



Transparency International Georgia Has Released Hospital Sector Report

For immediate release

Tbilisi, 9 July 2012 - Transparency International Georgia has released a study of the Georgian hospital sector. The report highlights a number of important issues:

- The government's strategy of privatizing the hospital sector resulted in the rapid construction of modernly equipped multi-profile hospitals throughout all of Georgia that are replacing old hospitals.
- Almost all the hospitals in Georgia are owned by private investors and there is a lack of information about some of them.
- The switch of social insurance from a voucher-based system to a regional system has made it possible for insurance companies to become monopolist providers in different parts of the country.
- As a result, patients have lost the possibility to choose the company that offers them social insurance or the hospital where they will be treated.
- Involvement of pharmaceutical companies in the hospital sector's ownership and management is a potential source of conflict of interest. According to some sources, in some hospitals, preference is given to the medicines imported or produced by the relevant pharmaceutical company.
- There are insufficient institutional arrangements that guarantee the quality of services and patient rights. At the same time, low wages of medical personnel and the lack of protection for their rights are a problem, especially in the regions.

A number of steps need to be taken in order to address the problems highlighted in the report:

- The risk of regions being left without health care provision should be minimized through financial incentives, additional obligations for hospitals owners and a program that will respond to the disappearance of services and hospitals in regions in a timely manner.
- Expansion of the powers of the Health Insurance Mediation Service and its institutional strengthening must be implemented.
- More information and more extensive monitoring of hospitals is needed to widen the understanding of the effect of the current policy in order to timely respond to challenges and lead reform in the right direction.

The report was prepared in the framework of a project funded by The Embassy of the Kingdom of the Netherlands. In the coming weeks, TI Georgia will release another report that explores the insurance industry.

Contact Person: Nana Lobzhanidze, information officer
Phone: 5 95 210 309
nana@transparency.ge