



Health System Quality and Efficiency Improvement (P144871)

EUROPE AND CENTRAL ASIA | Croatia | Health, Nutrition & Population Global Practice |
IBRD/IDA | Program-for-Results | FY 2014 | Seq No: 8 | ARCHIVED on 17-Apr-2017 | ISR27540 |

Implementing Agencies:

Program Development Objectives

Program Development Objective (from Program-for-Results Appraisal Document)

The Program will contribute to (a) improving the health care delivery system in order to provide more equitable quality and sustainable health services to the population; (b) rationalizing the hospital network in order to streamline health care services to the population; (c) strengthening Government's capacity to develop and monitor effective health sector policies in the area of health financing, resource allocation, and provider payments; and (d) promoting effective public health interventions.

Overall Ratings


Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Moderately Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Moderately Satisfactory
Overall Risk Rating	● Moderate	● Substantial

Implementation Status and Key Decisions

Overall, the Health Program-for-Results has made good progress to date on many crucial fronts as reflected by the achievement of several key indicators of intermediate and final expected results in the national health sector reforms. More specifically, excellent progress has been achieved in the reduction of the number of acute care beds, establishing sentinel surveillance schemes in rationalized hospitals with surgery wards, increasing the share of elective surgeries performed on an outpatient basis, monitoring over-prescription of drugs, and incentivizing primary care doctors to work in group practices. Taken together, these achievements are expected to lead to improved quality and efficiency of health services in Croatia. However, there have been delays with the implementation of some key reforms, specifically: with implementing hospital reshaping schemes, reducing hospital arrears, implementing hospital accreditation, and joint / centralized procurement of drugs, medical supplies and devices. Following the recent visit, the Ministry of Health and the Bank have agreed on key actions to accelerate implementation of lagging reforms. The Ministry of Health and Bank have also agreed on the need to restructure the Program. The restructuring will focus on revising the definition and targets for Disbursement Linked Indicator 3 (hospital arrears) and Disbursement Linked Indicator 8 (centralized/ joint procurement) as well as related Results Framework indicators.

Data on Financial Performance

Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P144871	IBRD-83650	Effective	USD	103.50	103.50	0.00	47.71	46.49	 46%

**Key Dates (by loan)**

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P144871	IBRD-83650	Effective	08-May-2014	10-Jun-2014	08-Sep-2014	30-Jun-2018	--

Risks**Systematic Operations Risk-rating Tool**

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	● Moderate	● Substantial
Macroeconomic	--	● Moderate	● Substantial
Sector Strategies and Policies	--	● Moderate	● Substantial
Technical Design of Project or Program	--	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	--	● Moderate	● Moderate
Fiduciary	--	● Moderate	● Moderate
Environment and Social	--	● Moderate	● Substantial
Stakeholders	--	● Moderate	● Moderate
Other	--	--	--
Overall	--	● Moderate	● Substantial

Disbursement Linked Indicators (DLI)

► 1. Total number of hospital beds in Rationalized Hospitals classified as Acute Care Beds. (Number)

	Baseline	Actual (Previous)	Actual (Current)
Value	15930.00	13572.00	12161.00
Date	31-Dec-2012	22-Jul-2015	03-Mar-2017

Comments

Achieved. This DLI, also being a PDO indicator, has been fully achieved, with the final target of 12,800 for the number of acute care beds surpassed ahead of schedule with an actual value of 12,161 (a 23-percent reduction over the baseline value of 15,930 in 2012). The achievement of final DLI target was verified and confirmed by the Bank team in February 2017, and the full allocated DLI amount of EUR 7.5 million has been disbursed.

► 2. Number of "hospital reshaping scheme" projects implemented (Number)

	Baseline	Actual (Previous)	Actual (Current)
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Value	0.00	0.00	0.00
Date	31-Dec-2012	22-Jul-2015	03-Mar-2017

Comments

Delayed but achievable. The first target for this DLI (1 project) was due by the end of calendar year 2016, and the final cumulative target (2 projects) is due by Program closing. The MOH informed the Bank team that 3 functional integration reshaping pilot projects have been identified. The MOH will complete and share technical details regarding the pilot reshaping projects before county elections in May 2017. Based on the design of the pilot, the Bank and MOH will identify an appropriate completion measure for full functionalization of each pilot project.

► 3. Percentage of rationalized hospitals without arrears incurred during the preceding calendar year. (Percentage)

	Baseline	Actual (Previous)	Actual (Current)
Value	0.00	0.00	35.00
Date	31-Dec-2012	22-Jul-2015	03-Mar-2017

Comments

Delayed. The final target of 80 percent cannot be achieved by Program closing date. Although this DLI was on target to achieve its first target of 40 percent based on the calendar year 2015, this progress has since been reversed, with secondary hospitals returned to county management in 2016. Hospital arrears began to increase once again in 2016. The MOH and the Bank agreed that the DLI definition and targets would be reviewed and revised through a Program restructuring, along with an agreement of a set of actions to reduce the flow of hospital arrears.

► 4. Percentage of all surgeries included in the elective surgeries list performed as outpatient surgeries in the preceding six months. . (Percentage)

	Baseline	Actual (Previous)	Actual (Current)
Value	5.00	57.00	61.00
Date	31-Dec-2012	22-Jul-2015	03-Mar-2017

Comments

Achieved. The final target of 60% for this DLI was achieved ahead of schedule in January 2016 and confirmed by the Bank team. Over time, HZZO has also increased the list of services performed on an outpatient basis. Going forward, a further expansion in the list of outpatient surgeries and share of surgeries performed on an outpatient basis should be incentivized.

► 5. Percentage of best-performing rationalized hospitals which are publicly disclosed (including results) based on the technical audit in the preceding 12 months. (Percentage)

	Baseline	Actual (Previous)	Actual (Current)
Value	0.00	0.00	0.00
Date	31-Dec-2012	22-Jul-2015	03-Mar-2017

Comments

Delayed. The first target for this DLI (20 percent) was due in 2016. The manual and checklist for the technical audit have been prepared, and



pilot audits completed in three hospitals before the MTR visit. The manual and relevant documentation are being updated based on the pilot experience. All the hospitals have responded positively to AQAHS' invitation to participate in subsequent audits but the lack of additional funds for implementing the audits is the main constraint to achieving DLI targets. Subject to the timely availability of funding, the final target for this DLI is achievable by the Program closing date, and the MOH leadership committed to resolving the funding issue as soon as possible.

► 6. Percentage of Rationalized Hospitals accredited by AQAHS through the Acceptable Accreditation Process (Percentage)

	Baseline	Actual (Previous)	Actual (Current)
Value	0.00	0.00	0.00
Date	31-Dec-2012	22-Jul-2015	03-Mar-2017

Comments

Delayed. Given the delays in establishing the enabling legal framework and incentives for hospitals to apply for accreditation, a phased approach, starting with certification of compliance with the nationally defined mandatory quality standards for hospitals as a first step towards moving to full accreditation based on ISQUA standards, will be considered and, if justified, necessary changes in the scope of the planned Program restructuring will be included.

► 7. Percentage of identified doctors with whom corrective course of action has been discussed on a person-to-person basis in the preceding six months. (Percentage)

	Baseline	Actual (Previous)	Actual (Current)
Value	20.00	93.10	93.10
Date	31-Dec-2012	22-Jul-2015	03-Mar-2017

Comments

Achieved. This DLI was fully achieved in June 2015 as scheduled. The allocated amount of EUR 7.5 million has been fully disbursed. The HZZO continues to monitor over-prescription and discuss corrective actions with doctors on a monthly basis as a part of the performance indicators in hospital contracts.

► 8. Percentage of total public spending per fiscal year on medical consumables, drugs, and devices for hospital (in and outpatient) services made through centralized procurement and disclosed (Percentage)

	Baseline	Actual (Previous)	Actual (Current)
Value	0.00	10.00	16.00
Date	31-Dec-2012	22-Jul-2015	03-Mar-2017

**Comments**

Delayed. The first target of 30 percent for this DLI was due in 2014, and the final target of 60 percent was due in 2016. Delays occurred due to considerable difficulty experienced by the MOH with collecting the data to verify status of this DLI, the administrative burden of implementing joint procurement on hospitals, and delays caused by capacity gaps at hospitals. The DLI value achieved for 2016 was 16 percent. The proportion of expenditures through joint/ centralized procurement dropped dramatically when joint procurement was suspended for 8 months in 2014-2015 and has climbed up gradually to 16 percent. The Bank and MOH agreed that this DLI and the associated final target would be revised through Program restructuring to accelerate joint procurement by re-focusing it on categories that could deliver maximum value in terms of standardized quality and lower cost in view of limited hospital capacity.

► 9. Percentage of primary health care doctors in the Republic of Croatia working in group practices (Percentage)

	Baseline	Actual (Previous)	Actual (Current)
Value	0.00	65.11	65.11
Date	31-Dec-2012	14-May-2015	03-Mar-2017

Comments

Achieved. DLI was fully achieved in June 2015, ahead of schedule. The allocated amount of EUR 7.5 million has been fully disbursed.

► 10. Percentage of hospitals with surgery wards that have established quality- and safety-related sentinel surveillance schemes that are reporting the rates of specific events (Percentage)

	Baseline	Actual (Previous)	Actual (Current)
Value	0.00	53.30	41.00
Date	31-Dec-2012	22-Jul-2015	03-Mar-2017

Comments

On track. Although with delays relative to initial plans, the first target was achieved in May 2016 with an actual value of 41 percent. The amount of EUR 5.125 million, proportional to the achieved value, was disbursed to the MOF. Achievement of the final target is being verified and is expected to be confirmed shortly. The Bank team and AQAHS agreed that the sentinel reporting system needs to be expanded in terms of the range of events covered and the number of hospitals included.

Results

Results Area

Intermediate Results Area

Project Development Objective Indicators

- First phase of the hospital master plan achieved: Total number of hospital beds in Rationalized Hospitals classified as acute care beds (Number, Custom)



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	15,930.00	13,572.00	12,161.00	12,800.00
Date	31-Dec-2012	08-Sep-2016	03-Mar-2017	31-Dec-2017

Comments

Achieved. This PDO indicator has been fully achieved, with the final target of 12,800 for the number of acute care beds surpassed ahead of schedule with an actual value of 12,161 (a 23-percent reduction over the baseline value of 15,930 in 2012). The achievement of final DLI target was verified and confirmed by the Bank team in February 2017, and the full allocated DLI amount of EUR 7.5 million has been disbursed.

► First phase of the hospital master plan achieved: Percentage of rationalized hospitals without arrears incurred during the preceding calendar year (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	35.00	0.00	80.00
Date	31-Dec-2012	08-Sep-2016	03-Mar-2017	31-Dec-2017

Comments

Delayed. The data for this indicator need to be updated as the previously reported value is for calendar year 2015. As of the latest data available to the Bank for January to October 2016, the stock of hospital arrears had increased by 26 percent compared relative to hospital arrears as of December 31, 2015, and only 6 hospitals did not add new arrears. The final target of 80 percent cannot be achieved by Program closing date. The MOH and the Bank agreed that the DLI (and hence the PDO indicator) definition and targets would be revised through a Program restructuring.

► Quality control procedures in place: Percentage of best-performing rationalized hospitals which are publicly disclosed (including results) based on the technical audit in the preceding 12 months (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	40.00
Date	31-Dec-2012	08-Sep-2016	03-Mar-2017	31-Dec-2017

Comments

Delayed but achievable. The first target (20 percent) was due in 2016. The manual and checklist for the technical audit have been prepared, and pilot audits completed in three hospitals before the MTR visit. The manual and relevant documentation are being updated based on the pilot experience. Subject to the timely availability of funding, the final target is achievable by the Program closing date, and the MOH leadership committed to resolving the funding issue as soon as possible.



► Quality control procedures in place: Percentage of Rationalized Hospitals accredited by AQAHS through the Acceptable Accreditation Process (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	50.00
Date	31-Dec-2012	08-Sep-2016	03-Mar-2017	31-Dec-2017

Comments

Delayed. Given the delays in establishing the enabling legal framework and incentives for hospitals to apply for accreditation, a phased approach, starting with certification of compliance with the nationally defined mandatory quality standards for hospitals as a first step towards moving to full accreditation based on ISQUA standards, will be considered and, if justified, necessary changes in the scope of the planned Program restructuring will be included.

Overall Comments

Intermediate Results Indicators

► 1. Ratio between primary health care/secondary outpatient care/ and hospital inpatient care services (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Ratio 58 / 18 / 1	58/18/1	78/20/1	90 / 19 / 1
Date	31-Dec-2012	08-Sep-2016	03-Mar-2017	29-Dec-2017

► 2. Number of "hospital reshaping scheme" projects implemented (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	2.00



Date	31-Dec-2012	08-Sep-2016	03-Mar-2017	29-Dec-2017
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Comments

Delayed but achievable. The first target (1 project) was due by the end of calendar year 2016, and the final cumulative target (2 projects) is due by Program closing. The MOH informed the Bank team that 3 functional integration reshaping pilot projects have been identified. The MOH will complete and share technical details regarding the pilot reshaping projects before county elections in May 2017. Based on the design of the pilot, the Bank and MOH will identify an appropriate completion measure for full functionalization of each pilot project.

► 3. Percentage of all surgeries included in the elective surgeries list performed as outpatient surgeries in the preceding six months. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	5.00	61.00	61.10	60.00
Date	31-Dec-2012	08-Sep-2016	03-Mar-2017	29-Dec-2017

Comments

Achieved. The final target of 60% for this DLI was achieved ahead of schedule in January 2016 and confirmed by the Bank team. Over time, HZZO has also increased the list of services performed on an outpatient basis.

► 4. Number of clinical guidelines with specific protocols for most prevalent NCDs (including care pathways). (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	20.00
Date	31-Dec-2012	08-Sep-2016	03-Mar-2017	29-Dec-2017

Comments

Current information to assess this indicator was not available and has been requested from the counterparts.

► 5. Number of Primary Health Care doctors re-trained in updated clinical protocols (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	4,000.00



Date	31-Dec-2012	08-Sep-2016	03-Mar-2017	29-Dec-2017
Comments	Current information to assess this indicator was not available and has been requested from the counterparts.			

► 6. Percentage of primary health care doctors working in group practices (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	65.11	68.80	50.00
Date	31-Dec-2012	08-Sep-2016	03-Mar-2017	29-Dec-2017

Comments

Achieved. This indicator was fully achieved in June 2015, ahead of schedule, and shows further improvements.

► 7. Percentage of Primary Health Care group practices achieving performance indicators and accessing to payment incentives. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	66.90	60.00
Date	31-Dec-2012	08-Sep-2016	03-Mar-2017	29-Dec-2017

Comments

Current value is based on HZZO payment information system.

► 8. Percentage of identified doctors a with whom corrective course of action has been discussed on a person-to-person basis in the preceding six months. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	20.00	93.10	93.10	90.00
Date	31-Dec-2012	08-Sep-2016	08-Sep-2016	29-Dec-2017



► 9. Percentage of total public spending per fiscal year on medical consumables, drugs, and devices for hospital (inpatient and outpatient) services made through centralized procurement/ framework contr (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	10.00	16.00	60.00
Date	31-Dec-2012	08-Sep-2016	03-Mar-2017	29-Dec-2017

Comments

Delayed. The first target of 30 percent for this DLI was due in 2014, and the final target of 60 percent was due in 2016. Delays occurred due to considerable difficulty with collecting the data to verify achievement of this DLI, the administrative burden of implementing joint procurement on hospitals, and delays caused by capacity gaps at hospitals. The value achieved for 2016 was 16 percent. The proportion of expenditures through joint/ centralized procurement dropped dramatically when joint procurement was suspended for 8 months in 2014-2015 and has climbed up gradually to 16 percent. The Bank and MOH agreed that this indicator and the associated final target would be revised through Program restructuring to accelerate joint procurement by re-focusing it on categories that could deliver maximum value in terms of standardized quality and lower cost in view of limited hospital capacity.

► 10. Number of counties implementing specialized services on palliative care. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	1.00	10.00	15.00
Date	31-Dec-2012	08-Sep-2016	03-Mar-2017	29-Dec-2017

Comments

According to MOH reports, the number of counties implementing specialized services on palliative care was 10 in 2016.

► 11. Number of proposals for EU structural funds accepted by the relevant authority after being correctly submitted. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	8.00
Date	31-Dec-2012	08-Sep-2016	03-Mar-2017	29-Dec-2017

Comments

Current information to assess this indicator was not available and has been requested from the counterparts.



► 12. Percentage of Nosocomial Infections Surveillance system in place in tertiary hospitals and secondary hospitals. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	30.00
Date	31-Dec-2012	08-Sep-2016	03-Mar-2017	29-Dec-2017

Comments

Current information to assess this indicator was not available and has been requested from the counterparts.

► 13. Percentage of hospitals with surgery wards that have established quality-and safety-related sentinel surveillance schemes that are reporting the rates of specific events. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	41.00	41.00	60.00
Date	31-Dec-2012	08-Sep-2016	03-Mar-2017	29-Dec-2017

Comments

On track. Although with delays relative to initial plans, the first target was achieved in May 2016 with an actual value of 41 percent. Achievement of the final target is being verified and is expected to be confirmed shortly. The Bank team and AQAHS agreed that the sentinel reporting system needs to be expanded in terms of the range of events covered and the number of hospitals included.

► 14. Percentage of patients' satisfaction by a perception of increased responsiveness. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	38.00	0.00	0.00	75.00
Date	31-Dec-2012	08-Sep-2016	03-Mar-2017	29-Dec-2017

Comments

Current information to assess this indicator was not available and has been requested from the counterparts.



Overall Comments