

## Case Studies Illustrate Diverse Reform Strategies

Case studies presented during the conference demonstrated the multidirectional nature of NIS national and regional health reform strategies. Each country's specific history, economic position, type of government and cadre of health care workers influenced the type of health reform undertaken. Below are two examples.

### **Sokolov Medical Center, St. Petersburg**

The year 1992 was pivotal for many hospitals in the NIS. That year, as government funding to the health sector declined, hospital administrators across the NIS faced the possibility of hospital shutdowns. That scenario was very real for Sokolov Medical Center in St. Petersburg, Russia, where a decline in government subsidies to the health sector reduced coverage to just 7 percent of total hospital costs. By 1996, Sokolov received no national or city government funding.

For Jakov Nakatis, MD, director of Sokolov Medical Center, the financial constraints were, at times, "seemingly insurmountable." But, after consultation with legal advisors and partners in Louisville, Kentucky, Nakatis developed a corporate reorganization plan that created a self-financing, 17-bed unit within Sokolov that offers fee-based services, primarily on an outpatient basis.

To attract patients to the new unit, Nakatis offered nurses and physicians with advanced training, and also expanded the hospital service base by adding cardiovascular surgery, orthopedics and endoscopy.

"To create demand, you must provide services that patients want. Expanding the role of nurses not only improved patient outcomes, but increased patient satisfaction," he said.

Nakatis also developed a marketing program that informed the community of hospital-sponsored, public health discussions. These programs not only increased enrollment levels at the unit, but also heightened patient awareness of the health risks associated with certain lifestyle choices. As a result, between 1992 and 1996, patient visits (including outpatient treatment) grew to over 15,000. Fees from employers who cover worker hospitalization costs comprise the majority of Sokolov's revenue, Nakatis said.

Cost-containing measures in the unit including a decline in average length of hospital stay--from 11 to 4.5 days--and an emphasis on ambulatory care, increased hospital revenue by 11 percent and allowed administrators to increase workforce salaries, said Rimma Grigorieva, deputy director of Sokolov Medical Center. Because of its success, the unit was expanded to 40 beds in late 1996.

### **Emergency Hospital, Almaty, Kazakstan**

Emergency Hospital Director Amantai Birtanov faced budget cuts that left over 40 percent of hospital costs unmet and prompted a reorganization of hospital programs in 1996. In an effort to regain some of these losses, in June 1996, Birtanov introduced laparoscopic surgery on a fee-for-service basis as part of the partnership with hospitals in Tucson, Arizona.

Because laparoscopic surgery is less invasive than traditional surgical procedures, the hospital realized a savings of over 400 million tenge (\$5.2 million) in 1996, said Edil Apsatarov, MD, chief of surgery at Emergency Hospital. These savings reflect a decline in length of hospital stay, from 12.1 days in 1993 to 9.0 days in 1996, and a reduction in post-surgical infections, to an average of 0.3 percent, following the procedure, he said.

Overall economic decline in Kazakhstan has prevented the government from increasing outlays to the health sector, said Birtanov, explaining that government coverage of the surgical procedure falls short of meeting total costs by approximately 4,000 tenge (\$52). This cost is covered by patients or the hospital, he said.

But Birtanov is optimistic that optimization of resources and the eventual expansion of insurance funds will alleviate current socioeconomic constraints. Apsatarov is equally optimistic, and anticipates saving millions of dollars more by expanding the use of laparoscopic surgery.