INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE

Report No.: ISDSA1001

Date ISDS Prepared/Updated: 21-Nov-2014

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I. BASIC INFORMATION

1. Basic Project Data

Country:	Albania	**Project ID:**	P144688
Project Name:	Albania Health System Improvement (P144688)		
Task Team Leader:	Lorena Kostallari		
Estimated Appraisal Date:	14-Nov-2014	**Estimated Board Date:**	27-Feb-2015
Managing Unit:	GHNDR	**Lending Instrument:**	Investment Project Financing
Sector(s):	Health (100%)		
Theme(s):	Health system performance (100%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Financing (In USD Million)			
Total Project Cost:	40.00	Total Bank Financing:	40.00
Financing Gap:	0.00		

Financing Source	Amount
Borrower	0.00
International Bank for Reconstruction and Development	40.00
Total	40.00

Environmental Category:	B - Partial Assessment
Is this a Repeater project?	No

2. Project Development Objective(s)

The proposed PDO is to contribute to improving the efficiency of care in selected hospitals in Albania, improving the management of information in the health system, and increasing financial access to health services.

3. Project Description

Component 1: Improving Hospital Services (US$17.9 million equivalent)

21.   This component aims to improve efficiency and quality of hospital services delivery in Albania. The component will finance technical assistance, training, study tours, 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, and to strengthen autonomy and accountability for hospitals and managers. Implementation will build on the results and concepts developed under the previous Bank-supported project (HSMP).

Sub-component 1.1: Strengthening the Albanian Network of Hospital Services (US$3.8 million)

22.   This sub-component will address inefficiencies in hospital services, including management weaknesses and overuse of services at tertiary level; underutilization of district and regional hospitals; poor coordination of care across outpatient and inpatient services; as well as the need for access to functioning outpatient services. It will also address the efficiency and quality of hospital services under the current system, including the lack of a functioning referral system (which encourages patients to generally bypass lower-level providers and to seek care directly in the specialized public facilities) and poor patient management in hospital facilities. It will strengthen outpatient services, and improve needs-based planning of hospital infrastructure and human resources. Finally it will establish results-based management systems for essential hospital services, patient management, clinical services, outcomes, and accountability.

23.   The sub-component will finance technical assistance, capacity building and equipment for the following sets of activities: (a) updating the existing Hospital Master Plan; (b) piloting implementation of the revised Master Plan in at least three pilot regions (including the transformation of district hospitals into primary care/diagnostic facilities), (c) assessment and improvement of the current management of the QSUT, (d) elaboration of an appropriate legal and regulatory framework for hospital services, to provide increased autonomy and accountability; (e) training and capacity building for hospital management teams, MoH, HIF, and other supervising agencies on service planning, resource allocation, performance management, and implementation monitoring and contracting, (f) development of benchmarks and indicators for profiling comparative hospital performance (MIS/quality monitoring system), establishing baseline data and systems for monitoring, (g) updating, implementing, and monitoring of clinical guidelines, clinical pathways, and standards for referrals from primary to outpatient secondary services to inpatient and tertiary services, and (h) piloting social patient-based accountability mechanisms to enhance patient feedback and reduce informal payments – such as: establishment of hot lines and cell-phone based feedback mechanisms, study on informal payment, publishing ranking of hospitals based on performance, etc.

Sub-component 1.2: Improving hospital infrastructure and the management of medical equipment (US$14.1 million)

24.   This sub-component will finance the physical rehabilitation and upgrading of hospital infrastructure and medical equipment, based on the updated Hospital Master Plan. The Plan does not currently envisage closing any facilities (or adding new ones), but most likely hospital beds would be reduced or reallocated in accordance with service requirements, and appropriate mechanisms established to reallocate staff. There will be upgrading of infrastructure and equipment in three regions, based on a strategic plan prepared by the hospital management and regional authorities, and aligned with the overall Hospital Master Plan. The Pediatric hospital in Tirana (within the QSUT) will also be upgraded. This will be implemented in conjunction with management and payment reforms to improve efficiency. Moreover, based on the priorities identified in the updated Hospital

Master Plan and hospital strategic plans, this sub-component may also finance medical equipment for other regional hospitals to ensure that their activities can be performed in a satisfactory manner.

25.   This sub-component will also finance a number of activities related to management of the medical equipment. These include: (i) the development of a medical equipment maintenance strategy; and (ii) the establishment of a National Center with the mandate to manage all medical equipment in the public sector in Albania.   Considering the specific situation and the limited budget, the adoption of a mixed model is envisaged as the most cost-effective approach to the maintenance problem.   According to this model, the first-level maintenance would be performed by in-house technicians, while for medium and high complexity maintenance the MoH would contract a global service provider (GSP).   The government has committed to financing implementation of the medical equipment maintenance strategy through the national budget. Funding under this sub-component will include technical assistance, training, and physical assets.

Component 2:   Expanding the Health Management Information System (US$16.8 million equivalent)

26.   A number of complementary and interrelated subcomponents will move HMIS forward on a number of critical fronts.   The component addresses the need for improved provider-based systems, focusing on the country's regional hospital sector which significantly impacts the orchestration of services across the spectrum of care. It places emphasis on strengthening referrals to/from both the primary care and tertiary care levels (QSUT).   It also addresses the need to provide the hospitals with a means of adopting the new provider payment methods, which are being organized under Component 3.1.   In addition, it addresses the need for improved automation in the country's health insurance payer, the HIF, where an improved health insurance information system will be placed. Finally, it provides the foundational activities to support these developments, and an institutional home to support and sustain them in the long run.

Sub-component 2.1: HMIS/eHealth Foundational Activities and Establishing the National Health Information Center (NHIC) (US$3.10 million)

27.   HMIS systems are increasingly interdependent and interoperable.   Thus it is important to stress overall coordination in the design and implementation of these systems, as well as to create, at a technical level, the means for these "new generation" systems to "talk to one another" through internet technologies.   To accomplish this goal of closer integration of systems, this sub-component includes the following sets of activities:

•   Creating the Master Plan for HMIS/eHealth activities (2015-2019) and the first version of the Albania Health Data Dictionary (HDD) and Health Data Model (HDM).   The sub-component will finance technical assistance for supporting the MoH in developing the HMIS Master Plan.   The Master Plan will provide the overall framework to develop, improve coordination between development partners, and provide the "big picture" view of where the country plans to focus its investments.   It will also support the creation of the first HDD and HDM in the country, through financing technical assistance and training for the MoH staff.

•   Creating the first version of the Essential Registries for Albania's HMIS.   The sub-component will finance technical assistance to support the MoH in establishing the essential registries, which are a set of important documents, shared between different applications.   The registries will include health facilities, health workers and biomedical equipment and the interrelation

between them.

The NHIC is the focal point for eHealth/HMIS activities in Albania – enhancing sustainability of the initiatives and providing modern user support tools.

• This sub-component will also finance capacity building, goods and IT equipment to support: (a) expanding, updating and enforcing the Health Data Dictionary (HDD) and the Health Data Model, (b) consolidating the current small data centers (including those for MoH, the HIF, and the IPH), into one Health Data Center, (c) creating a Training Center with a capacity of 50 persons, with appropriate equipment to support in-person training, synchronous online training as well as the creation of materials for asynchronous training, (d) providing user support and systems maintenance by establishing a Help Desk within the NHIC, and (e) supporting Biomedical Engineering and Maintenance.

Sub-component 2.2: Implementing Regional Hospital Information Systems (US11.5 million)

28. This sub-component will finance capacity building and goods, training and IT equipment, to support the establishment of a modern Hospital Information System in selected regional hospitals (RHIS). While the country begins the process of rationalizing and repurposing its hospitals, it is the right moment to also install modern hospital information systems in selected hospitals. The Project will support at least seven of Albania's thirteen regional hospitals to introduce automated systems, This will include the following steps: (a) "management" functions first, including Admissions Discharges and Transfers (ADT), outpatient registration, bed management, medical records locator and an interface with HIF for claims/encounters reporting; (b) clinical functions, including clinical laboratory order and resulting functions, radiology order and resulting functions, and pharmacy prescribing functions; and (c) the creation of a clinical summary for each patient, focusing particularly on tracking targeted chronic disease(s). This will later lead to the establishment of a true electronic medical record (beyond the scope of the project). The electronic medical record would be established with collaboration from and coordination with the Austrian Cooperation support, which focuses on creating a National Electronic Health Record (NEHR).

29. The NHIS interfaces will be particularly important and prominent. This includes the various interfaces from the NHIS to the HIIS at HIF, the referral link to/from Primary Care, the referral link to tertiary care. Such linkages are important for promoting better continuity-of-care. Particular importance will be given to creating the mechanism to monitor "inappropriate" admissions and referrals.

Sub-component 2.3 Implementing a new Health Insurance Information System (HIIS) for the Health Insurance Fund (HIF) (US$2.2 million)

30. This sub-component will finance IT systems and capacity building for HIF staff, ensuring that HIF is prepared to deal with aspects of financial management, as well as to automate the health insurance claim processing based on the chosen Provider Payment methods. Moreover, a new protection system featuring fraud and abuse detection will need to be introduced, as the HIF oversees ever larger segments of the healthcare delivery system in the country.

Component 3: Improving Health Financing System (US$3.8 million equivalent)

31.   This component will address improvement of allocative efficiency and will support the shift towards output-based and performance-based financing for hospitals and primary care services. It will enable the expansion of health insurance coverage particularly for the poor, and the pooling of health care resources. It will improve the policies of pharmaceuticals, which in turn will reduce high out-of-pocket expenditures on drugs and improve quality and efficiency.

Sub-component 3.1: Payment Reform (US$2.3 million)

32.   The sub-component will finance technical assistance, capacity building, and workshops, to support the reform of the payment system in primary and hospital care.

33.   Payment Reform in primary health care. The Project will support the HIF to move towards risk-adjusted primary care capitation payments (from the existing historic budgets with caps), in which "money follows the patient" and incentives are strengthened to provide key services, particularly for the poor; improve service qua lity; and reduce unnecessary referrals. The total amount of funds allocated to any single primary care provider or facility will be based on the average per capita amount (or base rate) and number of enrolees, adjusted for risk profile and performance indicators. The Project will support monitoring and evaluation of payment reforms, and further strengthen the "pay-for-performance" approach introduced under the previous project, including priority services such as the control of hypertension, diabetes, cervical cancer, etc. Swiss Development Cooperation will finance complementary support to improve the quality of primary care.

34.   Payment Reform for hospital-delivered health care. The Project will fund the development and introduction of global budgets and a case-based payment system for hospitals, including incentives to improve quality of care. To do this, the early years of the Project will follow a phased approach, including support for information infrastructure, diagnostic and procedure coding systems; hospital costing and cost accounting systems; the introduction of global hospital budgets; development and testing of the software grouper, followed by piloting and phased implementation of budgets based on diagnosis-related groups (DRGs). Italian Cooperation will provide complementary support on hospital payment reforms.

Sub-component 3.2: Support to the Health Insurance Fund (HIF) for strategic purchasing, improved coverage and pharmaceutical reform (US$1.5 million)

35.   The sub-component will finance technical assistance, training and workshops to support organizational development of the HIF. This will enable it to be a more strategic purchaser of services over the next few years, and to assess costs and options to expand insurance coverage. The Project will support: (a) capacity development in the areas of management, organization, financial and risk management, information technology, provider payment systems, and quality assurance; (b) technical assistance to develop expenditure and revenue model projections under various scenarios relating to expanding insurance coverage to the informal sector, and options for shifting to tax-based financing. Support for HMIS under Sub-component 2.4 will complement the activities of this component. This will include equipment, training and technical support to allow the HIF to mature into a strategic purchaser.

36.   In addition, the sub-component will finance technical assistance, training and workshops, to

support the Government in designing and piloting innovative pharmaceutical policies. This will include the following main activities: (a) revising the existing drug list based on clinical and cost-effectiveness criteria, and strengthening capacity and transparency in decision making around reimbursement of new drugs. This will include training on processing drug applications and capacity building in reviewing Health Technology Assessments; (b) further reducing prices for multi-source drugs through strengthening reference pricing, competition, and revised margins to retailers and wholesalers to encourage dispensing of lower cost drugs. There will also be an initiative to reduce costs of patented original drugs through innovative financing mechanisms such as Risk Sharing agreements; (c) improve generic promotion strategic plan, and enhanced monitoring of prescription and dispensing practices; and (d) improving treatment compliance and reducing OOP expenditure through revision of copayments, and targeted reductions or waiving of copayments for low-cost drugs essential for the management of chronic diseases.

Component 4: Monitoring, Evaluation and Project Management (US$1.5 million equivalent)

37.   This component will support routine Project management, including fiduciary tasks, Monitoring and Evaluation (M&E), and audits of Project financial statements. It will finance Project operating costs including translation, interpretation, equipment, supervision costs (transportation and per diem), staffing costs of the Project Coordination Unit (PCU), M&E, studies and surveys, and incremental costs for the PCU in the Ministry of Health. Monitoring the implementation of the reforms, including potential unintended consequences, will be supported under this component. Study tours are possible to countries where similar reforms are at an advanced stage of implementation and where significant results have been achieved.

4. 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 upgrade/small-scale reconstruction works will be focused on a tertiary hospital in Tirana, the capital (either the Pediatric hospital and the Oncology hospital) and minor infrastructure works/upgrades in the regional hospitals to be selected during project implementation.

5. Environmental and Social Safeguards Specialists

Bekim Imeri (GSURR)

Esma Kreso (GENDR)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	The small-scale reconstruction works envisaged under the upgrades within 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	

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:
The upgrading works envisaged under this project on one of the hospitals in Tirana (the Pediatric or Oncology) and the regional hospitals will be carried out within the existing structures and are aimed at improving health care services. The scope of the activities will not go beyond the existing footprint, and will most likely include impacts such as noise and dust generation, management of construction waste and site safety, as well as disruptions to the work schedule of the hospitals. All of these impacts can be readily mitigated through sound environmental construction practices, as outlined in the Small Scale Rehabilitation Works Checklist EMP that has been prepared for each of the project sites.
2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
No long term impacts are anticipated.
3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
No alternatives have been considered.
4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.
The PIU within the Ministry of Health has prepared the Checklist EMP for the two sites. The Checklist EMP will be included in the works and supervision contracts, while the PIU staff (most likely the M&E) will conduct supervision of EMP compliance together with the World Bank team.

Due to the small scale of impacts and associated due diligence, there will be no need for staffing of the PIU with an environmental expert. Any additional requirements will be carried out by consultant hire, if necessary.
5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.
The key stakeholders include other hospitals and wards within the Tirana University Hospital Center "Mother Theresa" where the two hospitals are located. The Checklist EMPs was disclosed in a public place within the Hospital Center and on the website of the Client/Hospital with a feedback mechanism established for any questions or comments. The Checklist EMP will be re-disclosed in a public place within the Hospital Center once works start. All works will be carried out at intervals and schedules that have been agreed with the other stakeholders within the Center to minimize disruption to regular work. The disclosure and consultations of the public in the regional hospitals will be done in a similar approach.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	11-Jul-2014
Date of submission to InfoShop	11-Jul-2014
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Albania	14-Jul-2014
Comments:	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/ Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes [×] No [ ] NA [ ]
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes [×] No [ ] NA [ ]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [×] No [ ] NA [ ]
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [×] No [ ] NA [ ]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [×] No [ ] NA [ ]
All Safeguard Policies	

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [×] No [ ] NA [ ]
Have costs related to safeguard policy measures been included in the project cost?	Yes [×] No [ ] NA [ ]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [×] No [ ] NA [ ]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [×] No [ ] NA [ ]

III. APPROVALS

Task Team Leader:	Name: Lorena Kostallari	
Approved By		
Practice Manager/ Manager:	Name: Johanne Angers (PMGR)	Date: 08-Dec-2014