotn marz, an additional round of selection is required.
    - Shirak, Lori and Tavush marzes (from August 26 to 28, 2008). The major issue that was raised by interview participants was that the QC transportation expenses for facility visits should be adequately/fully reimbursed otherwise the QA implementation process in marzes would be jeopardized
    - Gegharkunik, Vayots Dzor and Syunik marzes (from September 2 to 4, 2008). Similar to other marzes, the major concern was the issue of transportation for facility visits.
- To finalize preparatory activities in selection of QCs/master trainers, PHCR submitted official letters to heads of marz Health and Social Security Departments (HHSDs), requesting the following: (1) assigning the selected coordinators to facilities, considering geographic specifics of each region along with communication possibilities to ensure to the extent possible appropriate distribution; (2) indicating whether there are any regular transport routes between the QC's workplace and the assigned facility (D1.7).

D2. Improved capacity at MOH Licensing Department (1-2).

- PHCR QoC Advisor had several contacts with Mher Kazaryan, Head of the Licensing Department of MOH, to get an update on the MOH licensing database activities. As Mr. Kazaryan stated, the

MOH is considering some new approaches to improving the Healthcare Licensing in Armenia. Hence, the MOH decided to suspend work on electronic database until the approaches are clarified. Presumably, the MOH will get back to PHCR for support after the clarification (D.2.1 and D2.2).

D3. EBM-based standards/protocols for assessing QoC in PHC in place (1-2).

- PHCR, through the "Most Common Childhood Illnesses" training package development working group, prepared final drafts of pediatric Job Aids, to be presented to the MOH (D3.1, B2.3).

D4. Client satisfaction with QoC monitored (1-2).

- *See under F1.*

E. COMPONENT 5: HEALTHCARE FINANCE.

E1. Resources provided and NHA staff capacity building carried out for NHA institutionalization (1-5).

- After completion of the analysis of households' catastrophic expenditures on healthcare, on September 12, PHCR STTA Rich Feeley made a presentation on "Affordability and Access to Healthcare in Armenia: Further Analysis of the 2006 Household Health Expenditure Survey" and facilitated the subsequent discussion on options for reducing the burden of out of pocket health expenditures. The presentation was attended by representatives from the SHA, USAID, World Vision, and NOVA Project. Additionally, a report on "How Great Is the Burden of Patient Health Expenditure in Armenia? Evidence from 2006 Household Health Expenditure Survey" was prepared, showing the distribution of the burden of out-of-pocket health expenditures by type of the service and by household income and raising questions that must be addressed by the Government in planning for healthcare funding in the longer run. (E1.2).
- HF team conducted a donor survey and collected 2007 data on donor expenditures made in the health sector and on "Reproductive Health", from WHO, UNFPA, UNHCR, UNICEF, UNDP and USAID. PHCR started data processing, analysis, and incorporation of the data on expenditures into the NHA matrices under the "Rest of the World" category.

  In addition, HF team started "humanitarian aid and benevolent programs" expenditures data collection and analysis (E1.3).
- On September 5, 2008 PHCR obtained gratitude letter from NHA WG on PHCR support in the automation of NHA, including implementation of activities in two alternative directions: (i) application of NHA software developed by PROGNOZ Russian company and (ii) PHCR developed NHA accounting system for data processing, maintenance, design of standard NHA tables and analysis. NHA WG performed a comparative analysis of the proposed options by the PHCR using certain assessment criteria (e.g. system flexibility, subsystems features, interface, language, cost effectiveness, etc.) and reached a decision on application of NHA accounting system in subsequent NHA development processes using certain features of "AS-Accountant" software for information registration and data storing.
- HF Team developed classification scheme on Reproductive Health for NHA sub-accounts analysis. (E1.5)

E2. Cost and prices for services are determined (1-3).

Completed

E3. Performance based reimbursement system established (1-3).

- HF team drafted a performance-based payment implementation plan and shared it with the SHA.
- HF Team updated forms for data collection on 6 performance indicators to be linked with the PHC provider incentive financing, considering feedback obtained from the "field test" training organized for Quality Coordinators by PHCR FM Team. HF team made a presentation on instructions for filling out the forms at the training. (E3.2)
- PHCR STTA Rich Feeley drafted an implementation schedule for integrated OE and Encounter system. The implementation schedule was shared with the SHA, and SHA feedback was incorporated. (E3.2)

E4. Enhanced SHA capacity to monitor BBP program's execution.

- With the purpose of obtaining feedback on Year 4 HF activities, PHCR HF team had several meetings with SHA and MOH. SHA and MOH requested PHCR to consider conducting the following studies:
  - A study to measure the differences in consumption of laboratory/instrumental services received for common diagnoses between patients living at the periphery of selected rural districts and those living near the "central" facilities. In case the study proves a significant difference, Head of SHA asked PHCR to look into the possibility of modifying the PHC funding mechanism to ensure fair utilization of laboratory examinations funded by SHA.
  - A study to obtain empirical estimates of the average per capita expenditure on essential drugs required for pediatric and adult cases. These estimates could be used to set annual capitation rates for PHC facilities (based on the number and age of patients served), and could be updated annually based on changes in drug prices.
  - A study of potential capitation model/formula adjustments based on differences in patient age and variations in cost associated with population density and climatic zones. The MoH is interested in moving towards a PHC payment structure/capitation adjustment approaches that reflect the model used by Estonia for payment of general practitioners.

  In this respect, PHCR STTA Rich Feeley prepared a design for the requested studies. In addition, HF team has begun studying the Estonian model (E4.1).

E5. PHC facility reporting system streamlined.

- PHCR HF team participated in a number of meetings with the PHC Reporting System Streamlining WG to discuss and agree on PHCR proposed content and format related changes to the encounter form, annexes to the encounter form (International Classification of Diseases (ICD), and list of PHC services), as well as the guide for filling out the form. The feedback received from the WG was incorporated into the aforementioned documents, updated versions of which will be presented at the next WG meeting, scheduled for October 6, 2008.
- In addition, following the series of meetings with the PHC Reporting Streamlining WG members, an agreement was reached over the list of the facility internal reporting forms that can be substituted upon the introduction of the encounter form (E5.1).
- PHCR HF team prepared a document on 2008 PHC state financing scheme and financing normatives. The document was shared with USAID Health Team.

E6. Financial management systems and computer equipment are in place at targeted facilities (1-2).

- The set of PHCR developed materials aimed at enhancing the accounting practices - PHC chart of accounts, document on typical PHC accounting transactions, and sample PHC accounting policy - were provided to all 15 Yerevan PHC facilities where PHCR has conducted accounting training in year 2007 before the development of mentioned materials. The documents are intended for assisting the PHC facilities with development and approval of their own accounting policies.

  With PHCR HF team assistance, Yerevan polyclinics NN 7, 13, 20 and "Noragavit"; Ararat marz PHC facilities of Nor Kharberd and VKF Banavan; and Aragatsotn PHC facility of "Zangakatun" developed and approved their facility accounting policies.

- HF team developed a questionnaire for monitoring the extent to which automated accounting system features are utilized at PHC facilities, and administered this in 33 PHC facilities in Yerevan, Zone 1, and Zone 2. A relevant report is being prepared.

E7. Facility staff trained in sound management and governance practices (1-3).

- On July 7, 2008, Zone 3 Stage 1 Management training follow-up workshop was held at Ararat Marzpetaran. The workshop presented the summary review and feedback on 37 strategic plans, which are outcomes of the training. The training participants received certificates on successful completion of the 6-day training. Moreover, PHCR received letters of gratitude from Heads of Marzpetaran Health and Social Security Departments of Aragatsotn, Ararat, and Armavir marzes, for organizing and conducting PHC Management training course for facility managers and providing them with up to date management handbooks. (E7.1)

- From September 16-26, 2008, PHCR conducted a training course on "Financial accounting and Cost accounting" for 27 accountants (Group 1) from PHC facilities and the Marz Health Departments of Armavir, Aragatsotn and Ararat marzes, and awarded certificates to participants. Trainees were provided with training materials including specialized literature and PHC developed accounting package. PHCR HF team conducted participant pre/post training examinations, the findings of which will be presented in training provider's final report. The final report will also contain the trainee's written feedback on the organization and delivery of the course. On September 29, PHCR launched the training for Group 2 accountants. In addition, PHCR will train two more groups of accountants (Groups 3 and 4) from Ararat, Armavir and Aragatsotn Marzes, in "Financial Accounting and Cost Accounting". The trainings will be completed by November 4, 2008. (E7.2)

- For the purpose of obtaining information on certain criteria to be used for selection of sites for implementation of the automated accounting system, in October 2008, PHCR HF team conducted a telephone survey of 91 PHC facilities of Ararat, Armavir and Aragatsotn Marzes, which had participated in PHCR management training. The information obtained included the size of the served population, number of staff, accountant age/education/willingness to automate accounting practices, and existence of any accounting software and IT equipment in accounting department. The following sites were selected for the implementation of automated accounting system including the provision of IT and related equipment:
  - Armavir Marz: Vagharshapat PC, Shahumyan MA;
  - Aragatsotn Marz: Karbi MA, Voskevaz MA, Tsaghkahovit MC;
  - Ararat Marz: Taperakan MA, VKF Banavan PHC Center.

  (E7.3)

E8. Management support to independent FM practices is provided (1-3).

- For assessing appropriateness and feasibility of using Development Credit Authority (DCA) mechanisms to support financing of start up of independent family medicine practices (IFMPs), HF Team has studied (i) DCA policies, procedures and mechanisms; (ii) local banks requirements and procedures for provision of business loans; (iii) readiness of the local banks in provision of credits for the establishment of FMGP on the basis of the Guarantee Letter; and (iv) possible size of the business loan. The following commercial banks were included in the study sample: "Armenian

Development Bank" OJS, "Armbusiness Bank" OJC, "Cascade Bank" OJC, "Armeconombank" OJC and "Ardshininvestbank" OJC. The experience in provision of business loans under the DCA was considered in selection of the sample of Banks. Several interviews were conducted with relevant staff of the banks and covered topics such as priority, limitations and objectives for giving the business loan; business loan's annual rate, size and duration; guarantee/collateral/mortgage conditions; existence of special procedures for giving loans under "guarantee letters system"; risks assessment system and organizational capacity. The results of the study showed that potential founders of IFMPs will not be able to obtain business loans from commercial banks, since they provide loans for expansion of already functioning businesses in priority areas, even with the existence of the Guarantee Letter that may share 50% of their risks. There are other types of loans, e.g. consumer loan that can be given to the newly established practice with rather high annual rate. Collateral is a requirement for giving any loan by commercial banks of Armenia. In addition, the complex procedures under the DCA mechanisms and estimated low size of business loan required for establishment of IFMPs does not make the of Development Credit Authority mechanism a viable option mechanisms to support start up of these practices in the near future. E8.3).

- Complementing the World Bank Health Project Implementation Unit (HPIU) activities aimed at providing consultations to potential physicians with interest to establish IFMPs, PHCR HF team provided consultations and assistance to 3 family practices in developing their individual financial plans using the PHCR developed Excel based model and other guidance and materials.

F. COMPONENT 6: PUBLIC EDUCATION

F1. Baseline established to measure impact of public education interventions (1-2).

- PHCR M&E team completed the training of interviewers for the follow-up Patient Satisfaction/KAP survey in Lori and Shirak, and the pretest of the survey questionnaire. This was followed by data collection, data entry, and data cleanup. Currently PHCR is completing the analyses of the follow-up KAP survey data from Lori and Shirak marzes (F1.1 and D4.1).
- After entering, cleaning, and subsequent analysis of data from baseline Client Satisfaction and "Knowledge, Attitude, Practice" (KAP) surveys in Armavir, Ararat, and Aragatsotn, PHCR M&E team prepared a combined report that was forwarded to M&E consultants (Michael Thompson and Varduhi Petrosyan) for their review (F1.2 and D4.2).

F2. Health-literacy and health-seeking behavior is improved (1-7).

- PHCR distributed health education leaflets to Zone 2 (Tavush, Kotayk, and Gegharkunik marz) FAP nurses for further distribution in their communities. These included:
  - 200 reproductive health leaflets and 1700 sets of health education leaflets (6 leaflets in each set) to Tavush marz FAP nurses.
  - 300 reproductive health leaflets and 2500 sets of health education leaflets to Kotayk marz FAP nurses.
  - 100 reproductive health leaflets and 700 sets of health education leaflets to Gegharkunik marz FAP nurses (F2.4).
- PHCR PE team provided technical assistance to the MoH in the development of a TV show devoted to prevention of non-communicable diseases, and community health trainings finalized. The 15-minute TV show was broadcasted on two Armenian TV channels - Kentron TV and Ar TV. The first part of the show covered PHCR/MoH community mobilization activities in Nor Gyugh, Kotayk marz. The second part was devoted to prevention of hypertension. Susanna Mkrtchyan,

PHCR Health Education Specialist, presented the leaflet on hypertension developed by PE team in collaboration with the MoH, and highlighted the main preventive actions that a person could take to avoid hypertension.

Regarding the TV show, MoH received positive feedback from Charentsavan local TV, which subsequently also broadcasted the TV show (F4.2).

F3. General awareness of OE process and PHCR interventions established in general population (1-6).

F4. Public is aware of the service packages which are provided in primary care.

See under section F2.4 and F4.2.

F5. Journalists are trained and deliver media in healthcare reform issues (1-3).

- On September 12, 2008 PHCR PE team conducted "Building Media Partnership for Health Improvement" workshop for journalists of Zone 3 Stage 1 – Armavir, Ararat and Aragatsotn marzes. Twenty five participants, including representatives of relevant marz health departments and the MoH along with 9 local journalists, participated in the workshop. Representatives of marz health departments provided an overview of PHC reforms in the marzes. Ruzanna Yuzbashyan, head of PHC at the MoH, updated journalists on current PHC reform activities in Armenia. Gayane Gharagebakyan, PHCR OE team leader, presented PHCR's upcoming and ongoing activities in Armavir, Aragatsotn and Armavir marzes. PE team provided an overview of community mobilization activities in the marzes and conducted "Behavior Change Communication" training for journalists (F5.1).
- PE team provided technical support for development of a TV show sponsored by MoH. A part of the show was devoted to the role of journalists in communicating health issues. The program covered the training of journalists on health behavior change communication organized and conducted by PHCR for Armavir, Aragatsotn and Ararat journalists. The TV show was broadcasted by AR TV and Kentron TV (F5.1 and F4.2).

F6. Grants to NGOs result in community health action and primary care initiatives (1-3).

- From July 21 to 25, 2008, PE team conducted a 5 day "Capacity Building" 5-day TOT course for NGOs from Armavir, Aragatsotn and Ararat regions. Twenty seven representatives from 8 NGOs participated in the training. Representatives from World Vision and Nova Project/USAID also participated in the training. The trainees of the 5-day TOT course received Certificates for successful completion of the following topics:
    - "The Role of Community Health Committee (CHC)"
    - "Adult Learning Methodologies"
    - "Interactive Training Methods"
    - "Cooperative Training Methods"
    - "Behavior Change Communication"
    - "Conflict and Stress Management"
    - "Participatory Rural Appraisal (PRA)"
    - "Project Design and Management"
    - "Advocacy"

(F 6.3 and F2.6).

- After reviewing the technical proposals and budget applications, on September 11, 2008, PHCR signed small grants contracts with selected local NGOs (eleven grants to ten NGOs) for conducting Community Health Committee (CHC) Capacity Building trainings in the PHCR target communities of Aragatsotn, Armavir and Ararat marzes. These NGOs have started providing training to the

CHCs. In order to ensure efficient implementation of the Small Grants Program, PHCR PE team developed a monitoring schedule, according to which PHCR will monitor implementation of CHC capacity building trainings in the PHCR target communities of Aragatsotn, Armavir and Ararat marzes. (F6.3 and F2.2).