

### PROJECT FICHE 3

Title	Support to Health Reform Strengthening of Primary Health Care in Moldova		
Indicative cost	€ 6 million		
Aid Method	Sector Policy Support Programme – Centralised Management		
DAC-code	12220	Sector	Basic Health Care

#### INTRODUCTION / NOTE ON POLICY DIALOGUE

The Health Care System in Moldova has a number of serious deficiencies and structural problems which urgently need to be addressed and redressed in order to be able to (a) provide better health care, above all preventive care and early intervention, ie primary health care through family doctors; and (b) to ensure increased and equal access to such health care in order to put a stop to escalating health problems and demand for secondary health care services.

Improved health care, above all primary health care, will do much to help prevent the occurrence and spread of transmittable diseases, including TB and HIV/AIDS. Many of these diseases are poverty related and can be attributed to lack of information and access to health care services.

The need and intention to develop Primary Health Care in Moldova (and to fight transmittable diseases such as TB and HIV/AIDS) is explicitly stated in the Economic Growth and Poverty Reduction Strategy Paper (EGPRSP) and in EC policy documentation.

The EC support to the primary health care sector is to be implemented as a Sector Policy Support Programme, which will include an improved sector policy dialogue between the EC Delegation and the Government of Moldova (particularly with the Ministries of Health and of Finance) on key areas for the implementation of the sector programme (particularly health policy, the medium term expenditure framework for the health sector and ways of improved donor coordination).

#### 1. RATIONALE

Following the economic crisis many health centres around the country were shut down due to insufficient funds. This applies to primary health care centres and hospitals. Most of the hospitals remaining are located in or around Chisinau. This has had a number of serious consequences:

- reduced access to (primary) health care generally
- reduced access to any kind of health care in the regions
- increased demand for/strain on secondary health care centres (hospitals) as patients turn to hospitals either for basic/primary health care needs or indeed require advanced health care/hospitalisation, precisely because they were unable to receive primary health care in due time.

This, in turn, has had the following serious consequences:

- the general health of the population has deteriorated and continues to deteriorate

- demand for health care services from hospitals outstrips their potential to provide such services
- this aggravates the already serious efficiency problem of hospitals
- the costs to the health care system increases

In addition to the very low health care expenditure (estimated to be at under 30 € per capita per year), hospitals swallow up an increasing amount of the available budget for health care depriving funding for the few primary health care providers which do exist.

Presently the budget is divided roughly as follows:

Primary Health Care	32%
Urgencies	12%
Secondary Health Care and special ambulatory Health Assistance	56%

The territorial divide of funds is quite proportionate:

80% of funds go to health institutions around the country  
20% go to university hospitals, all of which are in Chisinau

Access to health care is reported to be good in urban areas but limited in rural areas and the quality of the care is very poor.

Given the weaknesses of the public sector, outpatient care is increasingly provided by private practitioners, and according to a study from 2002, over half of outpatient contacts happen in the private sector.

Supporting the development of primary health care in Moldova is therefore a priority. This will involve EC-support on the following:

- Development of strategy and action plan for development of primary health care in Moldova
- Administrative and legislative reform (to allow for decentralisation of system and funding)
- Development of managerial framework for addressing public health needs
- Institutional Capacity Strengthening through training of Health Managers and Medical Personnel (Family Doctors)
- Public Awareness Campaign to promote awareness of specific diseases, prevention and early intervention

Moreover, the following issues should be addressed (by Government alone or with donor support):

- Increases in the financing base of primary health care
- Full exploitation of the potential of private providers for improving coverage and quality in primary health care
- Develop the potential of health insurance mechanisms for improving primary health care

### 1.1 Strategic Framework

The strategic framework can be found in the following key documents:

- EGPRSP
- Country Strategy Paper 2004-2006 / National Indicative Programme 2005-2006
- European Neighbourhood Policy Action Plan

## EGPRSP

The EGPRSP is the key policy framework document for the Moldovan government and donors working in Moldova. It spells out strategy measures for poverty reduction. The main objectives of the healthcare sector reform programme are described as follows:

- increase access of the population and especially the poor to basic health services through the development of primary medical care
- improve the quality and standards of health care by upgrading clinical procedure, skills of the medical personnel, primary health care equipment, extending the process of re-accreditation of medical institutions and implementing efficient monitoring and evaluation mechanisms
- improve measures for the prevention and treatment of socially conditioned diseases
- increase efficiency in the use of financial, human and material healthcare resources by rationalisation of the hospital sector and the implementation of mandatory health insurance to improve financial stability.

## National Indicative Programme 2005-2006

NIP 2005-6 has a priority: Alleviation of the social consequences of transition. It stipulates that it will provide support to poverty reduction policies identified in the EGPRSP and in the National Action Plan for Human Rights (NAPHR), through social assistance via strengthened NGOs, health- and childcare. It is very clear on what aspect of Health Reform should be supported: Development of Primary Health Care Services and support to fighting the spread of transmittable diseases, such as HIV/AIDS.

## EU-Moldova (European Neighbourhood Policy) Action Plan

The ENP AP contains a section (80) on Public Health. Here the overall objective of EU intervention is stated as:

“Increase the level of health security and epidemiological safety in Moldova in line with EU legislation and in cooperation with the support of the WHO; Relate the information system of Moldova to the health indicators process underway in the EU”.

It envisages the following actions/activities: i) Collection of information on health indicators; ii) Exchange information and technical expertise in order to facilitate participation in EU network for the Prevention and Control of Communicable Diseases; iii) Participation in dedicated surveillance networks, in particular those collecting data and information on HIV/AIDS, sexually transmitted infections and hepatitis C and B; iv) Reform of health system; v) Improve primary health care system and the prevention of diseases, such as HIV/AIDS, notably in rural and deprived communities and within vulnerable groups; vi) Modernisation of emergency services; vii) Health services autonomy, especially for hospitals; viii) Monitoring of the mandatory health insurance implementation; ix) Improve the training standards in general practice for health professionals with graduate and undergraduate education.

### 1.2 Lessons Learned

As yet the primary health care sector has not benefited from much international support. Both the government and donor community agree that this is a priority area, and the involvement of other donors in this area is foreseen. It is therefore

essential to map a solid strategy and action plan for the development of primary health care. This would be used as a basis for government, EU and other donor intervention.

### 1.3 Complementary actions

To date, there have been 4 Tacis Health Projects in Moldova, and this project will build on progress and lessons learnt in the context of these projects:

- Primary Health Care (96-97) which was to develop normative and institutional framework and elaborate administrative indicators plus provide graduate and postgraduate training for family doctors.
- Support to the Ministry of Health (2001-2003) which was to develop the institutional framework for the implementation of the Mandatory Health Insurance; elaborate the basic package of medical services in the framework of Mandatory Health Insurance; elaborate the minimal accreditation standards for medical institutions; develop and deliver a public awareness campaign regarding the rights of the population under the new Mandatory Health Insurance.
- Health Promotion and Disease Prevention (2003-2005), which was to increase the role and responsibilities of the state in the promotion of healthy life style through reorienting policies, legislation and financing.
- Reform of the Public Health System (2005-2007) which is to strengthen management capacity in the health care system (including the existing health insurance system) through support for training, health finance, performance measurement and information systems.

Projects funded by other Donors:

- WB Health Investment Fund Project to assist the government of Moldova define and implement a health care reform strategy to improve the health status of the population within the limited budget available; to help rationalise the infrastructure, resource allocation and performance. A Fund for Investment in Health was set up. This fund will be used to restructure the health care systems in the regions and to improve the work of emergency medical services.
- USAID Primary Health Care/Health Partnership Project focused on the creation of broad-based community oriented primary health care services with special attention to preventive and educational aspects of health care and training family doctors.
- USAID Women's Health/Family Planning Project, focused on sustainable decentralised approaches to meeting social service needs and restructuring existing ambulatory care delivery system; integrating health services within the larger social services context; development of supportive community-based NGOs.
- UNICEF Mother and Child Health Project, to improve parental care and care at birth, immunisation, nutrition, integrated management of childhood illnesses to improve maternal and child health.

### 1.4 Donor coordination

On government side the task of donor coordination rests with the Ministry of Economy and the Ministry of Finance.

The UNDP plays a key role in donor coordination. There are two monthly donor meetings, one organised and hosted on a rotational basis by one of the donors, the other organised and hosted by IMF.

In addition to these, there are eight specialised/thematic working groups, which are supposed to meet regularly.

There is still a need to strengthen coordination, both amongst the donors and between the government and donor community.

## 2. COUNTRY CONTEXT

### 2.1 Economic and social situation

The economic and social situation in the sector is best reflected by the evolution of health indicators. Moldovan health indicators indicate that the overall social and economic development has deteriorated and that the health system is performing poorly and continues to lag considerably behind other European and Commonwealth of Independent States (CIS) countries. The range of reforms include changing the structure and composition of the delivery system and introducing appropriate incentives to alter the behaviour of health care providers and consumers and to act as a catalyst for change. Further progress is needed to determine the details of reforms and to define the steps to implement them.

Currently there are 48 Centres of Family Doctors situated in towns (foreseen for 10-20 family doctors); 397 Health Centres, situated in villages (foreseen for 2-3 family doctors) and 554 offices of family doctors in villages (foreseen for 1 family doctor). The number of family doctors in primary health care is insufficient. The filling of places for family doctors in towns represents about 85%, whereas in villages this number reaches only 70%. Currently, in primary health care there are 2029 family doctors, the sufficient number being 2500. Many institutions from the sector of primary health care do not have adequate equipment, both in quality and quantity terms. Thus, a more effective primary health care system could increase the quality of care and control system resources by managing chronic and infectious diseases, preventing illness, and reducing utilization of higher cost hospital services. The development of primary health care is a cornerstone of the Government's reform program.

### 2.2 Cooperation policy of beneficiary country

Policy dialogue between Moldova and the EU has been established through the Partnership and Cooperation Agreement (PCA) signed in 1994 (in force since 1998). The PCA provisions have been supplemented early 2005 by an EU-Moldova Action Plan (ENP AP, in the framework of the European Neighbourhood Policy) aiming to establish an increasingly close relationship between EU and Moldova, involving a significant degree of economic integration and a deepening of political co-operation.

### 2.3 Sector Policy

The EGPRSP stipulates in chapter on social development main trends and governmental priorities and actions in the sector.

On January 1, 2004 the government proceeded with the introduction of mandatory health insurance. A pilot program was implemented in Hincesti rayon from July 1 2003 to December 31 2003. It tested regulatory acts, procedures, and instruments. National Health Insurance Company (NHIC) was established. An immediate result of reform consisted in the downsizing of the public health sector and in lay offs of medical personnel. Large social costs of the reform have been

accompanied by the immediate inefficiency and inadequacy of health care services. The tax burden on the population has increased. The reform does not benefit from public support. Training of medical personnel has been conducted. There are disincentives to increase participation in the formal labour market. There are also risks referring to untimely collection of contributions, instability in attendance rates of medical institutions, poor management of finance and information flows.

In accordance with the EGPRSP, the main objectives of the government in this sector is to resume to the following: increase the access of population to health services; improve standards and quality of health care; improve measures for treatment and prevention of socially conditioned diseases; and increase the efficiency of service. Priority actions for the period 2004-2006 centre on the following pillars: improvement of regulatory and legal framework; strengthening institutional capacity of medical institutions and of the National Health Insurance Company; implementation of an integrated information system, strengthening human resources and implementation of a system for monitoring and assessment of obtained results.

The main long-term strategic document regulating the activity in the health sector is the National Health Policy (2003-2020), having as a goal the reduction of inequalities and the improvement of the health status of the population.

The main priorities of the National Health Policy are as follows:

- Improvement of mother and child health
- Prevention of non-communicable chronic diseases and health enhancement
- Supervision of contagious diseases
- Control of HIV/AIDS, sexually communicable diseases and drug abuse
- Optimization of environment for stronger health
- Improvement of health system performance

Based on the Concept Paper on Family and Child Protection adopted in January 2002, the Government has developed the National Strategy for Family and Child Protection, also adopted in June 2003. The strategy provides a comprehensive and long-term approach on children's issues, addressing in particular the most vulnerable categories of children, such as children deprived of parental care, disabled children, etc.

Starting on January 1st 2004, the implementation of the Health Insurance Law is enabling the changes in the planning, accumulation and use of internal resources for health care delivery. Main aims of introducing Mandatory Health Insurance are as follows: to increase the efficiency and quality of services, introduce new standards, develop an accreditation system, and improve managerial capacities on the medical personnel. However, there is a need to mention that the implementation process is poorly conducted. Initial phase of the reform has increased corruption among medical personnel. An immediate result of reform consisted in the downsizing of the public health sector and in lay offs of medical personnel. Large social costs of the reform have been accompanied by the immediate inefficiency and inadequacy of health care services. Tax burden on population has been increased. The reform does not benefit from public support. Public awareness campaign has been strikingly ineffective, that is not to say missing. Training of medical personnel has been poorly conducted. There are disincentives to increase participation in the formal labor market. The Mandatory Health Insurance System covers 75% of the country's population. Children up to 18 years of age, students, pensioners, people with physical disabilities, unemployed are insured from the state budget. Employees from the formal sector

of economy (enterprises and organizations) are insured by the employer and personal contributions paid as a percentage from salary. Free entrepreneurs and other categories of people can be included in the Mandatory Health Insurance Scheme by paying the price of the Health Insurance Certificate.

Several legislative acts regulate the introduction and implementation of the Mandatory Health Insurance

Currently under way are the improvement and review of most important national programs in health sector. This will also involve a critical analysis of the financing of primary health care, of the institutional capacities of the concerned stakeholders and the development of a set of reform steps that can realistically be implemented under the very constrained conditions of the Republic of Moldova.

### 3. DESCRIPTION

#### 3.1 Objectives

Wider Objective

- Contribute to effective coverage with quality primary health care services that impact on major health problems (including HIV/AIDS and tuberculosis) while improving equitable access and considering financial sustainability

Specific Objective:

- Development and initial implementation steps of a strategy and action plan for improvement of primary health care in Moldova

#### 3.2 Operating modality

There shall be one services contract and one or a limited number of works and supply contracts (see details in # 4.1).

#### 3.3 Expected results and main activities

Result 1: Clearly defined strategy and action plan for the development of primary health care in Moldova endorsed by the government and based inter alia on macro-economic analysis. Necessary administrative and legal conditions in place (for decentralisation of system and funding). Managerial framework for addressing public health needs in place.

Main Activities:

- In-depth study of Health Care System with special reference on how to improve Primary Health Care
- Further develop and refine provisions for sustainable financing mechanisms for primary health care (including institutional development of health insurance mechanisms, analysis and follow-up on public finance management including procurement)
- Explore options for harnessing the potential of private health care providers to improve coverage and quality of primary health care (including the option of improved demand-side financing)

- Engage in a process of reorientation of international support under a government led sector wide programme.
- Defined strategy and action plan for creating necessary conditions for development and strengthening of Primary Health Care in Moldova
- Reform of the national normative and legislative framework in the field of primary health care, which would allow the decentralisation of the management and financing of the primary health care services, including the support to of private practice of family doctors in rural areas and the development of performance and quality management system
- Setting up of an adequate managerial framework

Result 2: Strengthened Capacity of Health Management and Medical Personnel (Family Doctors), including setting-up of monitoring systems.

Main activities:

- Improvement of the managerial skills and knowledge of professionals from the field of primary health care in areas such as strategic planning, financing, and contracting of medical services, use of information systems, performance measurement etc.
- Upgrading of knowledge and skills of existing primary health care practitioners (Family Doctors) and training of new Doctors.
- Develop health promotion activities by primary care providers
- Implementation in the framework of primary health care of a system for quality management
- Development of proposals for improvement of staff motivation and for retainment of staff in public service
- Development of an integrated management information system in the field of primary health care
- Develop mechanisms of contracting of private providers or equivalent means

Result 3: Contribution to the improvement of infrastructure for primary health care provision is delivered

Under this result limited rehabilitation / reconstruction of buildings as well as support to procurement of essential equipment and putting in place of an automated information system are foreseen.

A works project component will also serve as a reinforcement of the WB effort on the reparation of the existing medical facilities. Construction/refurbishment plans are to be elaborated for the housing of the technological equipment as well as the fostering of all other project activities, i.e. training, awareness campaigns, ambulatory services, medical provision, et al. The exact number of buildings to be refurbished/constructed will result from the elaboration of the action plan on the primary health care (see Result 1)

Main activities:

- Plans and technical specifications for the primary health care centres are in place
- Prioritise the modernisation of the primary health centres-buildings and refurbish / reconstruct.
- A limited number of buildings are refurbished/constructed
- Standard plans for medical equipment based on a health technology assessment taking into account of available resources for running costs including maintenance are elaborated.

### 3.4 Stakeholders and institutional capacity

The most important national institutions / stakeholders active in the sector are as follows:

Ministry of Health; National Centre for the Public Health and Health Management; Medical and Pharmaceutical State University; Public and private providers of primary health care.

### 3.5 Risks and assumptions

Risk: The government may not remain devoted to the engagement to reform and consolidate the health care system, including primary health care assistance. However, the initiatives that were launched by previous TACIS projects at the level pilot projects were supported by the government and then extended on the national scale.

Other risks include: unequal access to health care services of the population; dispersed benefits produced by the project; insufficient human and institutional capacities required for the implementation of project; high costs of operation and maintenance of the new structures; insufficient sustainability of the project after its closure.

Weighing against the risk of not supporting the development of primary health care and judging from previous experiences of other TACIS projects in the Republic of Moldova there are sufficient conditions, premises and environment for the implementation of this project.

### 3.6 Crosscutting Issues

Gender equality – Will encourage participation of men and women in project and will help to ensure equal access to primary health care

Good governance – improved administrative set up of Primary Health Care  
Human Rights – Protection of human rights through improved and more equitable access to health care.

Children – Specific attention will be paid to activities intended to improve children health conditions.

## 4. IMPLEMENTATION ISSUES

### 4.1. Implementation method

Centralised Management by EC Delegation.

For the technical assistance:

- Restricted tender
- Services contract

For small infrastructure and / or equipment:

- International Open Procedure
- Works contract

Twinning may be used as an implementation modality.

### 4.2. Budget and calendar

The total budget of the project is MEUR 6. The estimated duration of the project will be 36 months for technical assistance and 24 months for procurement. The works and supply contract(s) will start around one year after the beginning of the services contract.

#### 4.3. Procurement and award of grants procedures

All contracts implementing the financing agreement must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

All programme estimates must respect the procedures and standard documents laid down by the Commission, in force at the time of the adoption of the programme estimates in question.

#### 4.4. Performance monitoring

The project will be monitored according to standard procedures.

Project monitoring will be based on periodic assessment of progress and delivery of specified project results and towards achievement of project objectives.

#### 4.5. Evaluation and audit

The project will follow standard procedures for evaluation and audit.