

# INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

**Report No.:** ISDSC7968

**Date ISDS Prepared/Updated:** 19-Mar-2014

**Date ISDS Approved/Disclosed:** 01-May-2014

## I. BASIC INFORMATION

### A. Basic Project Data

<b>Country:</b>	Albania	<b>Project ID:</b>	P144688
<b>Project Name:</b>	Albania Health System Improvement (P144688)		
<b>Task Team Leader:</b>	Lorena Kostallari		
<b>Estimated Appraisal Date:</b>	21-Jul-2014	<b>Estimated Board Date:</b>	17-Nov-2014
<b>Managing Unit:</b>	ECSH1	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Health (100%)		
<b>Theme(s):</b>	Health system performance (100%)		
<b>Financing (In USD Million)</b>			
<b>Total Project Cost:</b>	50.00	<b>Total Bank Financing:</b>	45.00
<b>Financing Gap:</b>	0.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			5.00
International Bank for Reconstruction and Development			45.00
Total			50.00
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

### B. Project Objectives

The proposed PDO is to improve the efficiency and quality of health care services in Albania through strengthening: (a) management, governance, and quality assurance systems for public hospitals; and (b) health financing, purchasing, maintenance, and information technology systems.

### C. Project Description

To improve the efficiency and quality of health care services in Albania, the proposed activities under the Project will: (a) reform the hospital sector by supporting rationalization of the hospital

network, creating a sound legal and management framework for efficient service provision, strengthening performance management and planning, overcoming operational constraints in service delivery, and strengthening the referral system; (b) improve monitoring and management of service quality and efficiency by establishing a comprehensive Health Management Information System (HMIS), a Logistics Management Information Systems (LMIS) focusing on hospital drugs, and a system for medical equipment management and maintenance; and (c) provide support to the Government to reform the health financing and provider systems, strengthen systems for efficient purchasing and distribution of pharmaceuticals and medical supplies, improve maintenance of medical equipment, and assessing options to expand insurance coverage, and transition into a general tax based system within available fiscal space. Swiss Cooperation is currently developing a project to support strengthening of primary health care, which will complement the focus of this proposed Project on hospitals and cross-cutting systems. The proposed Project would include the following components:

#### Component 1: Hospital governance, management, and service quality

This component aims to improve efficiency and quality of hospital services delivery in Albania. The component would finance technical assistance, training, civil works, goods and equipment to support the design and implementation of a sustainable hospital network with the appropriate infrastructure and human capital to deliver needs-based hospital services. Implementation will build on the results and concepts developed in previous project. A working group would be established in MOH to oversee the process. Implementation will be phased to ensure the establishment of an appropriate legal and regulatory framework, management capacity and institution building, and minimize disruptions in service delivery and access to services. Key areas would include:

(i) Improving needs-based planning of hospital infrastructure and human resources, and results-based management for essential hospital services. Proposed activities would include support for: (a) the review and implementation of the existing Hospital Master Plan; (b) the elaboration of an appropriate legal and regulatory framework for hospital services, to provide increased autonomy and accountability; and (c) training and capacity building for hospital management teams, MoH, HII, and other supervising agencies on service planning, resource allocation, performance management, and implementation monitoring and contracting.

(ii) Improving hospital organization and physical infrastructure. Proposed project activities would include technical assistance for the design and implementation of a more flexible budget system and organizational structure for hospitals; and financing for the rehabilitation and upgrading of hospital infrastructure and medical equipment based on the agreed hospital Master Plan. The Plan does not currently envisage closing any facilities, although hospital beds may be reduced or reallocated in accordance with service requirements, and appropriate mechanisms established to reallocate staff if necessary.

(iii) Medical equipment management. The MoH has identified medical equipment management and maintenance as a strategic priority for the development of public health care in Albania. Two main activities would be supported under this area: (a) The establishment of a National Center with the mandate to manage all medical equipment in the public sector in Albania. This will comprise central inventory management, maintenance, usage monitoring, consumables cost monitoring, and investment planning. (b) Development of a medical equipment maintenance strategy. Options under consideration are i) multiple contracts with manufacturers; ii) in-house maintenance; iii) single contract with a global service provider.

(iv) Improving patient management, clinical services outcomes, and accountability. Activities under this area will address the poor quality and treatment outcome of hospital services in the current system. Indicative project activities to improve clinical services comprise technical assistance for the further development and application of clinical protocols and treatment guidelines, the roll-out of patient-centered IT systems (interfacing with the HMIS component), the development of standard definitions for hospital service statistics (MIS / quality monitoring system), strengthening hospital quality assurance systems, developing standards and protocols for referrals, strengthening the existing accreditation system, supporting investments for training and equipment; and piloting social accountability mechanisms to enhance patient feedback and reduce informal payments.

## Component 2. Development of the HMIS/eHealth

To further improve the efficiency of health care services in Albania, the HMIS/eHealth component proposes to introduce a standard, interoperable, interconnected Hospital Information System in Albania's regional hospitals. In the HMIS/eHealth area, it is suggested that information technology be used as a catalyst to improve the referral mechanisms between hospitals, between primary care and secondary hospital level, and between secondary hospitals and the national tertiary hospital (QSUT). In addition, the component will improve management of pharmaceutical drugs in hospitals as well as establishing the institutional foundations for an interconnected HMIS. Main areas under this component would include:

(i) HMIS/eHealth – foundational activities for establishing the Health Management Information System at national level. Proposed foundational activities would include: (a) establishing the Master Plan for HMIS/eHealth for Albania (2014-2018). The work under the proposed Project must be set in a larger context with a longer timeframe, and taking into consideration those components outside the purview of this Project; (b) establishing an Albanian Health Data Dictionary, which is required to enable connectivity between systems. The data dictionary would specify which registries and coding system will be used as well as define standard definitions; and (c) creating essential Registries for Health Facilities, Health Workers, and Biomedical Equipment. These present the basic steps on which the proposed Project will build up the hospital information system.

(ii) Improved “Track and trace” of pharmaceuticals within hospitals. In order to minimize drug stockout in hospitals and potentially reduce out of pocket costs, this component will support the improvement of “track and trace” system of pharmaceuticals within hospitals. In this context, the proposed Project activities would include identification of ways to better “track and trace” drugs within hospitals and specifically a system be installed/piloted at the tertiary hospital (QSUT), since it is by far the largest purveyor of drugs in the country and has the most complicated supply chain within the hospital.

(iii) Establishment of regional hospitals information system. Key proposed activities in this area would include: (a) starting with “management” functions installed in selected hospitals, including ADT (Admissions Discharges and Transfers), Outpatient Registration, Medical Records locator and an interface to HIF for claims/encounters reporting; (b) installing clinical functions (clinical laboratory order, radiology order, and pharmacy prescribing functions); (c) creating a modest design for a clinical summary which is accessible (with security and confidentiality) by all those involved in the treatment of the patient (which is called the “National Registry of Health Events”); and (d) creating and maintaining the chronic disease registries for key diseases (cardiovascular disease, tumor registry and Diabetes Mellitus), aiming at improving continuity-of-care and communication

between the different providers, facilities and specialties involved in identifying and managing chronic diseases.

(iv) Establishment of a National Health Information Center (NHIC). Rather than MOH, HIF, QSUT and other related institutions have small, separate data centers and support staff, some of these functions could be combined in a more efficient arrangement. It could also house a Biomedical Engineering facility whose responsibility includes the tracking and maintenance of the equipment. Activities under the proposed Project would include: (a) building up one Health Data Center, which would serve as a “utility” to all MOH-related organizations and entities, including the regional hospitals and perhaps also QSUT; (b) establishing the NHIC training facilities; (c) establishing NHIC biomedical engineering department; and (d) supporting a Helpdesk for user inquiries be established with easy “hotline” access from users across the country who might have questions regarding the use of applications or to report problems. These activities are essential for an efficient use of health information and proper management of the medical equipment, at national level.

### Component 3: Improve Health Financing System

Major priorities for the health financing agenda include: (i) sustainable revenue mobilization that is harmonized with macroeconomic growth; (ii) improved allocative efficiency and shifting toward output-based and performance-based financing for hospital and primary care services, and (iii) expanding the breadth and depth of health insurance coverage and the pooling of health care resources, subject to the resources availability in a difficult fiscal environment. To address these priorities, the component include the following proposed areas:

(i) Support to the Health Insurance Institute (HII) for strategic purchasing and improved coverage. Proposed activities will support HII to strengthen its collaboration with the MOH, to strengthen governance arrangements, and to develop capacity to be a strategic purchaser of hospital services. Strategic planning may need to be accompanied by management and organization planning, including reviewing the number and functions of departments, lines of responsibilities among departments and staff, and management and technical capacity. The HII would benefit from technical assistance to increase capacity in areas of management, organization, financial and risk management, information technology and provider payment systems.

(ii) Support to Pharmaceutical reforms: Significant cost savings could be attained through revised pharmaceutical policies. Off-patent drugs are currently purchased through price negotiation rather than competition. Retail and wholesale margins in the country are larger than in other countries in Europe, which could be addressed through enhanced regulatory measures, and copayment policies revised to encouraged use of lower cost drugs. In general, stronger accountability and transparency in the contracting and prescription of medications would help improve value for money in the sector. To support the Government in designing and piloting of innovative pharmaceutical policies, the proposed Project would include the following activities: (a) development of well-defined drug lists, (b) improved treatment protocols and enhanced monitoring of prescription practices, including through e-prescription, (c) generic promotion and prescription, (d) price regulation such as central procurement, e-procurement, and reference pricing; and (e) piloting expanded coverage of outpatient drug benefit package, starting with a few priority chronic diseases, to reduce OOP expenditures and improve treatment compliance.

(iii) Payment Reforms. Improving payment methods will require improved flow of information about provider performance at the individual level, which in turn can be used to help promote

continuous improvement in service delivery. The proposed Project would support the following activities: (a) provider payment baseline assessment, including linking new payment models with policy priorities, a baseline assessment of MIS infrastructure and quality systems as measures of “readiness” for payment reforms, (b) development of costing tools and costing studies of relative costs of services across facilities, (c) design and piloting of payment models, most likely starting with a simple case-based payment system for hospitals, and further refining capitation and performance-based financing for primary care; and (d) monitoring, evaluation, refinement, and scale up of payment reforms.

#### **D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)**

The Project will deal with the overall health sector in Albania, and as such will be conducted throughout the country. The reconstruction works will be focused on tertiary hospitals in Tirana, the capital.

#### **E. Borrowers Institutional Capacity for Safeguard Policies**

A Project Coordination Unit will be based in the Ministry of Health that will be overall responsible for the implementation of the project.

Given the small portion of the project scope that may include construction works and related mitigation plans, the PCU will most likely hire a consultant to prepare all needed documents, while the supervision contracts will also include portions on supervision of works.

The World Bank environmental requirements have been clearly communicated with the client and will be included in the Project Operational Manual.

#### **F. Environmental and Social Safeguards Specialists on the Team**

Bekim Imeri (ECSSO)

Esma Kreso (ECSEN)

## **II. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/ BP 4.01	Yes	The small-scale construction and reconstruction works envisaged under Component 1 of the project may lead to negative environmental impacts such as generation of construction waste, noise and dust, that will be mitigated through the use of Checklist Environmental Management Plans for Small Scale Construction. These forms will be prepared prior to Project Appraisal, and will be part of the documentation for the works contracts.
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/ BP 4.11	No	

Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	No	The Operational Policy for Involuntary Resettlement is not triggered with the project because the Project will finance works to rehabilitate current operating hospital. No new construction is planned and thus there will be no impacts such as displacement or land acquisition.
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

### III. SAFEGUARD PREPARATION PLAN

**A. Tentative target date for preparing the PAD Stage ISDS:** 31-May-2014

**B. Time frame for launching and completing the safeguard-related studies that may be needed.**  
**The specific studies and their timing<sup>1</sup> should be specified in the PAD-stage ISDS:**

The Checklist EMP for the known project locations will be prepared prior to Appraisal set for the first half of June 2014.

### IV. APPROVALS

Task Team Leader:	Name: Lorena Kostallari	
<b>Approved By:</b>		
Regional Safeguards Coordinator:	Name: Agnes I. Kiss (RSA)	Date: 18-Apr-2014
Sector Manager:	Name: Johanne Angers (SM)	Date: 01-May-2014

<sup>1</sup> Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.