

O/A/O “Medicina:” Academic and Privatized Medicine in Moscow

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Introduction

That the decline in overall health care delivery and services in the FSU is plummeting – especially in the most economically challenged cities and regions across Russia today – is unquestioned. This conference alone is testimony to the many undeniable grim statistics, disheartening trends, and the alarming patterns of re-emergence of infectious diseases across the land. As a Russian academic and MPH student who has spent a significant amount of time in the capital cities since 1991, I have personally witnessed the near total collapse in state-sponsored health care services and observed its impacts not only on countless Russian citizens who have lost hope for the system and themselves – but on the lives and well-being of highly respected, well-trained, and dedicated Russian medical professionals.

Today’s panel was originally conceived to look at the “state and evolution of the health care system” in Russia. And despite the dire statistics and data that have fairly

accurately captured much of the current health landscape, the past several years have also witnessed another type of evolution: the merger of academic medicine and privatization into a highly successful medical venture that is not only prospering financially, but is expanding its infrastructure such that it currently reaches over 50,000 residents of Moscow. The name of this multi-profile polyclinic (with a 60-bed in-patient floor and full E.R. services) is formally registered as O/A/O (Otkrytoe Akcionoe Obschestvo, i.e., *Joint Stock Company*) “Medicina.” Its founder and president is Academician Gregorii Efimovich Roitberg, a highly published, internationally known cardiologist and Head of the Department of Family Medicine at the Russian State Medical University (RSMU, former Second Medical Institute). Dr. Roitberg possesses rather remarkable academic credentials; he defended his doctoral dissertation in cardiology at the young age of 36 and was named to the Russian Academy of Medical Sciences less than ten years later. Unlike the majority of Dr. Roitberg’s counterparts who commandeer profitable private health facilities in the US, he has not added an Executive M.B.A. title to his list of degrees. Rather, he has relied on what he knows best: Russian academic medicine and urban Muscovites’ desire for high quality and highly accessible, comprehensive health care.

Background

In June 1998, Dr. Roitberg was featured on the cover of the Moscow weekly economic newspaper KAPITAL (No. 24: 172) with a compelling 8” x 12” color photograph of him at work under the headline: “Academician Roitberg: Medicine is a Profitable Business.” This in-depth interview did much to capture the intuitive entrepreneurial nature of Dr. Roitberg, as well as his passion for fostering a standard of

health care delivery that stands to serve as a model for other Russian health initiatives. Much of “Medicina’s” success to date he credits to luck and circumstance. Those who know Dr. Roitberg well would be more inclined to suggest that he possesses an uncanny ability to read the rocky landscape and precipices of economic, political, and social trends in Moscow the past 15 years.

Dr. Roitberg and two physician friends founded a small cooperative in the late 1980s called “Pulse.” Their mission: to provide consultative services of leading Moscow medical professors for the mere price of 10 – 20 rubles per visit. Previously, access to such highly regarded specialists was available only to those few who were a part of the Fourth Directorate of the Ministry of Health. Anyone else had to rely on other channels – primarily ones involving connections, bribes, or pay offs. The “Pulse” consulting cooperative took off – with absolutely no advertising budget. Within a year “Pulse” addressed another health inequity with an equally original concept: to provide primary care services to residents of the outlying regions of Moscow (“PodMoscovye”). Armed with two busses and medical staff, “Pulse” physicians would head out of the city center every Saturday and Sunday, rent a spot in a factory parking lot, and see an average of 60 patients per day. This was a highly successful “win – win” arrangement both for the physicians and for the patients who otherwise would have had severely limited – if any – access to qualified medical care.

The early 1990s brought other opportunities to Dr. Roitberg and colleagues. Keenly aware of the presence and standards of care of the fast-growing international business population in Moscow, “Pulse” began renting office space in the hospital of the Fourth Directorate and increased its fleet of ambulances. The Fourth Directorate was

responsible for the organization of health care for the Communist Party of the Soviet Union, members of government, and other VIPs. Today, this health infrastructure has been reorganized into the *Medical Center of the Presidential Administration*. “Pulse’s” new central location and expanded ambulance fleet proved to be a virtual golden egg for this group of medical specialist entrepreneurs.

Somewhat ironically, it was the tumultuous political events in Moscow during August 1991 that catapulted Dr. Roitberg’s E.R. services and clinic into the international spotlight via television news. Despite a general governmental warning for all medical services to steer clear of the territory near the Russian Parliament (“White House”) where the political coup efforts were being played out on the streets below, “Pulse” moved into action. Three shiny, well-marked ambulances not only made their way through to the crowds near the tanks – but were prominently featured on countless Russian and international television news dispatches. The hourly news replays of CNN footage of the “Pulse” ambulances were imprinted in the minds of countless Muscovites – prompting a major influx of patients and expanded medical services. Expansions included the reconfiguration of the health services delivery plan to encompass a full complement of what had only previously been available in special “VIP-level” Soviet polyclinics. Filed as a “Joint Stock Company,” now under the new name of “Medicina,” the clinic began the first of many subsequent (and on-going) cycles of renovation and transformation under the leadership of President G.E. Roitberg. They rented expanded office space in the centrally located “Union of Theatrical Artists” (UTA) hospital. As the medical staff and clientele grew, “Medicina” likewise began to incorporate the members of UTA into their patient base and continue to serve as their medical service facility up to the present day.

As the E.R. services grew, they added the latest Swiss and German technology, brought in staff of highly trained E. R. physicians, and touted what proved to be a major selling point for potential clientele - “disposable needles.” Calls for “Skoraya Pomosh” skyrocketed – both among the foreign residents, who were accordingly charged a minimum of \$100 (US equivalent) for each call, as well as among Russians, who were charged \$5 (US equivalent). The profit margin for this enhanced service was astounding: the ambulance service averaged a gross daily income of \$1,000 – while expenses only reached a maximum of \$150 – \$200 per day. Those quick profit days would soon disappear, but not without inspiring continued projects and planning that would result in today’s highly successful health care venture.

The New Philosophy of Health Care Delivery at “O/A/O Medicina:” Academic Medicine

Without question the largest overriding motivation (surpassing both economic growth and bottom line profit-margins) behind the vision that was to become today’s “Medicina” was what Dr. Roitberg and colleagues saw as the major source of the health care crisis in Russia of the early-mid 1990s. It was not, as usually reported in the international media, simply a case of economic collapse, disappearance of state-sponsored services, and the physical demise of the giant Soviet-built regional hospitals, district polyclinics, and rural health stations. It was, rather, the inadequate training, poor working conditions, and restricted, prescribed roles of Russian physicians. Primary care physicians in the Soviet period had become little more than “dispatchers” – limited to authorizing medical excuses for work and school and signing referrals for patients to

make appointments with the appropriate specialists. The age-old desire to provide direct, hands-on patient treatment – much less the skills and requisite training to do so – had all but disappeared during the Soviet era.

“Medicina” administrators set their sights on developing a new “cadre” of highly-trained, well-qualified physicians. These doctors would not only be engaged in clinical work, but would also receive enhanced opportunity for continuing medical training within Russia, collaborative research projects, and travel to Western European and US health care facilities for updates on evolving technologies and medical education and training. Interestingly, Dr. Roitberg conceived of this cycle of continuing education and training not from a “business model” – but from a more traditional academic model based in the Russian State Medical University. The medical specialty of Family Medicine, which has thrived in the US since the early 1970s, resonated deeply among the Russian administrators who sought to develop a new “educational and training model” for physicians at “Medicina.” The overarching philosophy of the Family Physician purports care for patients and their families “from the cradle to the grave.” The decision to reintroduce Family Medicine to Russia through setting its academic anchor at RSMU was both a novel and a highly expedient idea. To date – this training initiative has produced 73 State-certified Family Medicine specialists: 12 of whom have successfully completed the standard two-year clinical residency program and 61 of whom have completed the Intensive Six-Month Specialized Training (i.e., for practicing physicians who elect to pursue a second specialty in Family Medicine).

International Training and Partnerships: Moscow and Iowa

In 1997 central administrators from RSMU traveled to the University Of Iowa College of Medicine to consult about possible educational exchanges in the field of Family Medicine. These initial forays produced a great deal of interest on both sides of the conference table. They also began to raise a number of socio-cultural, pedagogical, and even biomedical questions – all potential challenges which arise in any international medical collaboration. In 1998 RSMU formally established the Department of Family Medicine, naming Dr. Roitberg as Head. This initiative further drove the fast-paced tempo of the medical training exchange program. In 1999 a delegation of “Medicina” and RSMU physicians trained for one month in the Department of Family Medicine in Iowa City. “Medicina” architects and administrators visited the new *UI Family Medicine Center Pavilion* to study exam room layouts, office and laboratory equipment, and staff space and workflow. The architectural group was preparing final designs for the first “Russian – American Family Medicine Center” that ultimately opened on the main floor of “Medicina” in June 2000. From 1999 – 2001, eight UI Family Medicine professors spent 2 – 3 weeks each working in the “Russian – American Family Medicine Center” in Moscow; they led seminars, taught medical residents, and worked one-on-one with Russian physicians who were undergoing the RSMU 6-month Intensive Certification in Family Medicine.

In exchange, several “Medicina” physicians in this RSMU certification program began traveling in teams of two to the UI Department of Family Medicine and Allen Hospital in Waterloo, for a 2-week period. This exchange continues even today, with four

physicians per year traveling to the Iowa; the most recent team returned home to Moscow on April 1, 2005.

As noted above, the primary and continuing motivation fostering this collaborative training program remains academic in nature. And accordingly, in September 1999 “Medicina” served as host for the international conference entitled: “Perspectives on Family Medicine in the US and Russia.” This two-day conference featured presentations by medical and dentistry specialists from both RSMU and the University of Iowa. Following the close of the formal program there was ample opportunity for more informal exchange about the development of new models of Family Medicine in Russia. Discussions were highly charged and sometimes polemical – yet always remained professional and collegial.

Even the most enlightened Russian participants expressed concerns that US Family Physicians must be “encroaching” upon the territory of their highly specialized colleagues, such as gynecologists and pediatricians. The Head of Dermatology at “Medicina” at that time raised deep concerns about the fact the UI family physicians routinely provide basic suturing procedures in their offices without direct oversight from the dermatology or surgical specialist on-call. Interestingly, some senior UI Family Physicians noted these arguments and objections to be almost identical to those voiced in the US medical academy in the early 1970s, when Family Medicine entered the mainstream of leading US Colleges of Medicine curriculum. And the debates and responses from many Russian health care specialists have far from subsided. Nonetheless, Russian administrators from RSMU, the Moscow Medical Academy (former First Medical Institute), and MAPO (St. Petersburg) collaborated to approve

“Professional Standards for the Teaching of Family Medicine” guidelines for the Russian Federation of the Ministry of Health in 1998.

From “Foreign” Client Base to “Russian” Client Base: Advances Since 2000

The June 2000 official opening of the “Russian American Family Medicine Center” in “Medicina” was a well-publicized media event designed to attract the interest (and potential business) of Moscow’s international community. A 20-page three-color (blue, white, and red) “Program of Medical Services for 2000” was published in English and distributed throughout numerous city agencies and organizations. Building on the strength of its unique offerings, this commercial program (with accompanying payment rates for services) opened with the quote:

“JSC ‘Medicina’ – integration of polyclinic, hospital and first aid service into one unified team organism.” (p. 1).

The sound bite in the introductory paragraph was of particular interest to me as a researcher in the field of cross-cultural health communication:

“Medical staff of the clinic numbers more than 300 highly qualified specialists. Majority of them have the highest doctors’ category and scientific degrees. We have organized a consultative reception of patients in all the fields of the modern medicine. *Specialists of the clinic are exceptionally kind and considerate to the patient.*” [my italics]. (p. 1).

Program #1 of the medical service contract for individuals features the following levels of service:

Type of Program	Age	Cost of Program	Content of program
First class medicine (VIP)	15 and up	per one year	Outpatient, Stomatology
		\$1,000	Home Visits, First- Aid
Extra Plus Medicine	15 – 50	\$ 800	Outpatient, Stomatology
	51 – 70	\$ 840	Home Visits, First- Aid
	71 – older	\$ 880	
Extra Plus Medicine for Children	1 month – 1 year	\$1,100	Outpatient, Stomatology
			Home Visits, First-Aid
	1- 6 years	\$1,000	“ “
	6 – 10 years	\$ 900	“ “
	10 – 15 years	\$ 800	“ “

Program contracts for corporate clients were broken down according to the number of employees (except for VIP contracts, which remained at the standard \$1,000 level per year per individual). The next level, “Extra Plus Medicine” ranged from \$800 (fewer than 11 employees) to as low as \$450 per individual (firms with more than 500 employees).

The year 2000 was a watershed year at “Medicina” for a number of reasons. Dramatically enhanced delivery of health services was now aimed at the entire spectrum of the (international) family: from the harried executive, pre-and post-natal care, psychoanalysis (for family, couples, and sexual disorders), mammography screenings, family dentistry, dermatology (including high-end elective cosmetic procedures), stress-reduction massage, weight-loss management, and a new very high-volume service called “medical documentation” that provided requisite physical exams, translation of medical documentation, medical support for visa services, etc. – all available in both Russian and English. That year also included the architectural capstone of adding two more stories to the previous 8-story building. The ninth floor features a state-of-the-art hospital floor

with two surgical suites (“stacionar”) with the main administrative and accounting suites topping off the building on the tenth floor.

2001 brought about continued debate and discussion among Russian medical specialists and medical institute administrators and professors regarding the potential value of a “Russian version” of Family Medicine for the new century. The founding of academic departments with this specialty in the capital cities and the Ministry of Health’s standardization of curriculum found active proponents in many regions of the FSU. In an effort to provide a scholarly forum for dissemination and discussion for future models of training, “Medicina”, the University of Iowa Department of Family Medicine, and the Russian State Medical University (RSMU) collaborated to host an international symposium entitled: “Semeinaja medicina segodnja – opyt i perespektivy” (“Family Medicine Today – Experience and Outlook”). The three components of this symposium were: 1) the Family Physician, 2) Training, Practice, and Research , and 3) Professional Organizations. Interest in participation was widespread throughout the FSU, culminating in a final collection of published symposium abstracts (in both Russian and English) featuring the work of 60 authors. A brief representation of topics and regions include: “Priorities in the Training of the Family Physician (Kazan’, Tartarstan), “Family Medicine in Estonia: Training and Delivery” (Tartu, Estonia), “Training Family Physicians as Mentors” (St. Petersburg), “The Need for Revision in the Economic Structure of Family Practitioner Services” (Moscow), “The Need for Family Dentistry” (Moscow), “Chronic Kidney Disease: The Role of the Family Physician in Recognition and Treatment” (Iowa, USA), and “Family Physician Training in Russia: Problems and Solutions” (Moscow). The success of this symposium in addressing the Russian-specific

roles and responsibilities of a Family Physician was clearly evident. Unfortunately, travel to Moscow by a contingent of the University of Iowa participants, scheduled for the morning of September 11, proved impossible. Yet communication and on-going electronic discussion among participants remain vibrant even today.

The rise in popularity among RSMU and “Medicina” physicians in seeking re-training as a Family Physician - together with the major structural and design renovations of the “Medicina” clinic did not go unnoticed by the growing population of successful Muscovites and their families. In fact, a definite shift away from luring international clientele has been replaced by a major growth in health services programs (and accompanying marketing plans) that are increasingly being deemed affordable for a large number of Moscow residents. The “Russian –American Family Medicine Clinic” evolved into a much larger “Family Medicine Center” (comprising two separate floors of the clinic building). And by 2004 “Medicina’s” patient lists had grown to over 50,000 individuals who utilized their medical services. Below, I will discuss the various options that current patients can select among when deciding to access these services.

Insurance, contract plans, and payment-for-services at “Medicina” in 2004

Although I cannot claim a background in economics and have only an MPH-level knowledge of health care management, I continue to be impressed by the growing clientele seeking health care at “Medicina” the past few years. As I mentioned above, advertising campaigns and marketing plans have not played a major role in this growth. Further, if we look to “Medicina” as a potential model for combining academic medicine

with enhanced, accessible, and affordable health care delivery in Russia, an analysis of payment plans most widely utilized could project possible routes for other Russian privatized clinics to pursue.

Dr. Roitberg was kind enough to share with me these most current patient demographics vis-à-vis insurance plans, direct yearly contracts, and payment-for-services. The following figures represent composites for the 2004 calendar year.

Form of payment	Number of individuals
A. One-year contract (5 different plans)	1,967
B. Employment-based insurance plan	1,384
C. Private insurance company plans	14, 576
D. Payment for services* (no plans)	26,128 24, 542 (in 2003)

D. Payment for services*	Average number of visits per year
2003	3 visits per year (per patient)
2004	3.1 visits per year (per patient)

D. Payment for services*	Number of medical procedures/services
2003	7,087 procedures
2004	8, 009 procedures

Although initially many surmised that the yearly contracts and employment-based plans would be the major payment method of choice for the growing clientele, clearly this has not proven to be the case. And indeed, many of the yearly contract plan components were extremely comprehensive – by any standard of measure. Case in point

is the 24-hour E.R. service plan (Program of Medical Services #5). In 2000 – 2001 the E.R. flat rate call (10:00 p.m. – 6:00 a.m.) was \$97.92. Additional charges with this service included a very wide variety of transport options: 1) service from regional hospitals to hospitals within Moscow, 2) services to and from Moscow hospitals airports, rail stations, and automobile stations, and 3) a sliding rate scale of services within Moscow Ring Road (\$97.92 at night), and outside the Moscow Ring Road (\$132.60 at night). A unique Pediatric-only E.R. program advertises a specialty service whereby physicians travel to care for children (age 1 -15) staying at their family dacha outside of Moscow. The Stomatology clinic likewise features a comprehensive 24-hour E.R. service, which has also witnessed tremendous growth since it began.

Was this increasing pattern of individuals electing direct “payment-for-services” billing option anticipated? Many are still debating this question. Nonetheless, the current figures are compelling. Over 26,000 Muscovites eschewed insurance or direct “Medicina” contract plans in favor of payment for individual services (averaging 3.1 visits per year in 2004). It will be interesting to observe whether this pattern will continue to increase and outperform the other modes of payment, or if alternatives methods (particularly private insurance plans) might similarly start to increase and possibly compete with direct payment-for-services.

Conclusions and Projections

In our analysis of the “state and evolution of the health care system,” can we realistically look to the example of “Medicina” as a possible model for future privatized

ventures in Russian health care? Is it even practical, much less economically feasible to believe that another dynamic group of medical specialists and entrepreneurs could replicate and possibly expand upon this initiative in other cities and regions of the FSU?

As a preliminary answer to this question, I might suggest that, in part, it is already being done. A “Medicina” satellite clinic (*Center for Family Medicine*) has been opened and doing a thriving business at Moscow State University (MGU) since 2002. I have visited this clinic and observed a broad array of patient demographics among its clientele – from retired Moscow State University professors and their families to newly arrived international graduate students. Plans have recently been finalized to open another “Medicina” satellite multi-profile polyclinic in a prosperous suburb of Moscow within the next year. If these expansions to two very distinct demographic regions of the capital city are any indication, the “Medicina” model may bode well as a formula for affordable health services delivered by well-trained, well-compensated, and experienced physicians.

In conclusion, when examining the broader health care delivery system in the FSU, one must ask whether such highly entrepreneurial, privatized polyclinics could, or even should play a role in the evolution of the health care system in Russia. It seems to me that this is a vital question that has to date received little, if any, attention. I would suggest that is one that most certainly warrants further consideration and discussion.

Beyond the financial backing and stock options that make “O/A/O ‘Medicina’” such an attractive investment, it is ultimately the clinic’s unquestionable academic integrity and affiliation that continue to grow the business. This affiliation remains in the forefront of each and every decision for renovation and expansion of its health delivery services. And if we look further to the capital cities of the former FSU, most all of which

still boast a respected Medical Institute, we might envision a similar formula for combining the academic and business models to create high quality, accessible health care. As I have attempted to document, “Medicina’s” evolution was neither sudden nor seamless; nor did it prosper in a purely financial vacuum separate from a strong academic mooring. In the end, its solid affiliation with RSMU in over 15 academic departments of medical specialization has done much to create its current success and bodes well for continued prosperity and collaboration in the future.

* MPH degree expected in May 2005.

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