1. Basic Information
   1.2. Title: Strengthen administration for benefits in kind.
   1.3. Sector: Public administration
   1.4. Location: Poland

2. Objectives:
   2.1. Overall objective
   1. Preparation of the personnel of Polish public administration and health insurance institutions for performance of tasks in the field of determining entitlement to health benefits in kind, provision thereof and settlement of costs of benefits provided within the framework of co-ordination of social security.
   2. Implementation of principles of free movement of persons in the field of health benefits in kind.

   2.2. Project purpose/immediate objective
   Development of organisational structure capable to fulfil the tasks in the field of granting the right to benefits in kind and their settlement:
   1. creation of databases containing necessary information on health benefits in kind;
   2. development of the Internet system allowing for introduction of a system of information flow and circulation of E type forms;
   3. operation of the system of settlement of costs of the benefits in kind provided within the frame of co-ordination of efficient and integrated system of data collection, transfer and management enabling Polish institutions to settle the costs with other EU Member States as well as within Poland.

   2.3. Accession Partnership and NPAA priorities
   Accession Partnership 2001
   Reinforcement of the administration structure for the co-ordination of social security system
   NPAA
   (Priority 2.3) Joining the common system of co-ordination of social security

2.4. Contribution to the National Development Plan: n/a

2.5. Cross Border Impact: n/a

3. Description
   3.1 Background and Justification
   In view of Poland’s accession to the EU it is necessary to prepare relevant number of personal for performance of the their tasks in the field of determining entitlement to health benefits in kind as well as to create an computer system of transferring data from 17 regional health insurance institutions to a central institution – International Settlements Office. Presently, no system of gathering and processing data on health benefits in kind operates in Poland.
   In order to achieve required standards it requires purchases of computer equipment, software, training of personnel etc.
   Under the legislation in force in the field of health care, exists a catalogue of persons entitled to health benefits within the framework of the general health insurance system. Only a small number of foreigners (foreigners staying at the territory of the Republic of Poland – including pensioners, employees – on the basis of residence permit with the right to work, permanent residence card or temporary residence card as well as members of their families, foreign students and participants of doctoral studies, foreigners – members of convents and participants of higher theological seminars) have the right to be covered by health insurance in Poland and these persons will also have such right after Poland's accession to the EU structures.
   Besides, the Republic of Poland is realising the right to health benefits of foreigners resulting from the international agreements ratified by the Republic of Poland. Their funding is covered by the budget of the minister competent for health issues. The International Settlements Office is an institution appointed by the Minister of Health to operate these benefits.
   In view of the above, other persons coming to Poland are going to receive access to free benefits in kind under the principle of equal treatment of the EU nationals.
It is connected with the necessity of imposing new responsibilities upon the International Settlements Office and health insurance institutions (sickness funds) and also with the necessity of developing and implementing the procedures resulting from adjustment of the Polish legislation to the EU law.

Determining the entitlement to benefits and reimbursement of costs of health benefits in kind with the use of standard forms, enforces the Polish institutions functioning in health care and institutions providing health care benefits (providers), to be acquainted with legislation and procedures, in particular:

- persons entitled and the scope of entitlement to benefits,
- introduction of forms authorising to health benefits,
- procedures of ascertaining and confirming the right to benefits,
- implementation of procedures dealing with forms,
- laying down a list of subjects, which should be informed of events that take place,
- principles of issuing invoices.

The scope of the mentioned tasks is connected with organisation of a system of training for the staff of the health insurance institutions, the Ministry of Health and providers. The present health insurance institutions – the sickness funds, are to be replaced by the National Health Fund with regional branches. However, the insurance-based system will remain and the new Fund is going to take over the main insurance related tasks of the sickness funds (at the moment, the reorganization of health care in Poland is at the stage of drafting).

In view of the above, it is necessary to acquaint the representatives of the Polish institutions with organisation and structure of the EU institutions.

Draft annexes to implement regulation 574/72 point out the following bodies: the Minister of Health as competent authority, the International Settlements Office as liaison body and sickness funds as competent institutions.

3.2 Linked activities

The project is a continuation of the PL9915 Phare-Consensus III project and it will build on its findings regarding application review procedures. The project assumes the necessity of acquiring necessary knowledge in the field of statistical data processing by employees dealing with health benefits in kind.

3.3 Results

- integrated system of data collection, transfer and management
- effective operation of data bases
- access to information for the institutions concerned provided
- internet system capable to receive and transfer data
- qualifications of relevant staff, according to specified below needs, upgraded
- system of settlement of costs between the service providers and the competent institutions in Poland meets EU required standard
- system of settlement of costs with the competent institutions of other Member States compatible to EU standards.
- EU legislation concerning free movement of persons practically used
- practical application of Community rules in the field of ability to deal with individual forms.

3.4 Activities

1. Contract 1 – Twinning

In order to achieve EU standards in the field of health benefits in kind there is a need to receive support from EU experts (PAA and a number of short-term experts) for necessary co-ordination and evaluation of work performed by the International Settlements Office and insurance institutions concerned.

Expert areas of activity:
• Preparation and practical implementation of administrative procedures of co-operation between health insurance institutions (sickness funds) and the service providers in the field of health benefits in kind
• Assessment and practical implementation of procedures of co-operation between liaison bodies and competent institutions of the Member States
• Preparation of manual of routines of information exchange among the above-mentioned institutions
• Preparation and participation in training programmes for employees of the Ministry of Health, the International Settlements Office and health insurance institutions in the fields of above-mentioned procedures, i.e.:
  • Flow of information
  • Data processing
  • Dealing with E forms
  • Methods and procedures of contacts with other similar institutions form Member States
• practical implementation of the system of cost calculation - according to the EU standards
• assistance in preparation of the technical specification for investment part of the project
• study visits may be part of the project

The Pre-Accession Adviser (13 months EU expert) will be responsible for the overall supervision of the project and evaluation of ISO activity. 

**PAA's profile:**
- experience in the field of health benefits in kind
- knowledge of the EU legislation
- command of Polish language would be seen as an advantage
- good command of English language
- good communication and management skills
- skills of concluding and maintaining inter-personal contacts.

The expert will be located at the International Settlements Office, ul. Chalubinskiego 8, 00-613 Warszawa.

**Short-term experts** – they will be responsible for developing the specific components of the project and for providing practical support in the implementation of the proposed activities, i.a. responsible for provision of training of experts and Polish trainers in health insurance institutions.

**2. Contract 2 – Investment**

Effective exercising of above-mentioned duties and activities would require i.a. purchases of computer equipment, which would make the activity of institutions involved efficient and compatible with EU standards. The other aspect of the investment part of this project is connected with development of the data base system, which should meet all of necessary technical requirements.

The project foresees the purchases of IT equipment, including:
- PCs,
- printers,
- servers,
- standard software.

Purchases of ca. 115 computers are planned. As it was mentioned, in Poland there is no system of gathering and processing data on health benefits in kind. Creation of such a system would facilitate the registration process as well as exchange of data. The above-described number equipment will be located in the International Settlements Office (30 computers and server) and in the health insurance institutions (5 computers and one server in each of 17 institutions).

The Office as a liaison body will operate cost settlements of health benefits with the institutions of other Member States. Gathering the data will be necessary to settle and analyse the benefits provided to foreigners in Poland and to Poles in the Member States.

The sickness funds will be provided with computers in order to create a system of transferring the data contained in the forms as well as to build a data base necessary to ensure statistical and other data.

Taking into consideration the number of Polish insured (appr. 2 million per sickness fund) and the expected flow of the insured from other Member States it is planned that each health insurance
institution should establish a unit/section consisting of at least 5 persons to handle efficiently and without delays the provision and cost settlement of health benefits in kind within the frame of co-ordination.

Data, gathered by the Polish Border Guard, on the arrivals of EU nationals to Poland indicate that these arrivals are slightly growing year by year. It seems justified to assume a rising trend in the following years as well. Hence, Polish institutions are likely going to handle a large and increasing number of cases each year. The health insurance institutions will have to gather, certify, analyse and transfer to the International Settlements Office the forms regarding EU nationals treated in Poland as well as the forms regarding Polish insurees moving within the EU.

Having regard to the fact that to the number of cases concerning Poles one has to add the cases concerning EU nationals treated in Poland, establishing sections of at least 5 persons is justified. The Settlements Office as a central institution dealing with all cases should be equipped with 30 PC’s.

Moreover, when planning the administrative and technical infrastructure, it is also necessary to consider that the rules of co-ordination will also cover persons from other candidate countries and the movement of people between Poland and the Czech Republic, Slovakia, Hungary, Lithuania or Latvia are also significant.

**Envisaged purchases 430 000 euro (estimated prices):**
- 18 servers – 245 000 euro
- 115 PC’s - 160 000 euro
- software, printers – 25 000 euro

Joint co-financing will be applicable to the co-financing regarding the investment contract.

3. Contract 3 – Technical Assistance

The project covers technical assistance for the data base development.

In order to organise correctly the information exchange and implementation of the database containing statistical information it is necessary to:

- develop central and regional databases – the health insurance institutions will create their own databases which will be subsequently transferred to the central database in the International Settlements Office.
- create and implement the internet system – a tool necessary to transfer the information.

In order to implement a system that is both effective and meets the standards of security it is necessary in particular to: create a replicated central server in a place independent of the local energy net, which will allow the data transferring in a format that enables Member States to receive and use the data and enables Poland to use the data from other Member States.

4. Institutional framework:

4.1. The following public administration institutions are covered by the Project:

The Ministry of Health will co-ordinate, supervise and monitor the proper implementation of the project

- Ministry of Health – creates and implements the state health policy in the field of accessibility of health benefits as well as determines the directions of activity of the healthcare system;
- International Settlements Office (ISO) – institution established by the Minister of Health *inter alia* for performing the tasks connected with:
  - settlement of dues in respect of health benefits provided to foreigners under international agreements;
  - settlement of costs of treatment of Polish nationals abroad;
  - referring insured persons for the treatment or for diagnosis abroad if such services are not provided in Poland (as described in art. 31a of the Law on general health insurance).

The ISO plays a role of liaison body in the meaning of international agreements. The ISO will also be a liaison body in the field of health benefits in kind within the framework of the EU system of co-ordination of social security schemes. The ISO will support the Ministry of Health in the implementation of the project.

- General health insurance institutions (sickness funds) – self-governing institutions representing persons insured and providing them with health benefits defined in the Law on general health
insurance, within the framework of available funds; they collect and manage funds and conclude contracts with service providers; co-operate with institutions functioning in the field of health care; implement tasks contracted out and financed by the minister competent for health issues; they hold a register of persons covered by health insurance as well as confirm the right of an insured person to the benefits.

The health insurance institutions will be involved in the realisation of the project.

4.2. Restrictions and anticipated changes

The main restriction represent the changes presently carried out in organisation and management of health care. "National health care. Strategic directions of activity of the Ministry of Health during the years 2002-2003", proclaimed in February 2002, lays down the main steps aimed at the creation of basis for the uniform and coherent system of health care based on the National Health Fund.

5. Budget (in MEUR)

<table>
<thead>
<tr>
<th>Contract 1 - Twinning</th>
<th>Investment</th>
<th>Institution building</th>
<th>Total Phare IB + INV</th>
<th>National Co-financing</th>
<th>IFI</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.99</td>
<td></td>
<td>0.99</td>
<td>0.17</td>
<td></td>
<td>1.16</td>
</tr>
<tr>
<td>Contract 2 - Investment</td>
<td>0.32</td>
<td></td>
<td>0.32</td>
<td>0.11</td>
<td></td>
<td>0.43</td>
</tr>
<tr>
<td>Contract 3 - TA</td>
<td>0.29</td>
<td></td>
<td>0.29</td>
<td>0.09</td>
<td></td>
<td>0.38</td>
</tr>
<tr>
<td>Total</td>
<td>0.32</td>
<td>1.28</td>
<td>1.6</td>
<td>0.37</td>
<td></td>
<td>1.97</td>
</tr>
</tbody>
</table>

The co-financing funds for the project implementation will be available.

6. Implementation arrangements:

6.1. Implementing Agency

**PAO**: Ms Krystyna Gurbiel, Under Secretary Of State at the Office of the Committee for European Integration (UKIE)
Al. Ujazdowskie 9, 00-918 Warszawa, tel. +48 22 455 52 41, fax +48 22 455 52 43.

**IA**: (CFCU), Foundation „Co-operation Fund”, Mr Wojciech Paciorkiewicz, Director, ul. Górnoślaska 4A, 00-918 Warszawa, tel. +48 22 450 99 00, fax +48 22 622 75 65
The CFCU is responsible for handling tendering, contracting and payments of contracts on behalf of the Ministry of Health which itself shall be responsible for preparing projects and managing their technical implementation.

6.2. Twinning

One long-term expert and a number of short-term experts will assist in project implementation.

**Contact person in the ISO:**
Mrs Elżbieta Saniewska, Deputy Economic Director, ul. Chalubinskiego 8, 00-613 Warszawa, tel. +48 22 830 04 20, fax: +48 22 830 09 04.
Mrs Saniewska will be responsible for the co-ordination of the tasks related to twinning.

6.3 Non-standard aspects.

All Contracts within the project will be concluded in accordance with the *Practical Guide for Phare, Ispa and Sapard* as well as the *Twinning Manual*.

6.4 Contracts

**Contract 1** – Twinning – 1.16 MEUR (0.99 MEUR PHARE + 0.17 MEUR Polish co-financing).
Polish co-financing will cover the costs of national short-term experts, organisation of training and seminars, flight tickets, etc.

**Contract 2** – Investment – 0.43 MEUR (0.32 MEUR PHARE + 0.11 MEUR Polish co-financing) – joint co-financing

**Contract 3** – Technical assistance – 0.38 MEUR (0.29 MEUR PHARE + 0.09 MEUR Polish co-financing).
Polish co-financing will cover the costs of national experts, analyses, etc.

7. Implementation schedule:

7.1. Start of tendering/call for proposals
I/II quarter 2003,

7.2. Start of project activity
II quarter 2003,

7.3. Project completion
IV quarter 2004.
8. **Equal opportunities:**
In the health care institutions women account for the majority of employees. The proportion of women may be measured by the level of their salaries in relation to men's salaries or the number of women participating in training and seminars.

9. **Environmental impact** n/a
10. **Rates of return** n/a
11. **Investment criteria** n/a

12. **Conditionalities and sequencing**
   Sequence of activities:
   - Twinning covenant agreed and signed;
   - provision of computer equipment for health care institutions;
   - creation of information system.
### annex 1: logframe planning matrix

<table>
<thead>
<tr>
<th>LOGFRAME PLANNING MATRIX FOR</th>
<th>Programme name and number</th>
</tr>
</thead>
<tbody>
<tr>
<td>02.06 Strengthen administration for benefits in kind</td>
<td>Contracting period expires 30/11/04, Disbursement period expires 30/11/05</td>
</tr>
<tr>
<td><strong>Total budget:</strong> 1.97</td>
<td>Phare Budget 1.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Preparation of the personnel of Polish public administration and health insurance institutions for performance of tasks in the field of determining entitlement to health benefits in kind, provision thereof and settlement of costs of benefits provided within the framework of co-ordination of social security.</td>
<td>Number of health benefits in kind provided by Poland to insured EU nationals and by EU Member States to Polish insured.</td>
<td>Applications concerning the provision of benefits in kind to insured EU nationals. Institutions of EU Member States will have data concerning the number of health benefits in kind provided in Poland to their insured.</td>
</tr>
<tr>
<td>2. Implementation of principles of free movement of persons in the field of health benefits in kind.</td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project purpose (Immediate Objectives)</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
1. creation of databases containing necessary information on health benefits in kind;
2. development of the Internet system allowing for introduction of a system of information flow and circulation of E type forms;
3. operation of the system of settlement of costs of the provided benefits in kind, (efficient and integrated system of data collection, transfer and management);

1. commencement of gathering and processing data;
2. transferring the data;
3. amount of costs settled within the frame of co-ordination.

1. accounts on provided benefits;
2. reports rendered by the institutions that use the system

1. Conditions:
   • implementation of the EU legislation in the field of health benefits in kind to the Polish law; determination of applied procedures;
   • determination of institutions functioning in Poland in the field of health benefits in kind.

2. Threats:
   • frequent changes of legal provisions. No implementation of legal provisions concerning co-ordination of social security in the field of health benefits to the Polish law. Planned changes in organisational system in the health care.

<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

02.06 Strengthen administration for benefits in kind - p.8
Integrated system of data collection, transfer and management: effective operation of data bases access to information for the institutions concerned provided internet system capable to receive and transfer data qualifications of relevant staff, according to specified below needs, upgraded system of settlement of costs between the service providers and the competent institutions in Poland meets EU required standard system of settlement of costs with the competent institutions of other Member States compatible to EU standards. EU legislation concerning free movement of persons practically used practical application of Community rules in the field of ability to deal with individual forms.

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>percentage of registered cases</td>
<td>information from competent institutions of other Member States; reports confirming access to the database; reports provided by the institutions; training reports.</td>
<td>1. Appropriate co-ordination of the project.</td>
</tr>
<tr>
<td>health insurance institutions connected to the database; frequency of contacts with other institutions through the Internet system; 600 employees trained; amount of settled costs; amount of costs settled with respective EU Member States; number of issued and accepted forms; percentage of errors in E type forms.</td>
<td></td>
<td>2. Necessity of legal and institutional stability.</td>
</tr>
<tr>
<td>600 employees trained; amount of settled costs; amount of costs settled with respective EU Member States; number of issued and accepted forms; percentage of errors in E type forms.</td>
<td></td>
<td>3. Co-operation with the institutions taking part in the project.</td>
</tr>
<tr>
<td>number of issued and accepted forms; percentage of errors in E type forms.</td>
<td></td>
<td>4. Securing co-financing of the project.</td>
</tr>
</tbody>
</table>

02.06 Strengthen administration for benefits in kind - p.9
1. **Twinning covenant:**

   Expert areas of activity:
   - Preparation and practical implementation of administrative procedures of co-operation between health insurance institutions (sickness funds) and the service providers in the field of health benefits in kind
   - Assessment and practical implementation of procedures of co-operation between liaison bodies and competent institutions of the Member States
   - Preparation of manual of routines of information exchange among the above-mentioned institutions
   - Preparation and participation in training programmes for employees of the Ministry of Health, the International Settlements Office and health insurance institutions in the fields of above-mentioned procedures, i.e.:
     - Flow of information
     - Data processing
     - Dealing with E forms
     - Methods and procedures of contacts with other similar institutions from Member States
   - Practical implementation of the system of cost calculation - according to the EU standards
   - Study visits may be part of the project

2. **Purchase of IT equipment:**
   - Computers; printers; servers; standard software.

3. **Technical Assistance for the database development:**
   - Develop central and regional databases – the health insurance institutions will create their own databases which will be subsequently transferred to the central database in the International Settlements Office;
   - Create and implement the Internet system – a tool necessary to transfer the information.

Support provided by the PAA and short-term experts.

Purchase of relevant IT equipment.

<table>
<thead>
<tr>
<th>Technical Assistance</th>
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</thead>
<tbody>
<tr>
<td>Preconditions (15)</td>
</tr>
<tr>
<td>Securing co-financing for the project.</td>
</tr>
</tbody>
</table>
## ANNEX No. 2 - 3: Implementation, Contracting and Disbursement schedule

### Date of Drafting
13.03.2002

### Planning Period
IV Q 2002 – IV Q 2004

| 02.06 Strengthen administration for benefits in kind | (Budget Allocation Cost Estimate) |
| (in MEUR) | |

| PLANNED | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| I | II | III | IV | V | VI | VII | VIII | IX | X | XI |

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation schedule</td>
<td>D</td>
<td>D</td>
</tr>
<tr>
<td>Contracting schedule</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Disbursement schedule</td>
<td>0,3</td>
<td>0,6</td>
</tr>
</tbody>
</table>

**Legend:**
- D = design of sub-projects
- C = tendering and contracting
- I = contract implementation and payment