



P1504110

---

# REIMBURSABLE ADVISORY SERVICES AGREEMENT

between the

**ESTONIAN HEALTH INSURANCE FUND**

and the

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT**

Dated 30. June, 2014

---

## AGREEMENT FOR REIMBURSABLE ADVISORY SERVICES

AGREEMENT dated the \_\_\_\_ day of 2014, between ESTONIAN HEALTH INSURANCE FUND (the "Client") and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the "Bank").

WHEREAS, the Client has requested the Bank to provide to the Client reimbursable advisory services (the "Reimbursable Advisory Services" or "RAS") described in the Schedule to this Agreement to ascertain and gauge the importance of potential performance issues resulting from weak integration of care with a particular attention to the role and functioning of primary care and identify their root causes, factors maintaining the status quo and possible policy entry points.

NOW, therefore, the parties hereto agree as follows:

1. **Reimbursable Advisory Services.** The Bank shall provide to the Client the services ("Reimbursable Advisory Services" or "RAS") described in the Schedule to this Agreement, on the terms and conditions set out in this Agreement, including the Annex hereto, which constitutes an integral part hereof.
2. **Client Contacts.** In carrying out the Reimbursable Advisory Services, the Bank will work closely with the designated officials of the Client. The Client will provide the Bank with the names and contact information for said designated officials.
3. **Timing.** While the Bank undertakes to mobilize all reasonable means available to it to carry out the Reimbursable Advisory Services in a timely manner, the work program and timetable set out in the Schedule to this Agreement have been prepared in good faith based in light of information currently available to the Bank, and are given on an indicative basis assuming that: (i) the Client and its personnel will carry out their respective duties in a satisfactory and timely manner; and (ii) the Client will at all times act in a timely manner in providing information, making decisions and providing necessary support as provided herein and as requested from time to time by the Bank.
4. **Payment**
  - (a) The Client shall pay the Bank a fixed fee of one hundred and ninety-eight thousand five hundred Euros (EUR 198,500) in accordance with the following schedule of payment:

<b>Amount of Installment</b>	<b>Event upon which Payment is Due</b>
EUR 40,000	Within 10 business days after the effectiveness day of this Agreement
EUR 158,500	Upon submission of the summary report referred to in Section B of the Schedule to this Agreement

(b) All payments to the Bank hereunder shall be made in full when due, upon submission of an invoice by the Bank. Payment shall be made, in Euros, in immediately available funds, without any deductions whatsoever for taxes, duties, charges or other withholdings, and notwithstanding any pending dispute between the parties, to such account as the Bank may from time to time designate in writing.

5. **Effectiveness.** This Agreement shall become effective as of the day and year first above written, once it has been duly signed by both parties.

6. **Expiration.** This Agreement shall expire on March 31, 2015 unless it shall earlier be renewed with the mutual agreement of the Client and the Bank.

7. **Termination.** Either the Client or the Bank may terminate this Agreement prior to its expiration upon ninety (90) days' written notice to the other. Upon receipt of such notice, the parties shall take all appropriate steps to terminate in an orderly manner the activities then ongoing under the Reimbursable Advisory Services and to settle promptly all outstanding matters.

8. **Cooperation.**

(a) The Client shall at all times provide the Bank in a timely manner with any and all information that may affect the performance of the Reimbursable Advisory Services, inform the Bank of any developments relating to the Reimbursable Advisory Services, and do all things necessary to enable Bank Personnel to carry out the Reimbursable Advisory Services hereunder. The Client shall, in particular, without limitation:

(i) provide to the Bank all information on the Client and the Advisory Services as may be necessary for the purpose;

(ii) permit Bank Personnel to visit the Client facilities, and to have access to books and records relevant to the Advisory Services and to Client staff working in relation to the Advisory Services to be provided by the Bank;

(iii) promptly notify the Bank of any proposed change in the nature or scope of the Advisory Services and of any event or condition which has or could reasonably be expected to have a material effect on the performance of the Services; and

(iv) promptly provide to the Bank such other information as the Bank from time to time reasonably requests about the Advisory Services to be performed by the Bank.

(b) It is expressly agreed and understood that the Bank shall bear no responsibility for delay in performance occasioned by the Client's failure to provide its contribution as

set forth in Section D of the Schedule or otherwise cooperate as set forth in paragraph (a) above.

9. *Notices and Addresses.*

(a) All notices required or permitted to be given pursuant to this agreement shall be in writing and shall be deemed to have been duly given or made when delivered by hand or by mail, or facsimile to the signatories to this Agreement at their addresses as set out below or such other addresses as may be notified by either party from time to time. Notices forwarded by registered mail shall be deemed to be delivered upon delivery. Notices made by facsimile transmission shall also be confirmed by mail, with their effective date being the date of initial transmission.

(b) The following addresses are specified for the purposes of this Agreement:

For the Client:

Estonian Health Insurance Fund  
Lembitu 10  
10114 Tallinn  
Estonia

Fax: (372) 620 8449

For the Bank:

The World Bank  
1818 H Street, NW  
Washington, DC 20433  
USA

Phone: (202) 477-1234

Fax: (202) 477- 6391

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names as of the day and year indicated below.

ESTONIAN HEALTH  
INSURANCE FUND

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND  
DEVELOPMENT

By:   
Authorized Representative

By:   
Authorized Representative

Date: 30.06.2014

Date: July 7, 2014

## SCHEDULE

### Description of the Reimbursable Advisory Services

A. **Reimbursable Advisory Services.** Except as the Client and the Bank may otherwise agree, the Reimbursable Advisory Services shall include the following activities and outputs

The Bank shall carry out a study on the integration of care, which will assist the Client ascertain and gauge the importance of potential performance issues resulting from weak integration of care with a particular attention to the role and functioning of primary care and identify root causes, factors maintaining the status quo and possible policy entry points. The study will take into consideration a comprehensive review of the design, performance and genesis of the Estonian health system and extensive consultations with local stakeholders.

#### **Component 1: Identify Performance Issues**

As part of the study to be prepared by the Bank, the Bank shall assist the Client ascertain and gauge the importance of performance issues resulting from weak integration of care with particular attention to the role and functioning of primary care. .

To this effect, the study shall further review the following issues:

#### (i) **Subcomponent 1: Delivery of Services in Appropriate Care Setting**

The study will assess the extent to which service provision is skewed toward hospital settings. The study design rests on the assumption that insufficient ambulatory service delivery capacity, in particular at the primary care level, as well as insufficient service delivery capacity in nursing care lead to overprovision of ambulatory and inpatient services in hospital settings. The overprovision of services in hospital settings may be perpetuated by paying primary care on a per capita while specialist and inpatient care on a per-case or per-service basis. The study will analyze the following elements:

- Avoidable hospital admissions: The assessment will follow the respective protocol of the OECD Health Care Quality Indicators, which will allow Estonia to start reporting country data for this indicator. Estimates will be calculated for the national hospital network as a whole as well as types of hospitals within the network.
- Avoidable specialist visits: In the absence of internationally recognized guidelines, the study will include the development and piloting of a protocol. Said protocol will follow the same principles as the one for avoidable hospital admissions and its development will include international and local experts.

- Unnecessarily extended inpatient stays: The analysis will follow the protocol and use the benchmarks of the UK National Health Services High-Level Performance Framework.

The analysis of avoidable hospital admissions will focus on medical conditions that are manageable at the ambulatory care levels and the analysis of avoidable specialist visits on medical conditions that are manageable at the primary care level. Both analyses will try to gauge the effect of different combinations of co-morbidities, including some mental diseases and disabilities. The analysis of extended hospital stays will concentrate on medical conditions that require inpatient care and treatment.

(ii) Subcomponent 2: Coordination and Continuity of Care across Care Settings

The study will assess the degree of coordination and continuity across care settings. This assessment will assume that current mechanisms and incentives for coordination of care are ineffective in ensuring adequate transitions of patients between care settings, adherence to good technical practice, and strong patient-provider relationships.

The study will analyze the following [elements]:

- Incomplete hospital discharges: The analysis will follow protocols established in the literature, for example, measuring the frequency of incomplete prescriptions.
- Inadequate acute inpatient follow-up care: The analysis will use protocols well-established in the literature (for example, measuring the average lag time between discharge and a consecutive visit with an ambulatory care provider or family physician).
- Unnecessary pre-operative diagnostic procedures and over-and under-provision of preventive services: The assessment will follow protocols established in the literature using local and, where absent, benchmarks from other OECD countries.
- Continuity of care: The assessment will draw on several indices recommended by various national health authorities as measures for health system monitoring (for example, the concentration of care index, likelihood of continuity index, etc.).

The analysis of incomplete hospital discharges, inadequate acute inpatient follow-up, and unnecessary pre-operative diagnostic will focus on a set of medical conditions/diseases requiring hospital care and treatment. In turn, the assessment of overuse and under-use of preventive services and continuity of care will focus on conditions that are manageable at the ambulatory care levels and again, try to gauge the effect of different combinations of co-morbidities, including some mental diseases and disabilities.

**Component 2: Identify root causes, factors maintaining the status quo, and identify policy entry points**

As part of the study to be prepared by the Bank, the Bank shall assist the Client identify the root causes of performance issues identified under component 1, factors maintaining the status quo and policy entry points for reform.

The analysis will also serve as an opportunity to gauge the importance of potential performance issues that are not amenable to measurement and thus outside the scope of component 1, for example, the ability of patients and their families to self-manage health care and their health. It will combine several qualitative research methods in a logical order to arrive at a set of most promising policy entry points

As a starting point, key informant interviews will be conducted with representatives from main sector organizations to validate and possibly identify potential performance issues other than those treated under component 1, expand on the list of root causes identified in earlier stakeholder consultations, elicit factors maintaining the status quo, and scan for earlier reform efforts. Building on the results of these key informant interviews, focus group discussions will be conducted with providers and patients to further elaborate on these aspects from varied perspectives. The results of the interviews and discussions will be vetted against the findings from an inception paper that summarizes existing information on the performance of the Estonian health care system, its service delivery structure and system features relevant for care integration. The study may take into consideration the results from a European Commission sponsored semi-quantitative study on the Quality and Costs of Primary Care (QUALICOPC) if it becomes available for Estonia during the implementation of this Agreement.

The results of the key informant interviews and focus group discussions will be further supported by a more detailed review of past interventions, both in Estonia and elsewhere. First, a case study will assess the design, implementation and results of prior policies and initiatives to enhance the quality of care in Estonia. Second, the results of a case study of the e-health system carried out by the Estonian government may be considered provided they become available during the implementation of this Agreement. Complementarily, a desk review will summarize findings from the literature on successful policy interventions. This desk review will expand on earlier systematic literature reviews of care integration. It will draw on case studies of primary care centered integration approaches, focusing on the what, when and how of reform, with a particular emphasis on interventions and lessons from OECD countries. Building on the results of the interviews, discussions and reviews, a Delphi or similar experiment with national experts and a workshop with stakeholder representatives will attempt to prioritize issues and policy entry points based on criteria such as desirability as well as technical and political feasibility.

Any change to the foregoing scope of work shall be set out in a writing signed by the Client and the Bank, setting out the additional work to be undertaken and the fees in respect thereof.

B. **Timetable.** Except as the Client and the Bank may otherwise agree, the Bank shall endeavor to perform the Reimbursable Advisory Services in accordance with the following tentative timetable:

<b>Deliverable</b>	<b>Delivery Date (Number of months after the Date of the Effectiveness of the agreement)</b>
Inception Paper summarizing existing information on performance of Estonian health care system (approximately 20 pages)	2
Results presentation (Power Point presentation, approximately 10 slides) and results brief (approximately 5 pages) documenting findings of component 1	4
Operational manual describing data collection processes and methods for results monitoring	6
Results brief documenting findings of key informant interviews (approximately 5 pages)	4
Results brief documenting findings of focus group discussions (approximately 5 pages)	4
Results presentation (Power Point presentation, approximately 10 slides) and results brief (approximately 5 pages) documenting findings of Estonia quality of care case study	6
Results brief documenting Delphi experiment (approximately 5 pages)	4
Results presentation (Power Point presentation, approximately 10 slides) and results brief (approximately 5 pages) documenting findings of component 2	4
Patient and provider stories describing typical experiences with chronic condition management (maximum 3-4 pages each)	6
Summary presentation (Power Point presentation, approximately 10 slides) and summary report (approximately 20 pages) and synthesizing key study findings	6

C. **Bank Personnel.** The Bank will be responsible for determining the appropriate composition of teams needed to fulfill the Advisory Services. The following is an indicative list of the categories of Bank Personnel likely to be involved in carrying out the Reimbursable Advisory Services: health specialists and health economists.

D. **Counterparts and Facilities.** The Client shall provide the following facilities in support of the Reimbursable Advisory Services:

(a) The Client shall provide the Bank Personnel with necessary administrative and organizational support for the Reimbursable Advisory Services.

(b) The Client shall establish by not later than September 1, 2014, a steering committee composed of representatives from key stakeholder organizations. The Client may consult the Steering Committee throughout the duration of the agreement and seek guidance from the committee.

E. **Records.** The Bank shall keep appropriate records of the Reimbursable Advisory Services in accordance with its normal record-keeping practices and shall furnish to the Client such information regarding the Reimbursable Advisory Services as the Client shall reasonably request. As such, the Bank shall maintain appropriate records for a period of seven years after the end of the Bank's fiscal year to which the record pertains.

**ANNEX  
STANDARD TERMS AND CONDITIONS**

1. **Performance Standard; Non-Exclusivity.** The Bank hereby shall carry out the Reimbursable Advisory Services with the same care and diligence as it uses in its other analytical and advisory activities. The engagement of the Bank as adviser to the Client hereunder is non-exclusive and shall not restrict the Client from engaging other advisers on the same or related issues.

2. **Bank Personnel.** The Bank shall, in its sole discretion, determine the composition of the staff (including staff holding consultant appointments) (“Bank Personnel”) assigned to perform the Reimbursable Advisory Services. The Schedule to this Agreement contains an indicative list of Bank Personnel likely to be involved in carrying out the Reimbursable Advisory Services; provided, however, that the Bank retains at all times the right to assign such other person or persons in addition to, or substitution for, any of the persons appearing on that list as the Bank may deem necessary or appropriate in the performance of its duties hereunder. The Client may, if it has reasonable cause for dissatisfaction with the performance of any of the Bank Personnel, request the Bank to replace such person(s). For avoidance of doubt, it is agreed and understood that this Agreement does not create any employment or other contractual relationship between the Client and Bank Personnel.

3. **Client Contributions.** The Client shall carry out the activities and provide the facilities and other arrangements set out in the Schedule to this Agreement.

4. **Bank Operational Policies.** The Bank shall provide its advice in a manner consistent with its relevant environmental and social safeguards policies.

5. **Confidentiality.** The Parties agree that this Agreement and the outputs set out in the Schedule to this Agreement shall only be made available to the public after the Client has given its written consent to such disclosure. For this purpose, the Client hereby authorizes the Bank to publicly disclose this Agreement and the outputs set out in the Schedule to this Agreement in their final form. With respect to underlying information (other than the final outputs) provided by the Bank in support of the Reimbursable Advisory Services, the Bank reserves the right to designate said information as confidential. The Client may publicly disclose such information only after the Bank has given its prior consent.

6. **Intellectual Property.** The intellectual property rights of the Parties in any of its pre-existing data or documents used by the Bank in connection with the Reimbursable Advisory Services shall remain with that Party. The intellectual property rights in new materials prepared by the Bank in connection with the Reimbursable Advisory Services shall belong to the Client; *provided, however*, that the Bank shall have the global, non-exclusive, perpetual (for the duration of the copyright), fully sub-licensable and royalty-free right to use, copy, display, distribute, publish and create

derivative works of all or part of these materials and incorporate the information therein in its research, papers, publications, web sites, and other media without the consent of the Client, subject to the limitations on disclosure of confidential information and any third party rights, as indicated in paragraph 5, *Confidentiality*, of this Annex 1.

**7. Representation of the Bank's views and use of the Bank's name, marks and logo.**

(a) The Client agrees that it shall not represent, or permit the representation of, the Bank's views without the prior written consent of the Bank.

(b) The Client further agrees that it shall not use, or permit the use of the Bank's name, marks or logos in any advertisements, promotional literature or information without the prior written consent of the Bank, and that if such consent is provided that it shall use the name, marks and logos strictly in accordance with the permission provided and with the insertion of the Bank's usual disclaimers.

(c) Both parties shall include the appropriate attribution and disclaimers in new materials prepared in connection with the Reimbursable Advisory Services.

**8. Disclaimers and Liabilities.**

(a) While the Bank will make diligent efforts in its performance of the Reimbursable Advisory Services, the Bank makes no express or implied representation or warranty as to the extent of success that may be achieved in the implementation of any recommendation contained in any work product prepared by or with the assistance of the Bank or Bank Personnel.

(b) Without limitation to the immunities and privileges of the Bank under its Articles of Agreement and other applicable rules of law, the Bank shall not be liable to the Client or other third party for any loss, cost, damage or liability that the Client shall incur as a result of the Reimbursable Advisory Services, unless those resulting from the gross negligence or willful misconduct of the Bank or Bank Personnel. Notwithstanding anything herein, the Bank's liability, if any, to the Client hereunder shall not extend to any indirect, punitive or consequential damage, loss of profit or loss of opportunity, nor shall it exceed the amount of the professional fees received by the Bank for its account under this Agreement.

(c) The Parties acknowledge and agree that it is not the purpose of this Agreement to create a partnership, joint venture or similar arrangement whereby the parties could be held jointly liable vis-a-vis third parties or for any other purposes. Nothing herein shall constitute a commitment by the Bank to provide financing to the Client in respect of the Project or otherwise.

**9. Governing Law.** This Agreement is governed by, and shall be construed in accordance with, the laws of England.

10. ***Settlement of Disputes.***

(a) The parties hereto will endeavor in good faith to resolve any differences and disputes under, or in connection with, this Agreement by amicable settlement. Any dispute arising out of or in connection with this Agreement which is not settled by agreement of the parties shall be finally settled by arbitration in accordance with the UNCITRAL Arbitration Rules in force on the date of this Agreement. In the event of a conflict between the UNCITRAL Arbitration Rules and the terms of this Agreement, the terms of this Agreement shall govern.

(b) Neither the Client nor the Bank shall be entitled in any proceeding under paragraph (a) of this Section to assert any claim that any provision of these Standard Conditions or of the RAS Agreement is invalid or unenforceable because of any provision of the Bank's Articles of Agreement.

11. ***Privileges and Immunities; Tax Immunity.*** The Client recognizes and shall take all reasonable steps to give effect to the status, immunities and privileges of the Bank and its Personnel set forth in the Bank's Articles of Agreement and other applicable rules of law. The parties acknowledge and agree that no provision of this Agreement, nor the submission to arbitration by the Bank, in any way constitutes or implies a waiver, renunciation, termination, or modification by the Bank of any privilege, immunity or exemption of the Bank granted in the Bank's Articles of Agreement and other applicable rules of law. This includes, inter alia, the immunity of the Bank, its assets, income and its operations and transactions, from all taxation and customs duties.

12. ***Amendments.*** Any amendment or waiver of, or any consent given under, any provision of this Agreement shall be in writing and, in the case of an amendment, signed by the Parties.

13. ***Saving of Rights.*** No course of dealing and no failure or delay by any party hereto in exercising any power, remedy, discretion, authority or other right under this Agreement shall impair, or be construed to be a waiver of or an acquiescence in, that or any other power, remedy, discretion, authority or right under this Agreement, or in any manner preclude its additional or future exercise.

14. ***Successors and Assignees; No Assignment without Consent.*** This Agreement binds and benefits the respective successors and assignees of the parties, provided that none of them may assign this Agreement in whole or in part without the prior consent of the other.

15. ***Entire Agreement and Counterparts.***

(a) This Agreement, together with its Schedule and Annex, constitutes the entire agreement among the parties hereto and supersedes any and all prior agreements, understandings and arrangements, oral or written, between the parties with respect to the subject matter hereof.

(b) This Agreement may be executed in several counterparts, each of which is an original, but all of which constitute the same agreement.

16. ***Termination.*** Notwithstanding termination or expiration of this Agreement, the provisions of this Agreement relating to (i) obligation of confidentiality under Section 5 of this Annex, (ii) the obligations spelled out in Sections 6 on Intellectual Property and 11 on Privileges and Immunities of this Annex; and (iii) the obligation of the Client to pay to the Bank remuneration for the Reimbursable Advisory Services performed prior to the date of termination or expiration of the Agreement, as well as reimbursement of any reasonable costs related to the termination of the Agreement by the Client, shall continue in full force and effect.