Moldova Health Transformation Project (P144892)

EUROPE AND CENTRAL ASIA | Moldova | Health, Nutrition & Population Global Practice | IBRD/IDA | Program-for-Results | FY 2014 | Seq No: 9 |ARCHIVED on 22-Dec-2017 |ISR30710 |

Implementing Agencies: National Health Insurance Company (CNAM), Ministry of Health (MOH)

Program Development Objectives

Program Development Objective (from Program-for-Results Appraisal Document)
The Program Development Objective is to contribute to reducing key risks for non-communicable diseases and improving efficiency of health services in Moldova.

Overall Ratings

<table>
<thead>
<tr>
<th>Name</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td>Moderately Satisfactory</td>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td>Overall Implementation Progress (IP)</td>
<td>Moderately Satisfactory</td>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td>Overall Risk Rating</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
</tbody>
</table>

Implementation Status and Key Decisions

A mid-term review (MTR) of the Health Transformation Operation (HTO) was carried out during the period September 18 to October 23, 2017. It acknowledges progress to date in the implementation of the HTO and achievements towards the Program Development Objective (PDO). The Program has supported the government's efforts in the following areas: (a) implementation of the 2015 Tobacco Control Law, which restricts smoking in public places and premises (starting 2016), prohibition of artificial flavor additives in cigarettes (starting 2018), introduction of traceability for cigarettes packs (starting 2018) and requirement to label at least 65 percent of cigarettes packs with health warning messages (starting 2018); (b) increased excise tax on tobacco for filter and non-filter cigarettes in 2017 and onwards; (c) update the National Program on Tobacco Control in 2017-2021; and (d) improvements in health care provided to patients with hypertension, the increase in the reimbursement rate of compensated essential drugs (11 INNs) for patients with hypertension, and the inclusion of indicators covering better management of hypertensive patients in the performance-based payment scheme for primary care. The Program is also supporting the achievement of the PDO by: (a) the implementation of the updated scheme for performance-based payment at the primary care level; (b) the development of performance indicators for hospitals; (c) an increase in the proportion of payments in CNAM contracts with hospitals that are based on diagnosis-related groups (DRG); and (d) the implementation of costing study for customization of DRG prices based on country data.

Overall, the HTO is an important vehicle for necessary transformations and reforms of the health system in Moldova. It contributes to the strengthening of primary care and better management of non-communicable diseases, and it also supports important actions towards deep reforms in the hospital sector. At the time of the MTR, 43 percent of total credit funds were disbursed (out of ten DLIs under the Program, four have fully been achieved and ahead of schedule, while the other six DLIs are in progress or not accounted due to being linked to either technical assistance, or STEPS survey). Nevertheless, outcome of the MTR has confirmed that a restructuring of the HTO is needed to reflect contextual and structural changes since its preparation in 2014. While the PDO remains relevant, the following are areas to be covered by the said restructuring to support PDO achievement: (a) revision of selected Disbursement-linked Indicators (DLIs) and targets; (b) reallocation between DLIs of SDR 323,500; (c) reclassification of part of the loan attributed to DLIs for SDR 714,500 to the IPF component to carry out essential studies in support of hospital reforms, data collection and monitoring, improvement in Health Care Waste Management; (d) revision of the Results Framework, including target values; (e) revision of two actions of the Program Action Plan (PAP); and (f) extension of the closing date by 12 months from March 30, 2019.
Data on Financial Performance

Disbursements (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
<th>Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>P144892</td>
<td>IDA-54690</td>
<td>Effective</td>
<td>USD</td>
<td>28.70</td>
<td>28.70</td>
<td>0.00</td>
<td>12.45</td>
<td>13.52</td>
<td>43%</td>
</tr>
<tr>
<td>P144892</td>
<td>IDA-54700</td>
<td>Effective</td>
<td>USD</td>
<td>2.10</td>
<td>2.10</td>
<td>0.00</td>
<td>0.67</td>
<td>1.27</td>
<td>32%</td>
</tr>
</tbody>
</table>

Key Dates (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Orig. Closing Date</th>
<th>Rev. Closing Date</th>
</tr>
</thead>
</table>

Risks

Systematic Operations Risk-rating Tool

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Rating at Approval</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political and Governance</td>
<td>--</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
<tr>
<td>Macroeconomic</td>
<td>--</td>
<td>Substantial</td>
<td>Moderate</td>
</tr>
<tr>
<td>Sector Strategies and Policies</td>
<td>--</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
<tr>
<td>Technical Design of Project or Program</td>
<td>--</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
<tr>
<td>Institutional Capacity for Implementation and</td>
<td>--</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Sustainability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiduciary</td>
<td>--</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Environment and Social</td>
<td>--</td>
<td>Substantial</td>
<td>Moderate</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>--</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
<tr>
<td>Other</td>
<td>--</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Overall</td>
<td>--</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
</tbody>
</table>

Disbursement Linked Indicators (DLI)

Adult smoking prevalence (Percentage)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>25.40</td>
<td>25.30</td>
<td>25.40</td>
</tr>
</tbody>
</table>
The baseline indicator was adjusted as per STEPS 2013 data. The percentage of current smokers (both sexes) of all tobacco products among all respondents accounts to 25.43%. Parliament approved increase tobacco excise rates for 2017-2019 in December 2016. The KAP survey (April-June 2017) will be utilized to extrapolate data for the whole country and assess progress towards achievement of this DLI. The next STEP Survey is planned for field work November 2018.

<table>
<thead>
<tr>
<th>Date</th>
<th>22-May-2014</th>
<th>25-Mar-2016</th>
<th>18-Sep-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comments</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Adults with hypertension under control (Percentage)**

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>5.10</td>
<td>4.10</td>
</tr>
<tr>
<td>Date</td>
<td>22-May-2014</td>
<td>25-Mar-2016</td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The baseline indicator was adjusted based on STEPS 2013 data. The next STEP Survey is planned for field work November 2018.

**Annual acute care hospital discharges per 100 persons (Number)**

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>17.60</td>
<td>17.60</td>
</tr>
<tr>
<td>Date</td>
<td>22-May-2014</td>
<td>25-Mar-2016</td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The indicator is achieved and accounted for. This indicator continues to be monitored.

**Acute care hospital beds (Number)**

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>17586.00</td>
<td>16374.00</td>
</tr>
<tr>
<td>Date</td>
<td>22-May-2014</td>
<td>25-Mar-2016</td>
</tr>
<tr>
<td>Comments</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This disbursement-linked indicator is fulfilled and disbursed.
### Adoption of a revised outpatient drug benefit package for anti-hypertensive drugs (Text)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average reimbursement rate of generic, first line medications for the three main categories of antihypertensive drugs in the drug benefit package has not been revised and currently stands at 50 percent</td>
<td></td>
<td>Reimbursement of first line generic drugs increased from 50% to 70% (increase of 11 out of 18 antihypertensive).</td>
<td>Reimbursement of first line generic drugs increased from 50% to 70% (increase of 11 out of 18 antihypertensive).</td>
</tr>
</tbody>
</table>

**Date**
- 22-May-2014
- 25-Mar-2016
- 18-Sep-2017

**Comments**
The DLI is achieved and disbursed. Furthermore, the MoH and CNAM have further extended the list of compensated outpatient drugs to improve financial protection of patients, particularly children, and increase outpatient treatment while reducing avoidable hospital admissions.

### Revision and implementation of performance-based incentive scheme in primary care (Text)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revision of the performance-based incentive scheme in primary care has not taken place.</td>
<td></td>
<td>TA on revision is in process.</td>
<td>PBI scheme was revised</td>
</tr>
</tbody>
</table>

**Date**
- 22-May-2014
- 25-Mar-2016
- 18-Sep-2017

**Comments**
Some further revisions are needed to the scheme, which is under implementation, in terms of indicators (more people-centered approach on quality).

### Design, piloting, adoption and implementation of a performance-based incentive scheme for hospitals (Text)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The performance-based incentives to improve (i) efficiency and (ii) quality of care in hospitals do not exist</td>
<td></td>
<td>TA is in the process</td>
<td>Revised scheme under implementation</td>
</tr>
</tbody>
</table>

**Date**
- 22-May-2014
- 25-Mar-2016
- 18-Sep-2017

**Comments**
Incentive scheme for hospitals (DLI 7.1) was reviewed by the Bank and found satisfactory.
Implementation and update of DRG prices for public acute care hospitals (Text)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRG prices have not been updated.</td>
<td></td>
<td>not yet implemented</td>
<td>not yet implemented</td>
</tr>
<tr>
<td>Date</td>
<td>22-May-2014</td>
<td>25-Mar-2016</td>
<td>18-Sep-2017</td>
</tr>
</tbody>
</table>

Comments
DLIs 8.1, 8.2, and 8.3 are achieved (based on Court of Account audits). The consultancy for the DRG costing (DLR 8.4) is ongoing.

Proportion of public hospitals in Chisinau which are under common management (Percentage)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>22-May-2014</td>
<td>25-Mar-2016</td>
<td>18-Sep-2017</td>
</tr>
</tbody>
</table>

Comments
MoHLSP indicated during the VC that though the government’s decision on oversight authority has been taken, there remain several critical steps before consolidation of hospital network can take place, including the (a) elaboration of a feasibility study on hospital rightsizing; and (b) the approbation of a national masterplan for hospital consolidation and rationalization. Advance payment against DLR 9.1 has already been processed—reformulation does not change the essence of the original formulation.

Adoption of the revised National Health System Development Strategy which includes hospital rationalization measures (Text)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy has not been revised and approved</td>
<td></td>
<td>Fulfilled</td>
<td>Fulfilled</td>
</tr>
<tr>
<td>Date</td>
<td>22-May-2014</td>
<td>30-Nov-2015</td>
<td>30-Nov-2015</td>
</tr>
</tbody>
</table>

Comments
This DLI is fulfilled and disbursed.

Results

Results Area

Intermediate Results Area

Intermediate Results Area 1: Reducing NCD risks
Intermediate Results Area 2: Improved efficiency of health services
### Project Development Objective Indicators

#### PDO Indicator 1: Smoking prevalence among adults (Percentage, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>25.40</td>
<td>25.30</td>
<td>25.40</td>
<td>23.30</td>
</tr>
</tbody>
</table>

#### Smoking prevalence among adults, Male (Percentage, Custom Breakdown)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>43.70</td>
<td>43.60</td>
<td>43.70</td>
<td>42.00</td>
</tr>
</tbody>
</table>

#### Smoking prevalence among adults, Female (Percentage, Custom Breakdown)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>5.70</td>
<td>5.60</td>
<td>5.70</td>
<td>5.20</td>
</tr>
</tbody>
</table>

#### PDO Indicator 2: Adults with hypertension whose blood pressure is under control (Percentage, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>5.10</td>
<td>4.10</td>
<td>5.10</td>
<td>9.10</td>
</tr>
</tbody>
</table>

#### Adults with hypertension whose blood pressure is under control, Female (Percentage, Custom Breakdown)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
</table>
### Adults with hypertension whose blood pressure is under control, Male (Percentage, Custom Breakdown)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>2.90</td>
<td>2.40</td>
<td>2.90</td>
<td>7.10</td>
</tr>
</tbody>
</table>

### PDO Indicator 3: Annual acute care hospital discharges per 100 persons (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>17.60</td>
<td>14.80</td>
<td>16.50</td>
<td>15.60</td>
</tr>
</tbody>
</table>

### PDO Indicator 4: Acute care hospital beds (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>17,586.00</td>
<td>14,101.00</td>
<td>16,500.00</td>
<td>15,000.00</td>
</tr>
</tbody>
</table>

### PDO Indicator 5: Average length of stay in acute care hospitals (Days, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>8.00</td>
<td>7.20</td>
<td>7.60</td>
<td>7.20</td>
</tr>
</tbody>
</table>
Overall Comments

### Intermediate Results Indicators

| Intermediate Results Indicator 1: Approval of the new tobacco control legislation (Yes/No, Custom) |
|---|---|---|---|
| Value | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | N | Y | Y | Y |

| Intermediate Results Indicator 2: Revision of the outpatient drug benefit package with regard to antihypertensive drugs (Yes/No, Custom) |
|---|---|---|---|---|
| Value | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | N | Y | Y | Y |

| Intermediate Results Indicator 3: Adults with hypertension receiving treatment (Percentage, Custom) |
|---|---|---|---|
| Value | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 23.80 | 23.80 | 23.80 | 29.80 |

| Adults with hypertension receiving treatment, Male (Percentage, Custom Breakdown) |
|---|---|---|---|
| Value | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 15.90 | 15.90 | 15.90 | 23.00 |

<p>| Adults with hypertension receiving treatment, Female (Percentage, Custom Breakdown) |
|---|---|---|---|
| Baseline | Actual (Previous) | Actual (Current) | End Target |
| Baseline | | | |</p>
<table>
<thead>
<tr>
<th>Value</th>
<th>32.50</th>
<th>32.50</th>
<th>32.50</th>
<th>37.60</th>
</tr>
</thead>
</table>

- **Intermediate Results Indicator 4:** Revision and implementation of the performance-based incentive scheme in family medicine (Text, Custom)

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>No revision of performance based incentives in family medicine</td>
<td>On-going revision of performance based incentives in family medicine</td>
<td>On-going implementation of revised performance based incentives scheme in family medicine</td>
<td>Performance based incentive agreements signed with all primary care centers contracted by CNAM in Year 4</td>
</tr>
</tbody>
</table>

- **Intermediate Results Indicator 5:** Introduction of performance-based incentives to improve (i) efficiency; and (ii) quality of care in hospitals (Text, Custom)

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>No performance based incentives for hospitals</td>
<td>No performance-based incentives for hospitals</td>
<td>Proposed incentive scheme for hospitals (DLI 7.1) was reviewed by the Bank and found satisfactory.</td>
<td>Performance-based incentive agreements signed with all multiple profile hospitals</td>
</tr>
</tbody>
</table>

- **Intermediate Results Indicator 6:** Use of updated DRG prices for payment by CNAM to acute care public hospitals (Text, Custom)

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRG accounting for less than 40% of total payment by CNAM to acute care public hospitals</td>
<td>DRG accounting for less than 40% of total payment by CNAM to acute care public hospitals</td>
<td>DRG accounting for less than 40% of total payment by CNAM to acute care public hospitals</td>
<td>DRG updated using country data</td>
</tr>
</tbody>
</table>

- **Intermediate Results Indicator 7:** Approval of the revised national health strategy which includes hospital rationalization measures (Yes/No, Custom)
<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
</tbody>
</table>

- **Intermediate Results Indicator 8:** Public hospitals in Chisinau which are under common management (Percentage, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>50.00</td>
</tr>
</tbody>
</table>

- **Intermediate Results Indicator 9:** Establishment of university hospital (Yes/No, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Y</td>
</tr>
</tbody>
</table>

- **Intermediate Results Indicator 10:** Annual hospitalizations through referrals by family medicine providers (Percentage, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>36.00</td>
<td>22.10</td>
<td>40.00</td>
<td>44.00</td>
</tr>
</tbody>
</table>

Overall Comments