PROJECT INFORMATION DOCUMENT (PID)
CONCEPT STAGE

Report No.: AB2589

Project Name	Health Sector Technology Transfer and Institutional Reform
Region	EUROPE AND CENTRAL ASIA
Sector	Health (50%);Compulsory health finance (20%);Information technology (15%);Central government administration (10%);Vocational training (5%)
Project ID	P101928
Borrower(s)	REPUBLIC OF KAZAKHSTAN
Implementing Agency	
Environment Category	[ ] A [ ] B [X] C [ ] FI [ ] TBD (to be determined)
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1. Key development issues and rationale for Bank involvement

Kazakhstan inherited from the Soviet Union a health system based on outdated norms and practices, delivered through an oversized network of publicly-owned facilities, managed through direct control rather than regulation/contracting and with few incentives for efficiency or quality. For a country with rapidly increasing national income, Kazakhstan's health indicators are not encouraging. Kazakhstan has among the highest rates of TB in the Former Soviet Union and indicators of infant and child mortality are high. Adult mortality and heart disease, cancer, tobacco- and alcohol-related diseases and injuries are also high. Kazakhstan's current health system is not capable of meeting these challenges even though a number of reform programs have been initiated over the past 10 years. Efforts to reform health financing, expand the scope of private sector involvement, strengthen information systems and introduce incentives for efficiency and quality have, until recently, moved slowly, and the sector's performance has been less than optimal.

But Kazakhstan has ambitious goals. With rapid economic growth fuelled by natural resource income, the Republic has embarked on a reform program designed to propel it into the ranks of the world's 50 most competitive nations by 2015. The government's aspirations for the health sector mirror its intentions for the economy as a whole. Kazakhstan last year adopted a "State Health Care Reform and Development Program" for 2006-2010. The Program sets ambitious goals and a sensible reform path. Implementation of the Program will, however, stretch Kazakhstan's existing human resources. To succeed, the reform program will require more than simply building facilities and buying equipment—neither of which will improve efficiency or quality by itself—but also a substantial "boost" in the relatively low level of technical and managerial expertise currently existing in Kazakhstan. For this reason, the Bank has been requested to prepare a "Health Sector Institutional Reform and Technology Transfer Project." The project's main objective is to accelerate implementation of key health reforms by bringing international best-practices to Kazakhstan and building the capacity of Kazakhstani

specialists in health financing, health care quality, information systems and public health. The primary rationale for Bank is its long experience of health reform programs in other middle-income countries such as Slovenia, Estonia, Poland, Brazil and Argentina.

The Bank's relationship with Kazakhstan is guided by a Country Partnership Strategy (29412-KZ) approved by the Board on August 10, 2004. The Strategy envisages a flexible lending program built around a jointly-funded non-lending program of economic and policy research, the Joint Economic Research Program (JERP). The JERP has been the Bank's primary instrument for policy dialogue on health issues since 2003 and has covered topics such as health care quality, health financing, information systems, cost-effectiveness of HIV/AIDS prevention and treatment, pharmaceutical policy and comparative health systems.

2. Proposed objective(s)

Project Development Objective	Preliminary Project Outcome Indicators
To build long-term institutional capacity in the Ministry of Health and subordinate agencies in the implementation of health reforms; and through this to improve the financing and delivery of health services in Kazakhstan, strengthen quality assurance systems in the health sector, introduce an integrated health information system and strengthen surveillance for sanitary and epidemiological threats.	Increased capacity of oblast purchasers as measured by timely and complete execution of oblast health budgets, and of hospital managers as measured by efficiency/quality measures TBD; Establishment of an accreditation system and first-cut accreditation of 30 facilities; Adoption and uptake of at least 50 CPGs in 5 key clinical specialties and MOH-led training of at least 65 percent of providers in each of these specialties. Adoption of revised curriculum and teaching materials in six medical universities and international accreditation of at least one of these universities Improved quality and efficiency of care, indicators TBD, for 130 health facilities included in the first wave of health information system implementation; and Upgrading of at least 20 key sanitary norms to *Codex Alimentarius* standards and training >80 percent of sanitary inspectors, laboratory technicians and others in the implementation of these norms.

3. Preliminary description

Component A: Modernizing Health Financing, Strengthening Management and Promoting Private Sector Involvement in Health Care Delivery. This component would support reforms in the organization and financing of health care. Four subcomponents are envisaged.

A1. Modernizing the Health Financing System: Benefits, Health Insurance and Payment Systems. This subcomponent would finance technical assistance on the following issues: size, scope and cost of the basic benefit package; provider payment methods; co-payment policies; tax incentives for out-of-pocket payments; and Voluntary Health insurance, including sample legislation and regulatory documents.

A2. Strengthening the Capacity to Plan, Execute and Monitor Health Spending. This subcomponent would finance training, study tours and capacity building for central/oblast health/finance officials in health financing and management methods. It would also include a functional review and training for control agencies as part of efforts to improve efficiency and strengthen the health sector business climate in order to attract private players. With oblast single-payers now managing over 50 percent of the health budget, capacity-building in how to allocate resources, manage contracts, monitor performance and implement performance-based

payment systems for health care providers—in other words, how to act as "purchasers" of health services—has become increasingly important.

A3. Strengthening Hospital Management. This subcomponent would help establish a National Health Management Training Center to be headquartered in Astana or Almaty but with satellite links to 3-5 collaborating centers across the country. The objective would be to create institutional capacity in Kazakhstan to develop a trained, capable corps of health sector managers. Foreign training and occasional scholarships are not enough for this purpose; what Kazakhstan wants, as Hungary and Kyrgyzstan already have, is indigenous capacity to carry out continuous health management training in a National Health Management Training Center. Activities would include faculty development, curriculum development, study tours and training for ~5,000 health managers over five years.

A4. Private Sector Involvement and Public-Private Partnerships. This subcomponent would support efforts to promote provider autonomy and private sector involvement in health care delivery in Kazakhstan. It would do this in two ways: first, by providing TA and training on legislative, regulatory and institutional reforms to create an enabling environment for provider autonomy and private participation; and second, by working with MOH to identify facilities/networks where management could be contracted out as a model public-private partnership and carrying out service profiling, contract specification and payment modeling for the chosen facilities/networks.

Component B: Improving Health Care Quality. This component would finance training, institutional development and expert assistance for quality improvement measures focused on facilities, practitioners and laboratories. Four subcomponents are envisaged, several of which have already been subject to extensive Bank-GOK dialogue under the JERP.

B1. Accreditation: Modernizing Standards for Health Facilities. This subcomponent would help accelerate ongoing efforts to establish an accreditation system for health facilities in Kazakhstan. It would finance the following activities: reviewing Kazakhstan's current accreditation standards and developing a training program and guide book for assessors by an internationally recognized accreditation body; establishing a permanent institutional mechanism for training of surveyors and quality managers of health care institutions; training 500 surveyors and 500 quality managers; printing of standards for all health facilities in Kazakhstan; creating a permanent review and upgrading mechanism for adjusting standards on a periodic basis; developing a national and subnational package of indicators for monitoring and evaluation; and training quality managers in indicators to measure progress in quality improvement programs on the level of health care providers—all compliant with internationally accepted standards and practices endorsed by the International Society for Quality in Healthcare. It would also finance training, study tours and learning activities for officials and practitioners involved in design and implementation of accreditation system reforms. Results would include a functioning accreditation system with standards, materials and staff at international standards; first-cut accreditation of ~30 facilities at the republican and oblast levels; and 1,000 trained surveyors/quality managers.

B2. Upgrading Clinical Practice and Introducing Evidence-Based Medicine. Medical practice in Kazakhstan does not conform to international standards. MOH has begun rectifying this by introducing international-standard clinical practice guidelines (CPGs) and building the capacity of Kazakh specialists to review, adapt and disseminate these guidelines. This subcomponent would support these activities in two directions. To build a cadre of local leaders in evidence-based medicine, it would finance training—much of it overseas—in economics, epidemiology, evaluation methods, evidence-based medicine and health technology assessment for high-level experts in MOH and academic institutions. To improve clinical practice among the current stock of health care providers, it would finance a massive effort to disseminate, implement and evaluate the use of newly-developed CPGs nationwide using cascade training, classroom education and distance learning through videoconferencing and IT-supported self-learning methods. This would require printing CPG manuals for the entire medical workforce; building training capacity for continuous medical education (CME) at the Independent Organization of Medical Experts and for experts under national/oblast committees for health care quality improvement; establishing distance learning facilities and VC sites in each oblast; and training the entire medical workforce in around 50 CPGs per physician. The scale of the effort is unprecedented but necessary if Kazakhstan is serious about upgrading clinical quality to international standards without waiting for the current generation of physicians to retire.

B3. Modernizing Medical Education: International Standards for Curriculum/Licensing. While the previous subcomponent deals with the "stock" of physicians, this subcomponent would deal with the "flow" by helping modernize Kazakhstan's outdated system of medical education. This would involve reviewing Kazakhstan's six medical universities vis-à-vis the structure, content, pedagogical and faculty capacity requirements of a new curriculum; carrying out a human resource assessment to identify appropriate targets for admission and specialization; assessing infrastructure and equipment needs in the six Medical Universities; upgrading the structure and content of the curriculum to international standards, preferably with international accreditation of the universities as an end-point; introducing international best-practices in admission policy, teaching methods, teaching materials, testing methods and faculty development; and introducing information technologies, computer-based learning methods, advanced learning equipment and new textbooks/self-study equipment based on international standards. Given the size of the effort, professional management from a reputed medical university is recommended along with a parallel effort to reform the system for licensing/attestation of medical professionals.

B4. Laboratory Quality and Blood Safety. This subcomponent would finance technical assistance and training but *not* infrastructure or equipment on laboratory quality and blood safety. This would include expert advice on standards and norms, study tours to observe well-functioning and safely-operating blood banks and measures to harmonize equipment standards with those of the country's nascent HMIS.

Component C: Health Information Systems. This component would focus on technical assistance and training in three broad areas: 1. Technology transfer for building information management capacity at national and oblast levels by upgrading the skills and clarifying the roles of newly-established Republican and Oblast Health Information Centers; 2. Providing training, technical assistance and international expertise for the design of HMIS subcomponents for patient care, financial management and public health; and 3. Providing international expertise

and technology transfer for HMIS project management and in-service training of a cadre of Kazakhstani specialists in this highly specialized field.

Component D. Trade Competitiveness and WTO Accession. WTO accession requires compliance with food safety standards outlined in the FAO/WHO *Codex Alimentarius*. Kazakhstan's current standards, most of which were inherited from the Soviet Union, do not all comply with these standards. This component would finance a revision of sanitary standards along with large-scale training of sanitary inspectors, accreditation of food safety laboratories and introduction of modern inspection practices.

4. Safeguard policies that might apply

No safeguards policies are expected to apply, as the project focuses mainly on capacity building.

5. Tentative financing

Source:	($m.)
BORROWER	150
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT	40
Total	190

6. Contact point

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