

**Public Health Administration, Management,  
and Policy in the Republic of Armenia**

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## **I. Introduction and overview**

The objective of this paper is to present a current situation analysis of education in health care administration, management and policy making in Armenia. This report is based on data collected from a variety of sources, including legislation and reports and interviews with key leaders and personnel in the field.

Legislation and Decisions analyzed for this report include the Law on Civil Service in Armenia, Law on Civil Servants Payment, Regulations of the Civil Service Council, Statute of the Ministry of Health, Law on Health Care, and the Ministry of Health's Program on Development and Reforms of the Health Care System of the Republic of Armenia, 1996-2000. In addition, projects and activities of major international organizations that currently are assisting health care development in Armenia were analyzed through interviews and reviews of reports. A questionnaire was developed and semi-structured interviews were conducted with the Vice-Minister of Health of Armenia, heads of all departments of health care management and administration in Armenian medical institutions, representatives of international organizations, members of the Civil Service Reform Council, and the new Director of the Armenian Government's Academy of Public Administration. (See Appendix A.)

There are two principal institutions responsible for the organization of health care in Armenia: the Ministry of Health (MOH) and the State Health Agency (SHA). The legal bases for both MOH and SHA are their charters. The main direction of health care reforms were defined and adopted by the Government of the Republic of Armenia in 1997.

Delivery of health care in Armenia is regulated through a variety of legal acts. According to an analysis performed by PADCO, Inc., the main legal acts in the sector are the Constitution of Republic of Armenia, the Law on Health Care, and the Law on the State Budget.<sup>1</sup> In addition, there are several newly adopted laws and draft legal acts that are directly or indirectly related to the health care system. The newly adopted laws include the Law on Government Procurement and the Law on Amendments in the Law on Health Care, and the draft legal acts include a law on licensing and a law on state health care programs. It is expected that the newly adopted legislation and the draft laws will positively impact health care administration and will change significantly the structure of health care delivery in Armenia.

Independence and the transition to a free market economy forced many changes in the health care sector in Armenia. Most important among these changes are the following: all state medical institutions have been privatized, the decentralization of medical institutions which is near completion, and all such institutions are now responsible for their own funding and are no longer financed from the state budget.

These changes have raised the important issue of health care administration and management in Armenia. During the Soviet era, medical doctors received superficial training in these areas. However, reforms in the health care sector have created a real need for the knowledge and practical skills required to manage health organizations successfully. Currently in Armenia, medical institutions are managed by medical doctors who have minimal formal training in management but who must implement major government health reforms and at the same time deliver health care. Education in health care management and administration has been identified as one of the main requirements for the successful implementation of health care reform in Armenia.

Currently there are three educational institutions in which the administration and management of the health sector are taught: 1) the Yerevan State Medical University; 2) the National Institute of Health, and; 3) the College of Health Sciences of the American University of Armenia. The College of Health Sciences has two programs in which aspects of health care administration, management, and policy are taught. This report presents information on the missions, curricula and achievements, as well as shortcomings, of these institutions and their educational programs for health care administration and management.

In addition, this report includes analyses of educational programs in public administration in Armenia. Although the concept of public administration is a relatively new phenomenon for Armenia, considerable changes have occurred in this field. The adoption of the Civil Service Law and its implementation in January 2003 should contribute to

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<sup>1</sup> PADCO, Inc. is the U.S. consulting firm implementing USAID's \$26 million Armenia Social Transition Reform Program that focuses on health policy and social services reforms. See PADCO's (2000) "Report No 5: Legal Analysis: Issues Related to Organization and Delivery of Health Care in Armenia."

Armenia's successful transition to democratic practice. The importance and necessity of a merit-based civil service system is recognized in these new reforms, which are aimed at establishing a functioning legal framework for the development of civil service and at implementing the institutional changes required for this development.

## **II. Country profile on public administration**

Analyses of the efforts that Armenia has been making to reform its public administration apparatus leads to the conclusion that positive changes have been made in recent years. A new Law on Civil Service was adopted at the end of 2001. This Law focuses on the regulation of government to meet the main principles of a modern civil service, creates job classifications and grades, creates a system of appointments to civil service posts, provides guidelines for attestation and the training of civil servants (both new and in-service), creates personnel reserves through databases of applicants, and provides for the legal status, organization and administration of the Civil Service of the Republic of Armenia.<sup>2</sup> The concept of civil service and explanations about the rights and duties of civil servants are presented in the Law. The Law draws the line between civil service positions and political positions and stresses the fact that incumbents in civil service positions should not be replaced for political reasons.

According to the new Law on Civil Service, civil service jobs are classified into highest posts, chief posts, leading posts, and junior posts. All posts are further subdivided into subgroups and each post has a job description. The Law clearly describes who is entitled to hold a civil service job. Civil servants should be "citizens of the Republic of Armenia who master the Armenian language, are aged 18 and older, and meet the requirements under the job description of the given post regardless of nationality, race, gender, religion, political or other convictions, social origin, property or other status."<sup>3</sup>

The Law creates a new Civil Service Council and requires that heads of staffs be responsible for the organization and management of the Civil Service.<sup>4</sup> The Civil Service Council consists of seven members: a Chairman, Deputy Chairman and five members. Members of the Civil Service Council are appointed and removed by the President of the Republic of Armenia upon nomination by the Prime Minister of the Republic of Armenia. Members of the Civil Service Council are appointed for six years and must be citizens of the Republic of Armenia who have higher education, work experience in state administration, and master the Armenian language. Civil Service Council members themselves are considered civil servants.<sup>5</sup>

Vacancies for civil service posts are to be filled only through open competition. Announcements for competitions for vacancies in the highest and chief categories are issued by the Civil Service Council, and announcements for competitions for leading and junior Civil Service Posts are published by the relevant hiring body not later than one month before the competition deadline in newspapers having a circulation of at least 3,000.

Newly hired civil servants assume office in an official ceremony and take the following oath in the presence of an official eligible to make his/her appointment and a representative from the Civil Service Council: "Upon assuming the post of a civil servant of the Republic of Armenia I solemnly swear to serve the people of the Republic of Armenia faithfully, to follow strictly the Constitution and Laws of the Republic of Armenia, human and citizens rights and liberties, to assist in maintaining the Constitutional order, to bear the high title of the civil servant with dignity, and to exercise official duties impartially."

At least one-third of civil servants in the various Government agencies and departments must undergo mandatory testing each year until all civil servants have been tested. In addition, regular attestation of civil servants must be carried out every three years. Attestation is accomplished through examining documents and through testing and interviews. In-service civil service training is conducted based on attestation results and each and every civil servant must participate in training at least every three years.<sup>6</sup> Training expenses are covered by the state budget and the Civil Service Council developed the first-year curriculum for in-service training that began in December 2002 and decided through a competition which public and private educational institutions can provide training.

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<sup>2</sup> See Chapter 1, Article 2 of the Law on Civil Service.

<sup>3</sup> See Chapter 3, Article 2 of the Law on Civil Service.

<sup>4</sup> See Chapter 7, Article 36 of the Law on Civil Service.

<sup>5</sup> See Chapter 3, Article 14 of the Law on Civil Service.

<sup>6</sup> See Chapter 4, Article 20 of the Law on Civil Service.

In 2002, the Civil Service Council enacted regulations covering the charter of the Council, various decisions on the main aspects of the Law on Civil Service, and completed the first competitive recruitment for the Chiefs of Staffs of Ministries of the central Government. Any person working as of December 31, 2002, automatically became civil servants under the new classification scheme.

The Armenian Government received assistance from the United Kingdom's Department for International Development (DFID) with its Public Sector Reform Project during the years 1996-2003. The Project provided extensive support in the areas of public sector reform, civil service legislation, and human resource management policy and practice. Structural reviews across Ministries and project management were implemented by DFID. DFID's larger involvement in public sector administration is through the Public Sector Reform Program (PSRP). Under the PSRP, a Public Sector Reform Commission Secretariat was established. An overall goal of the project, as defined by DFID, is to "introduce a modern, professional civil service that is highly skilled and effective, and reform the functions of the State to ensure that they are aligned with a changing role of the public sector in a free market economy."<sup>7</sup>

The reforms enacted in the 2001 Civil Service Law can assist in the creation of an Armenian Civil Service that is more compatible with standards applied in democratic countries. The Law provides the legal safeguards needed for the effective functioning of the civil service system in Armenia and ensures new job security for civil servants that is based on merit and that is not connected with politics. In addition, the Law provides guidelines that ban nepotism, corruption, and non-professional attitudes toward work.<sup>8</sup>

### **III. Health care system profile**

According to Health Care Systems in Transition,<sup>9</sup> Armenia inherited a highly centralized and bureaucratic health care system from the Soviet Union that was managed and financed solely by the state. The structure was vertical, strictly hierarchical, and provided little freedom of health care choice to the population. The centrally organized budget system prevented flexibility and adjustments to different local needs. The lack of reliable health care data on all major matters made it impossible to correctly assess situations and to develop appropriate strategies to identify and solve problems in health care delivery. Moreover, much of the data that did exist was made to fit standards and expectations prescribed by the state. Despite the proclaimed guarantee of free medical assistance regardless of social status, the practice of unofficial extra payments in order to receive good medical treatment was commonly practiced.<sup>10</sup>

The socio-political and economic upheavals that followed the devastating 1988 earthquake combined with the political collapse of the Soviet Union created a catastrophic public health situation in Armenia. After gaining independence, the government of Armenia did not have the finances required to sustain the existing health care system, which was expensive, unmanageable, and inefficient. The Government of Armenia identified the urgent need for a radical reform program in the health sector, and the National Health Policy Program was developed in 1996-1998.<sup>11</sup>

The Armenian Government has introduced several radical health care system reforms that accept that health care can not be provided free of charge. However, it understood the need for a health care package for the most vulnerable populations,<sup>12</sup> and a central feature of health care reform was the introduction of the Basic Benefits Package (BBP) in 1996. The BBP is "a tool that has been widely used throughout the NIS as state health systems transform themselves from one in which all expenses are covered by the state toward a mixed system in which state budget transfers are augmented by formal patient co-payments and, in the case of Armenia, subsidies to pay some of the

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<sup>7</sup> See DFID Departmental Report.

<sup>8</sup> See Egyan, Rafael "Civil Service in the Republic of Armenia."

<sup>9</sup> See Health Care Systems in Transition: Armenia, European Observatory on Health Care Systems.

<sup>10</sup> See PADCO Report No 86: Recommendations on How to Reduce informal Payments for Medical Services in Armenia.

<sup>11</sup> See Mkrtchyan, Ararat "New tendencies in the healthcare of Armenia." Yerevan: Hakob Meghapart Press.

<sup>12</sup> See Health Care Systems in Transition: Armenia, European Observatory on Health Care Systems.

transition costs from the World Bank.”<sup>13</sup> The Ministry of Health has placed considerable importance on the optimization of the health care system, privatization, and the introduction of medical insurance in Armenia.<sup>14</sup>

The basic reform principles of the health system in Armenia include the following: 1) health services should be equitable and fair; 2) the health care system should be efficient; 3) health services should have realistic aims and objectives, and; 4) each citizen should have freedom of choice to select a health care provider and the individual responsibility for his/her health.<sup>15</sup>

There have been four major changes in the legal status of health care facilities during recent years as the facilities were transformed from organizations funded out of the state budget to state non-commercial companies. As outlined in PADCO Report No 86, before 1995 all health care facilities were financed by the state budget and were exempt from taxes. In January 1995 all health care facilities were transformed into state enterprises. In 1997, another change was introduced as part of the decentralization of the health care system: All health care facilities were reconstituted as non-commercial state joint stock companies following the passage of the 1996 Law On Joint Stock Companies. After enactment of the Law On State Non-commercial Organizations in November 2001, health care facilities were required to be reconstituted as state non-commercial organizations (SNCOs). By law, only the Republic of Armenia is allowed to create a SNCO.<sup>16</sup>

Health care reform in Armenia has been extensively supported by various international organizations. The World Bank implements a \$12 million project that supports health sector financing and primary health care reform. The project, which started in 1997, is aimed at contributing to strengthening the primary health care development system, the health financing system, and project management. The project financed the establishment of the State Health Agency.<sup>17</sup>

An even larger program is run out of USAID’s Social Transition Program for Armenia. PADCO is assisting USAID in managing a team of five U.S. expert organizations, five Armenian subcontractors, and 50 full-time Armenian, U.S., and regional staff to implement USAID’s Armenia Social Transition Project (ASTP), a \$26 million program for 2000 through 2005. The Social Transition Program is made up of two components that focus on policy and systemic reforms of the health and social sectors. An earlier three-year ASTP began in 1997 with the goal to assist Armenia with the development of an integrated legal, regulatory, and information framework to support sustainable social insurance programs, provide needy people with adequate social assistance, and help improve primary health care for all Armenians. One of the main directions of health care reforms in this earlier program was decentralization.

### ***III-I. Health care management and administration***

With such extensive support of international organizations, institutional changes in the governance of the health care sector have been made. The Ministry of Health, previously overstaffed, was greatly reduced in size. In order to separate provision from financing, the State Health Agency was established. Whereas the Ministry of Health remained accountable for health care policy and provision, the responsibility for financing was transferred to the State Health Agency.<sup>18</sup> The Agency acts as a third-party player which distributes state allocations to health care facilities and takes full responsibility for management of state financial resources. The Ministry of Health is responsible for policy formulation, formulation of reforms, and overseeing their implementation. The scope of responsibilities of the Ministry of Health also includes monitoring of the population’s health status, determining the terms of medical education, licensing and regulation, and the setting of standards.<sup>19</sup>

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<sup>13</sup> See PADCO Report No 87: Recommendations for Improving the Definition and Administration of the Basic Benefits Package (BBP).

<sup>14</sup> See PADCO Report No 87: Recommendations for Improving the Definition and Administration of the Basic Benefits Package (BBP).

<sup>15</sup> See Health Care Systems in Transition: Armenia., European Observatory on Health Care Systems.

<sup>16</sup> PADCO Report no 86: Recommendations on How to Reduce informal Payments for medical Services in Armenia.

<sup>17</sup> The World Bank. News Release No. 98/1429 ECA.

<sup>18</sup> See Health Care Systems in Transition: Armenia (2001) European Observatory on Health Care Systems.

<sup>19</sup> PADCO Report No 5: Legal Analysis: Issues Related to Organization and Delivery of Health Care in Armenia

In 1997 the Ministry of Health established a Department of Reforms, Program Implementation and Monitoring which focuses specifically on change in the health care system. However, the Department was dissolved in 2002 and currently each Department of the Ministry of Health is responsible for the development and implementation of policies.

Despite the reform programs, the creation of legislative frameworks, and the substantial assistance received from international organizations, Armenia's health care system is far from perfect. Among the many problems still facing the health care sector is the absence of a serious program to train health facility managers. Many senior managers and administrators have received little or no training in techniques which can replace their old methods of reporting financial revenues and expenditures with new methods.<sup>20</sup>

The need for good managers and good accountants for successful health care facility management has been identified and the Ministry of Health is currently developing training and retraining requirements for accountants and managers of large health care facilities. Appointees to these positions will be required to complete successfully appropriate training and to demonstrate competencies in skills that will be defined by the Ministry.<sup>21</sup>

Over the last three years, the Center for International Management Studies has developed customized programs adapted to the needs of health care managers.<sup>22</sup> The Canadian International Development Agency (CIDA) and other organizations provide funding for these type of programs in Armenia. The components include curriculum development, faculty training, and development of learning materials adapted to the Armenian environment and acquisition of institutional educational tools and evaluation criteria. The feasibility of developing regional training campuses in Armenia is being examined. CIDA's contribution will include funding for two fact-finding missions to Georgia and Azerbaijan to facilitate development of similar programs as well as to develop a Caucasus regional health management training center.

The Armenian Social Transition Program has recommended that the Ministry of Health develop training requirements using as the base the competencies existing in health management-training programs that are offered in education institutions such as the American University of Armenia. ASTP recommends also that the Armenian Ministry of Health establish a date when the competency requirements for managers and financial directors will be the only basis for appointments. Managers and financial directors should demonstrate the necessary competencies through the completion of the Ministry of Health's licensed training programs<sup>23</sup>

#### **IV. Overview of public administration educational practices**

The process of transforming a former command economy into a free market economy creates extraordinary requirements for creative leadership upon both the current generation of top-level government officials and future generations of governmental leaders in Armenia. These create even greater needs for effective education and training in public education. Both the current government leadership and the next generation of public servants must develop new interactive skills, which their predecessors neither required nor exhibited. These skills include "mediating, negotiating and interpersonal skills, the ability to include and integrate a much wider diversity of actors in the decision-making process, and language skills and technology literacy."<sup>24</sup> Most importantly, given the scarce resources available for training needs, priority-training areas must be established by the Armenian Government and these areas might include policy development capacities, resource management capacities, and the capacity for improved public service delivery. Currently public administration is taught to various extents at the American University of Armenia, the Armenian Academy of the Public Administration, Yerevan State University, and the Yerevan State Institute for the National Economy.

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<sup>20</sup> See PADCO Report No 87: Recommendations for Improving the Definition and Administration of the Basic Benefits Package (BBP).

<sup>21</sup> Ibid.

<sup>22</sup> CIMS homepage available at [www.intranet.management.mcgill.ca](http://www.intranet.management.mcgill.ca).

<sup>23</sup> See PADCO Report No 87: Recommendations for Improving the Definition and Administration of the Basic Benefits Package (BBP).

<sup>24</sup> See UN/ISIA Initiative on Public Administration Education and Training for the current and next generation of government leadership.

The American University of Armenia was established in 1991 at the same time Armenia gained independence and is an affiliate of the University of California system. The University is the joint undertaking of the Ministry of Education and Science and the American University of Armenia Corporation. AUA is the first university located outside of the United States and its territories to be granted candidacy for accreditation by the Western Association of Schools and Colleges, one of the U.S. Department of Education's six accrediting associations for higher education. The American University of Armenia teaches public administration in its Graduate School of Political Science and International Affairs. Courses include an introduction to public administration, public administration in Central Europe, public financing and budgets, public personnel administration, and several courses on policy-making and analyses. Moreover students are taught democratic theory, economic theory, Armenian legislative processes, and Armenian Government structures and processes. Research methods in political science and the major quantitative and qualitative data collection methodologies and policy evaluation are covered. All courses are aimed to prepare a new generation of policy-makers, policy analysts, and public administrators. Several recent Masters Essays have focused on problems in public administration and recommendations for reform. The graduates of the Department of Political Science and International Affairs are working successfully in the government of Armenia, international organizations, and non-governmental organizations.<sup>25</sup>

The Government's Armenian School of Public Administration was renamed the Academy of Public Administration in 2002. The Academy now operates under the aegis of Civil Service Council and has the extensive mandate of civil service training and the organization of this training through a variety of educational entities. The Academy's public administration program includes political science, law, economics and the organizational aspects of public administration. (See Appendix B.) The Academy implements post-graduate specialized education and its curriculum was developed and implemented with the assistance of the European Union TACIS program. The mission of the Academy is "to provide the Republic of Armenia with administration officers prepared in accordance with modern requirements, who are able to work in conditions of political democracy and transition of economies to market relations." The full-time education program prepares new specialists in "Public Administration and Local Government." Admissions is carried out on a competitive basis and graduates receive a diploma authorized by the Government of Armenia. The Academy's Department for Improvement of Professional Skills and Retraining of Specialists provides in-service training for members of the Armenian Government. The Academy prepares tests for the attestation of civil servants. According to a recent Academy's report, more than 2,000 civil servants at central and local levels have been trained.<sup>26</sup>

Aspects of public administration are taught at Yerevan State University in its Economic Department and in other departments, but the University does not offer a specialized degree. Courses throughout the University include administrative law, comparative administrative law of foreign countries, the political system of the Republic of Armenia, authority, government economic regulations, and principles of management and budgeting.<sup>27</sup> Some aspects of public administration are taught at the Yerevan State Institute for the National Economy. Courses taught by the Department of Management include administrative theory, organizational theory, public and municipal administration, financial management, organization of administrative decision-making processes, personnel management and strategic management.<sup>28</sup>

The Government of Armenia recognizes the importance of education for public administrators and with the introduction of the 2001 Law on Civil Service introduced requirements for in-service education of civil servants that will lead to new education programs. For example, beginning in 2004, the Civil Service Council will administer a competition among institutions of higher education for the development of new in-service curricula.

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<sup>25</sup> See [www.aua.am](http://www.aua.am) for mission statement and curriculum.

<sup>26</sup> Brochure of the Academy of Public Administration.

<sup>27</sup> See Tumanyan, David (2000) Report on Armenia in evaluation of academic programmes in the field of public administration and their degree on Europeanization.

<sup>28</sup> Ibid.

## **V. Overview of current education practices in the area of health care administration, management and policy**

Social–economic and political changes have had a deep impact on health care management and organization during the first decade of independence in Armenia. Instruction in health care administration, management, and policy currently is taught at the State Medical University, the National Institute of Health, and the American University of Armenia. The administration, management, and policy courses and lectures taught in these programs are listed in the Appendices.

### ***V-I. Yerevan State Medical University***

The Yerevan State Medical University includes schools of general medicine, dentistry, pharmacy, and military medicine and employs 661 faculty members of which eight are academicians, 122 are Doctors of Medical Science and 375 are Candidates to Doctor of Medical Science.<sup>29</sup>

Although health care management was taught previously at the Yerevan State Medical University, new realities forced new curricular changes. Students' needs for the knowledge required to enable them to orientate to the free market economy were identified. Taking such factors into consideration, the Department of Social Medicine and Health Organization at the Yerevan State Medical University developed a new educational program, which consists of three main topics: 1) statistical methods and their implementation in public health; 2) public health and the study of its various components, and ; 3) the basics and principles of health care organization in Armenia.<sup>30</sup>

The goals of the program are to provide future physicians with required knowledge and skills in the areas of public health, health care administration, and the statistical methods most frequently used in the health care management. Other objectives of the program include instruction in the general principles of administration, how to organize and optimize health care facilities, how various institutions function in the new economic reality, and the methodologies, analyses and evaluation techniques needed to assess medical facilities. Students are provided with an overview of laws, Governmental decisions, Presidential decrees, and other changes in the legal and regulatory fields of Armenia, as well as international legislation. ( See educational plan in Appendix C.)

The Department of Social Medicine and Health Organization of the State Medical University is currently developing curricula for post-graduate training in health care management. Currently only the National Institute of Health offers post-graduate training in this field.

### ***V-II The National Institute of Health***

The National Institute of Health (NIH) is an independent organization supported and financed by the Ministry of Health with the mission to improve the health of the population by providing postgraduate professional and academic training, stimulating health and clinical research, and integrating different activities to promote and facilitate the performance of health care facilities. The objective of the NIH is prepare health care professionals and clinicians so that they draw on knowledge and skills from a variety of disciplines in order to define, assess and resolve public health problems.<sup>31</sup> The National Institute of Health has six departments: 1) education and training, which includes therapy, general surgery, dentistry, pharmacology and training and retraining; 2) scientific research which focuses the scientific and legislative basics of public health development; 3) foreign and public relations which also is responsible for coordination of regional educational and training center activities; 4) state licensing center of specialists; 5) health care, and; 6) the School of Health Care Management and Administration (SHCMA at NIH).

The School of Health Care Management and Administration (SHCMA) of the National Institute of Health was launched in 1999 with the support of the Ministry of Health for the re-training of health care administrations and other professionals. According to SHCMA at NIH, its mission “is to pursue and disseminate knowledge relevant to

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<sup>29</sup> See webpage: [www.ymsu.am](http://www.ymsu.am)

<sup>30</sup> Ibid.

<sup>31</sup> See webpage: [www.medlib.am/nih](http://www.medlib.am/nih)

health administration and management and to improve the quality of health services thereby helping to meet the health needs of the people of Republic of Armenia.” The programs of the School include management, marketing, medical insurance, public health, health information, and health care economics and financing, accounting and reporting, statistics, health service organization, health policy and law, and medical rights.<sup>32</sup>

The primary goal of the School is to train and develop local managers of health care facilities. Training in the continuous education programs lasts from three weeks to two months. The School of Health Care and Management offers ten programs that provide graduate and postgraduate level education. One is a two-year graduate program for medical specialists who already have a university education and it leads to a Specialization Certificate in Health Care Administration. The other nine programs provide continuing education and are tailored to meet the special needs and demands of different groups of health care managers, directors, head and supervisor nurses, head accountants, economists and statisticians in medical facilities. (See Appendix D).

The School collaborates with the Center for International Management Studies and McGill University in Canada. The objectives of the collaboration are to increase the capability and capacity of SHCMA and its faculty to provide education and training for Armenian health care administrators in order to effectively meet the needs and demands of Armenian health care reforms and to establish a reproducible model that will permit health care management training in the other Caucasus countries. The graduate program in health services administration at Creighton University in the U.S. has begun a three-year health management education partnership with the School that is sponsored by USAID and the American International Health Alliance to support the development of a sustainable program in health services management in Yerevan. The goal of the project is to provide Armenia with an increased ability to operate and manage the health care system in line with reform. The project aims to increase the capability and capacity of the School by providing education and training to health care administrators.<sup>33</sup> The project also seeks to establish a health care management training model that can be replicated in other South Caucasus countries.

### **V-III. The College of Public Health of the American University of Armenia**

The American University of Armenia (AUA) was established in 1991 and grants eight Masters Degrees in six graduate programs. AUA’s College of Public Health was established in 1992 and is a member of the Association of Schools of Public Health in the European Region (ASPHER). Currently, there are three programs within the College of Health Sciences: the Master of Public Health (MPH), the Center For Health Services Research and Development (CHSR), and the School For Health Care Management and Administration.<sup>34</sup>

The Master of Public Health Program provides experienced health professionals a thorough grounding in population-based approaches to health sector problem identification, investigation, analysis, and managed response. The overall objective of the MPH Program is to prepare health professionals to draw on knowledge and skills from a variety of disciplines to define, critically assess, and resolve problems affecting the public's health. The intensive, modular curriculum emphasizes basic public health sciences and essential managerial and analytic skills including project planning and evaluation, epidemiologic investigation, understanding complex determinants of health, effective communication to professional and lay audiences, and leadership. (See Appendix E.)

Each of AUA’s academic departments has a research center. The College of Health Science’s Center for Health Services Research (CHSR) is an applied research center established in 1995 to respond to research and development needs in the public health in Armenia. CHSR is a resource to support and facilitate the existing public health infrastructure. Among its objectives are the following: 1) provide supervised field training for students enrolled in the MPH program; 2) serve as a venue for linkages among the Ministry of Health, donor agencies, and the MPH faculty; 3) respond to requests for technical assistance from local Armenian ministries and research institutes; 4) support programmatic development of health services in conjunction with the Ministries of Health within the Regions; and 5) respond to the requests for technical assistance from international organizations working on health projects in Armenia. The CHSR collaborates on projects with many local organizations and employs an outstanding professional research staff.<sup>35</sup>

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<sup>32</sup> See Brochure of the National Institute of Health.

<sup>33</sup> See webpage: [www.medlib.am/nih](http://www.medlib.am/nih).

<sup>34</sup> See webpage: [www.aua.am](http://www.aua.am).

<sup>35</sup> See webpage: [www.aua.am](http://www.aua.am)

In 2002, the CHSR introduced a pilot e-learning program in the Basics of Health Planning. This course was developed for health managers and provides a comprehensive introduction to fundamental concepts, principles and methods of health planning. By providing basic knowledge in planning design, the program also was aimed to help participants to be prepared to design and conduct qualitative and quantitative research. The distance-learning course is free of charge and available in Armenian, Russian, and English. It provided a unique opportunity to study irrespective of the place or location, financial possibilities, and language. The course is aimed at fostering and enhancing skills and enlarging experience related to the use of technology for accessing and using information, and communicating with colleagues. The course consisted of eight teaching modules providing basic materials over four weeks.<sup>36</sup>

The need for training and developing the professional status of hospital and outpatient clinic administrators, so called “chief doctors,” was understood by senior health officials and facilities in Armenia for many years. The creation of the graduate degree program in public health has had an important impact on Armenian health care systems and national policy in health, which stimulated the Government and academics to change their visions and attitudes toward health care development in the country. When the College of Health Sciences and CHSR were founded, Armenia did not have a residency program in health management education and the situation limited severely access to training for professional health care managers.

#### **V-IV. School of Health Care Management and Administration of the College of Health Sciences at the American University of Armenia.**

The School of Health Care Management and Administration (SHCMA) at AUA was developed in 1999 with the support of the Ministry of Health as an executive center for re-training and continuous professional education of health and hospital administrators, as well as offering a long-term health management residency program for persons seeking a specialization in the field of health care management and administration. SHCMA was housed at AUA and jointly sponsored by the Ministry of Health and AUA. The Mission of the School was to “contribute to the health of the population by providing competency level of professional and academic training in the field of health care management and administration.”

In 2002, the School joined AUA, merging as an integrative organizational part of the Center for Health Services Research (CHSR). SHCMA at AUA is a part of the College of Health Sciences and the Center for Health Services Research. SHCMA training programs are targeted to post-graduate continuous education and refreshment courses and are specifically designed for acting health care administrators and more general continuing academic professional training in residence in health management education. (See Appendix F.)

The current mission of the School is to improve the health of the population by providing competency level of professional and academic training in the field of health care management and administration. The objective of the school is to train a number of health care specialists in order to create a critical mass of professionals with necessary level of skills and abilities to implement plans and strategies of the Ministry of Health in the health care sector. During 1999-2001, the School received funding from the USAID/AIHA partnership in Health Management Education.

#### **V-V. Conclusions**

Public health administration and management is an important part of health care reform in Armenia and the importance of education in this sector is widely recognized. There are three educational institutions teaching administration, management, and policy in public health but there is little cooperation among them. In 1999 the School of Health Care Management and Administration moved from the National Institute of Health to the American University of Armenia. However the name was retained by the National Institute of Health and both schools currently operate under the same name and implement their programs separately. The only institution in Armenian that can grant a diploma in health care administration is the National Institute of Health upon completion of a two-year post-graduate course on health management and administration. The School of Health Care

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<sup>36</sup> [http://chsr.aua.am/e-learning/eng/comm\\_center.php](http://chsr.aua.am/e-learning/eng/comm_center.php).

Management at AUA provides short-term in-service courses on health care management and administration. The State Medical University provides graduate training in the health care management and provides knowledge to future health care providers. It should be noted that the Medical State University currently is working toward starting a post-graduate program in health care administration and is developing with the Ministry of Health curricula for post-graduate training programs.

The absence of cooperation and the lack of information exchange between these educational institutions can be considered negative factors which prevent the development of a sound system of public health management and administration in Armenia. Cooperation and exchange of ideas, teaching methods, and materials can contribute to establishing a working system of health care administration and management. These issues among many others will be discussed at the First International Medical Congress in Armenia in 2003. This forum will discuss a wide range of current topics facing the health care industry, including new medical treatment options in various health care disciplines and the latest in medical technology. The goal of the forum is to help facilitate the cooperation and mutual help of various organizations, facilities, associations and medical professionals both in Armenia and around the world.<sup>37</sup>

As a country in transition Armenia is experiencing many problems in economic, political and social spheres. However, Armenia has a unique source of strength in the Armenian Diaspora whose "passionate commitment to their homeland" helped Armenia survive through the first difficult years since independence. One example of a new Diaspora program is the Harvard University Kennedy School of Government's program to educate new public administration leaders. This Public Service Fellowship provides full tuition and covers fees, living expenses, and travel for a student to participate for a graduate degree in public administration, public policy, or public administration/international development. The Manoukian Foundation is also supporting an Executive Education for Armenia program will provide executive training to Armenian officials charged with the challenging task of leading Armenia.

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<sup>37</sup> See webpage: [www.congress2003.am/index.html](http://www.congress2003.am/index.html).

**Appendix A: List of Key Personnel Interviewed**

Tatul Hakobyan, M.D., Deputy Minister of Health of Armenia

Ruzanna Juzbashjan, M.D, Head of the Department of Primary care of the Ministry of Health of Armenia.

Samvel Hovhannesyan, Ph.D, expert of the of the National Assembly of Armenia, Committee on Social Affairs, Health care and Environment.

Mihran Nazaretyan,PhD, Dean of SCHMA at the American University of Armenia.

Theresa Khachatryan, PhD, Dean of SCHMA at the National Institute of Health.

Marina Mardiyani, Ph.D, Senior Lecturer, Department of Social Medicine and Health Organization, the Yerevan State Medical University.

Vache Gabrielyan, Ph.D, Member of the Public Sector Reform Commission.

David Tumanyan, Communities Finance Officers Association.

Armen Harutunyan, PhD, Director, Academy of Public Administration.

Hrair Aslanyan, WHO Liaison Officer.

**Appendix B: Educational Plan for the Academy of Public Administration**

| <b>Lectures</b>                            | <b>Hours</b> |
|--|--------------|
| Political Sociology                        | 12           |
| Theory of Political Science                | 16           |
| Constitutional Law                         | 18           |
| Ethno politics                             | 6            |
| Geopolitics                                | 6            |
| Local Government System                    | 6            |
| International Law                          | 8            |
| Analysis of economical performance         | 8            |
| Statistics                                 | 10           |
| International Economic Relations           | 6            |
| Social security System of Population       | 6            |
| Tax and Custom's System                    | 6            |
| Psychology of Public Administration        | 8            |
| Conflictology                              | 6            |
| Public Relations                           | 6            |
| Crisis Management                          | 6            |
| Marketing                                  | 6            |
| Labor law                                  | 8            |
| Political futurology                       | 6            |
| Foreign language                           | 32           |
| Macroeconomics                             | 12           |
| Information systems                        | 58           |
| Administrative Law of RA                   | 12           |
| Civil Law                                  | 16           |
| State management of economy                | 12           |
| Macroeconomics                             | 6            |
| Regional Economics                         | 16           |
| State Budget                               | 16           |
| Local Budget                               | 16           |
| Accounting                                 | 16           |
| Personnel Management                       | 12           |
| Principles of Public Administration        | 16           |
| Organization of Administrative Performance | 12           |
| Legislation of Administrative decisions    | 8            |
| Sociology                                  | 6            |

**Appendix C: Academic Programs in Public Health Management and Policy at the Yerevan State Medical University**

|     | Lectures in the Department of General Practice   | Hours provided |
|-----|--|----------------|
| 1.  | Public health and health care organization as science and subject of teaching; main methods of its study                                 | 2 hours        |
| 2.  | General understanding about statistics; basics of sanitary statistics  | 2 hours        |
| 3.  | Medical-social aspects of demographics; statistics of the population; population of the Republic of Armenia                              | 2 hours        |
| 4.  | Dynamics of the population; birth rate, mortality, child mortality; reproduction problems of the population in the RoA                   | 2 hours        |
| 5.  | Study of population sickliness; international classification of diseases and its importance  | 2 hours        |
| 6.  | Epidemiology of non-infectious diseases and prevention; primary and secondary prevention   | 2 hours        |
| 7.  | Medical-social aspects of important non-epidemic diseases (SAH, oncologic diseases, traumatism)  | 2 hours        |
| 8.  | Neuro-psychiatric diseases, alcohol mania and drug mania as social-hygienic problem; problems of tuberculosis and AIDS in the RoA        | 2 hours        |
| 9.  | Reforms and optimization of the public health system in the RoA; leading bodies of public health; basics of public health administration | 2 hours        |
| 10. | Principles of the public health financing; state mandatory insurance   | 2 hours        |
| 11. | The law of the RoA "On medical assistance to and service of the population"; state target programs of public health                      | 2 hours        |
| 12. | Organization of ambulatory-polyclinic care in the RoA (city polyclinics, child polyclinics, women consultation center)                   | 2 hours        |
| 13. | Organization of public health for rural population; medical rural center, marz (regional) and republican hospitals                       | 2 hours        |
| 14. | Organization of hygienic-anti-epidemic assistance in the RoA   | 2 hours        |
| 15. | Basics of social insurance and of social security; organization of medical expertise of work-efficiency                                  | 2 hours        |
| 16. | Systems of public health in foreign countries  | 2 hours        |
| 17. | World Health Organization, its structure and functions   | 2 hours        |
| 18. | Basics of medical ethics and gerontology   | 2 hours        |

|     | Content for practical courses in the Department of General Practice   | Hours taken                   |
|-----|---|-------------------------------|
| 1.  | Organization of population health study; sanitary statistics and its importance in the assessment of activities of medical institutions and management bodies as well as of the population health; organization of the statistical investigation, composition of the program and plan of the investigation; relative constants, their implementation in the system of medical investigations and practical health care; graphic expression of the results of statistical investigation              | 5 hours                       |
| 2.  | Average constants; methodology of composing the variation series; methods of calculating the average arithmetic and their comparative score; average square deviation, average error of the average arithmetic, coefficient of variation, their importance and calculation; implementation of average constants in the assessment of the population health; study of the physical development   | 5 hours                       |
| 3.  | Assessment of reliability of the results of statistical investigation; systematic and situational analysis; assessment of reliability of relative and average constants; assessment of reliability of the difference  | 5 hours                       |
| 4.  | Correlation analysis; R x/y regression; correspondence coefficient  | 5 hours                       |
| 5.  | Dynamic series; analysis of the dynamic series; control work/examination  | 5 hours                       |
| 6.  | Diseases as index characterizing the population health; main methods and sources of diseases study; main documents of diseases registration and report; the role of doctor in provision of completeness and quality of information about diseases; analysis and assessment of the main indices of diseases as the main index of the planning of the public health institutions' activities and medical assistance; registration and report documents necessary for the study of population diseases | 5 hours                       |
| 7.  | Main indices characterizing the population health; main calculation and assessment methods; standardization of the indices  | 5 hours                       |
| 8.  | Medical-social aspects of the demographic statistics; their importance as the main index characterizing population health, of analysis and planning of public health institutions' activities; methods of calculation and analysis of demographic indices; main tendencies of the medical-demographic processes in the RoA and perspective levels   | 5 hours                       |
| 9.  | Dynamics of population; impact of migration on the indices of the population health; birth and mortality as indices of natural movement; average life expectancy and main factors influencing the index   | 5 hours                       |
| 10. | Role of the public health primary care in the system of organizing medical-prophylactic assistance to the population; main factors influencing the quality of organizing the analysis of polyclinic activities and medical-prophylactic assistance as well as main assessment indices; role of the public health primary care during the organization of expertise of the temporary work-inefficiency, order of giving the work-inefficiency leaflet; resolution of the situational problems        | there was mentioned the hours |

**Appendix D: Academic Programs in the School of School of Health Care Management and Administration at the National Institute of Health**

|   | Courses   | Duration | Number of credits | Dates                      |
|---|---|----------|-------------------|----------------------------|
| 1.  | Urgent problems of social hygiene and health care management and administration (for heads and their deputies of health care bodies and institutions (MoH and hospitals)      | 7 weeks  | 125               | 11.02-29.03<br>09.09-25.10 |
| 2.  | Management and administration of the maternity homes and women consultation centers work (for heads and their deputies of the maternity homes and women consultation centers) | 7 weeks  | 175               | 13.05-28.06                |
| 3.  | Urgent problems of health care economics (for heads and their deputies for economic questions of MoH and hospitals)   | 5 weeks  |                   | 24.06-26.07                |
| 4.  | Sanitary statistics (for heads and their deputies of MoH and hospitals)   | 7 weeks  | 175               | 16.09-01.11                |
| 5.  | Urgent problems of social hygiene and health care management and administration (for heads and their deputies of hospitals and HHTK?)   | 7 weeks  | 175               | 21.10-06.12                |
| Short-term courses                                    |   |          |                   |                            |
| 6.  | Health care management and administration (for heads and their deputies of MoH and hospitals)   | 3 weeks  | 75                | 01.04-19.04                |
| 7.  | Sanitary statistics (for heads and their deputies of MoH and hospitals)   | 3 weeks  | 75                | 13.05-31.05                |
| 8.  | Urgent problems of health care economics (for heads and their deputies for economic questions of MoH and hospitals)   | 3 weeks  | 75                | 09.09-27.09                |
| Course on the improvement of the middle medical staff |   |          |                   |                            |
| 9.  | Basics of the administration of the work of chief and senior medical nurses   | 5 weeks  | 125               | 20.05-21.06                |

## **Appendix E: Selected Courses in the College of Public Health at the American University of Armenia**

### Health Economics & Finance (6 units)

This course complements PH221 and consists of two components. The first component addresses the basics of health sector financial management, including simple budgeting, variance analysis, and benefit/cost analysis as tools for assessing the financial health of an organization. The second component of the course explores the application of basic micro and macro economic principles to the health sector. Evaluation is based upon homework assignments, quizzes, and a project.

### Comparative Health Systems (3 units)

This course provides a critical comparison of the organization, philosophy, financing, and benefits packages of the predominant health care system models. The strengths and weaknesses of these programs will be used as bases for discussing relevance to Armenia. Evaluation is based upon examination and a project.

### Health Services Management (5 units)

This course provides the practical and theoretical underpinnings of the organization and management of health organizations. Specific emphasis is placed on individual leadership and management skill development. Evaluation is based upon examinations and student projects.

### General Principles of Public Health Problem Solving (5 units)

An introduction to the diverse profession of public health and a guiding paradigm for public health problems solving, this course emphasizes the development of essential skills in critical thinking and group process. Student groups will complete an analysis of a current public health problem, including recommended courses of action. Evaluation components consist of individual and group participation, an individual written critique and other written assignments, a group paper, and a group presentation.

### Data Management Systems (1 unit)

Students will apply their knowledge of database, spreadsheet and statistical packages to the development of appropriate database and management information systems to process and analyze raw data. Issues of database design, coding schemes, data cleaning, and handling missing data will be addressed. Evaluation will be based upon graded problem sets.

### Qualitative Research Methods (4 units)

This course provides hands-on experience in qualitative research methods useful in formative and community-based research. Topics include formal and informal ethnographic methods including key informant interviews, focus groups, direct observations, and free lists. Evaluation is based upon participation in practical exercises and a written report and presentation. Note: The formative research projects will form the basis for development of a formalized survey instrument during PH232.

### Biostatistics: Modeling and Sampling (4 units)

This course advances the concepts of linear regression to a unified perspective of generalized linear models, including multivariate regression, logistics regression, and log-linear models. A recently collected data set will be analyzed using these methods. The course will also address issues of sampling, sample size, and power calculations with respect to a number of study designs. Evaluation will be based on problem sets, quizzes, and examinations.

### Program Planning (5 units)

This course addresses the analytic and practical considerations in designing and implementing a field program. Topics addressed include manpower and facilities planning, design, and implementation considerations, and planning for evaluation. Evaluation is based upon a student project.

### Project Development and Evaluation (6 units)

This course provides a thorough grounding in the basic methods of health services evaluation, focusing on research designs, threats to reliability and validity, and instrumentation. Emphasis is on critical analysis and assessment of study designs. Evaluation is based upon student-prepared evaluation protocols and critiques of published papers.

**Appendix F: Academic Program of the School of Health Care Management and Administration at the College of Health Sciences of the American University of Armenia**

|    |  |
|----|--|
|    | Course 1: Basics of health care management and administration (25 hours)   |
| 1  | Basics and Principles of Health Care Management  |
| 2  | Strategic Planning   |
| 3  | Presentation Skills  |
| 4  | Communication Skills: Basics, Methodology and Principles. Practical Use of Communication Skills.   |
| 5  | Leadership: Basics and Principles. Leadership in practice: Situational Leadership. Determine your own Leadership Style   |
| 6  | Motivation: Basics and theories, methods and specific approaches   |
| 7  | . Decision Making and Problem Solving: Principles and Theory, Methodology. Stimulation exercise  |
| 8  | Time Management  |
| 9  | Basics of Conflict Management. Methods of Conflict Resolution. Negotiation Skills for a Manager  |
| 10 | Nominal Group Technique (NGT) – a tool for better and effective decision making (principles, practice and implementation).   |
|    | Course 2: Basics of health economics, finance and marketing, and health insurance and managed care (25 hours)  |
|    | What’s Economics is all about (terms, definitions and main questions). Basic Macroeconomic Concepts and Linkages with Health Sector.   |
| 1  | Basic concepts of Demand and Supply Law. Analysis of Demand for Health Care. Need vs. Demand in Health Care. Social Control on Proper Utilization of Health Care Resources                             |
| 2  | Health Care Economics and Health Care Market – specific characteristics, concepts and models. Methods of economic evaluation. None-for-profit type of organizations in Health Care Sector.             |
| 3  | Financing of Health Care System. Financial Management of Outpatient and In-patient Health Care Organizations.  |
| 4  | Health Insurance and Managed Care – applications, schemes and models   |
| 5  | Private Medical Office Management and Administration (how to start with private medical practice). Better Office Management  |
| 6  | Marketing in global economy and in health care system.   |
|    | Course 3: Health care human resources and quality management (25 hours)  |
| 1  | Introduction to Human Resources Management   |
| 2  | Planning Human Resources for Health  |
| 3  | Staff recruitment, selection, deployment, orientation. Job design  |
| 4  | Staff retention  |
| 5  | Human resources (staff) development and training   |
| 6  | Appraising performance of the staff  |
| 7  | Groups, Teams, and Teamwork.   |
| 8  | Quality management in health care: introduction and epidemiology of quality; Methods of performance improvement; assessment of outcomes  |
|    | Course 4: <b>Health care policy and reforms in Armenia and legal aspects and ethics of health care (25 hours)</b>  |
| 1  | Health Care Reforms in Armenia: What do we reform and why?   |
| 2  | Health Care System in Transition: Matching Strategy to the Situation..   |
| 3  | Health Status and its main indicators in Armenia   |
| 4  | Health Care and Health Care Policy. Mission, goals and objectives; Health care policy making and priority setting; policy making case-study.   |
| 5  | Legal aspects of health care administration: Introduction and main sources of law; Liability and consent issues; Medical records and legal reporting obligations; Patients rights and responsibilities |

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