



Mongolia: Improving Health Care Financing for Universal Health Coverage

Project Name	Improving Health Care Financing for Universal Health Coverage
Project Number	51386-001
Country	Mongolia
Project Status	Proposed
Project Type / Modality of Assistance	Technical Assistance
Source of Funding / Amount	
Strategic Agendas	Inclusive economic growth
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships
Sector / Subsector	Health - Health care finance - Health insurance and subsidized health programs - Health sector development and reform Public sector management - Social protection initiatives
Gender Equity and Mainstreaming	Some gender elements
Description	The proposed knowledge and support technical assistance (TA) will support development of more efficient health insurance system in Mongolia through assessment, development of more effective model, policy reforms, and institutional development. This is to shift state funding from financing budget lines (input-based) to purchasing services (output-based), to allow for more equitable health care system and achieve universal health coverage under the Sustainable Development Goals. The TA will lay the foundation of the strategic purchaser, which will be consolidated by the Multitranches Financing Facility (MFF): Improving Access to Health Services for Disadvantaged Groups, which is still in process and is expected to be approved by 2019.
Project Rationale and Linkage to Country/Regional Strategy	<p>The purchasing capacity of HIOs has improved over the last decade with support from ADB. However, key operational systems needed for effective purchasing of health services, such as the capacity to (i) provide quality of cost services; (ii) monitor the quality of service provision through an effective information technology-based system; (iii) review claims efficiently; and (iv) contract providers, are not optimal resulting in limited purchasing capacity. The lack of autonomy of the HIOs, combined with insufficient quantity and quality of staff (e.g., to review claim and ensure proper quality monitoring) and deficient purchasing procedures need improvements.</p> <p>State funds budgeting, allocation, and control are entirely budget line item-based leading to complete passive purchasing of health services. This is mostly based on historical budgets poorly linked to actual cost and volume of services and inefficient resources allocation. The lack of coherence between Ministry of Health (MOH) policies and state funds budgeting and allocation reinforces the passive nature of services purchased with state funds and does not provide incentives for health providers to deliver more rational care (e.g., penalizing the excess use of antibiotics by withholding payments). The performance assessment system for budget managers and providers established for over a decade is not effective, i.e., results of assessments have no real effect on resource allocation.</p> <p>Out-of-pocket expenses in the health sector are very high caused by weak purchasing practices; excessive admissions; over prescription of drugs (cost of drugs is poorly reimbursed except for in patients); unregulated setting of tariffs (fees) leading to abuse; ceilings imposed by health insurance on reimbursement of diagnostic tests; and gaps in benefit packages (e.g., high cost services). State budget and health insurance funding have increased substantially and nominally over the last decade but government health spending as a proportion of total public spending and as a proportion of gross domestic product have dropped. Overall, high out-of-pocket expenses coupled with inefficient resource allocations in the sector result in limited financial protection for Mongolians against ill-health despite very high health insurance coverage (95%).</p>
Impact	Health status of Mongolians improved
Outcome	Strategic purchaser model approved and initiated
Outputs	Strategic purchasing model defined Government and health care provider capacity and capability for strategic purchasing implementation strengthened Institutionalization of the strategic purchaser initiated
Geographical Location	Nation-wide

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Business Opportunities

Consulting Services A consulting firm will be engaged to provide a total of 21 person-months of international and 60 person-months of national consultants' inputs.

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Executing Agencies
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Mongolia

Timetable

Concept Clearance 06 Sep 2018

Fact Finding -

MRM -

Approval -

Last Review Mission -

Last PDS Update 07 Sep 2018

Project Page <https://www.adb.org/projects/51386-001/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=51386-001>

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