

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC16831

Project Name	Health Sector Reform Support Project (P152799)
Region	EUROPE AND CENTRAL ASIA
Country	Turkey
Sector(s)	Health (100%)
Theme(s)	Health system performance (80%), Injuries and non-communicable diseases (20%)
Lending Instrument	Investment Project Financing
Project ID	P152799
Borrower(s)	Undersecretariat of Treasury
Implementing Agency	Ministry of Health
Environmental Category	C-Not Required
Date PID Prepared/ Updated	21-Nov-2014
Date PID Approved/ Disclosed	25-Jan-2015
Estimated Date of Appraisal Completion	10-Apr-2015
Estimated Date of Board Approval	22-Oct-2015
Concept Review Decision	Track II - The review did authorize the preparation to continue

I. Introduction and Context

Country Context

Turkey is an upper middle-income country with the world's 18th largest economy. The Gross Domestic Product (GDP) of the country reached US\$786.3 billion in 2012. Private consumption accounts for more than 70 percent of GDP, and it is the main driver of economic growth, while exports make up only 26.4 percent of GDP. Domestic savings are very low (around 14 percent of GDP), and thus economic growth is largely financed by external inflows, most of which are of a short-term nature and thus increase the risk of volatility.

Turkey's development over the past decade is a story of notable turnaround thanks to successfully implemented structural reforms and sound macroeconomic management. Reforms include strong fiscal management, strengthening of banking supervision, and shifting to a flexible exchange rate regime with an independent central bank responsible for inflation targeting. These reforms yielded results. Despite the global crisis of 2008-09, the Turkish economy expanded by an average of 5.2

percent during the 2002-12 period. These reforms created fiscal space that supported a large increase in both the access and quality of basic social services.

Turkey has had good performance in reducing poverty and boosting shared prosperity in the past decade. Between 2002 and 2011, extreme poverty fell from 13 percent to 5 percent, while moderate poverty fell from 44 percent to 22 percent (World Bank estimates for US\$2.5 and US\$5 a day respectively). The labor market has been the most important factor driving poverty reduction in Turkey in the 2000s, with around two thirds of the decline in poverty due to higher private sector earnings or higher employment rates among poor households. Other main drivers of these positive changes were social assistance and pensions. Pockets of poverty and vulnerability remain, particularly in rural areas and in the economically less advanced regions. Rural poverty rates are around twice the level in urban areas, even though the majority of the poor live in cities.

Sectoral and Institutional Context

Turkey underwent rapid demographic, epidemiological, economic and social developments in the last decade. Since 1990 life-expectancy has risen by 10 years. Infant mortality fell from almost 60 to 12 per 1,000 live-births in the same period (Lancet, 2013). During the past decade Turkey has seen further impressive gains in providing quality health services to its citizens with the implementation of the Health Transformation Program which started in 2003. Universal health coverage (UC) was achieved with the adoption of the legislation in 2006 and the consolidation of programs and benefit packages. Financial protection improved; Turkey had the largest reduction in Out of Pocket Spending of all OECD countries. This and the comprehensive improvements in quality and delivery of health care resulted in substantial reduction in infant and maternal mortality. Equity in health outcomes improved as well. Infant mortality rates declined among the poorest quintiles to levels comparable to those of the richest quintiles between 1998 and 2008; from 47 per 1,000 to 12.2 per 1,000 live births. Life expectancy in Turkey is now higher than in Brazil, Russia, India, China and South Africa and the gap between Turkey and the OECD countries' life expectancy has been shrinking fast.

Looking forward, the rise of non-communicable diseases (NCDs) is the main health challenge along with sustaining the already achieved 'Best Practice' UC reform. NCDs are currently responsible for more than 80% of the disease and mortality burden, and ill health due to cardio-vascular disease has not improved during the last decade; for example reported mortality from coronary heart disease amongst Turkish women is the highest in Europe (WHO 2014). Prevalence of type-2 diabetes has doubled over the last decade and is the fourth most significant cause of ill health in Turkey (Basara, 2013). Clinically significant hypertension exists in at least a third of the Turkish population and the majority is not aware of their condition nor are they taking appropriate care. A number of cancers including lung, breast and colorectal cancers are among the top 25 causes of ill health. The Turkish population is also aging fast with people over 65 expected to reach 8.6 million (10% of the population) by 2023, which will exacerbate the challenge of addressing NCDs.

The Ministry of Health (MOH) has adopted a program on Healthy Nutrition and Active Living. The Program aims to improve preventive healthcare by focusing on dietary habits and excessive salt consumption; physical inactivity; (active/passive) smoking, alcohol, and substance addiction. The Active Living program would be implemented in those Community Health Centers (CHCs) with adequate infrastructure or in facilities that would be made available by the Municipalities.

Turkey is making excellent progress to improve registration, prevention and early detection of

cancer. Turkey's national cancer control program consists of cancer registry activities, cancer prevention, cancer screening and early diagnosis, and cancer treatment and palliative care. Population-based screening and public training programs on breast, cervical, and colorectal cancers are being organized within the Cancer Early Diagnosis, Screening, and Training Centre totally free of charge. In 2012, the national cancer screening standards were revised. Going forward, MOH set a goal to increase the participation of eligible population in screening programs to 70%.

Substance addiction is an emerging agenda for the Government of Turkey. Recent information suggests that the estimated number of people suffering from substance addiction has increased drastically, while the starting age of substance use has fallen. In response to growing concerns, studies to understand the magnitude of the problem are being commissioned. The Prime Ministry has issued an Urgent Action Plan to address the issue of substance abuse and the MOH's plan envisages research activities on prevalence/incidence and root cause analysis, awareness-raising activities on substance abuse specifically through family physicians, and establishment of child and adolescent substance abuse treatment centers among others in the existing Community Health Centers (CHCs).

A series of ongoing reforms to the hospital sector have been undertaken as part of the HTP in an effort to improve the administration and delivery of hospital services. Part of the health reform and rapid transformations in the hospital sector over the past decade also coincided with technological changes and with the rapid inflow of such technology to the health sector, while the MOH and the Public Hospitals Institution (PHoI) were inadequately prepared to keep up with those changes. The hospital transformation phase of the HTP expanded the scope of hospital supervision by the PHoI in particular, which is a relatively newly established institution (2011) still coping with the challenges of institutionalization.

The PHoI is in pressing need of developing innovative managerial processes to increase efficiency through mechanisms such as employing effective procurement models and rational decision-making via health technology assessment; inventory, pharmaceutical and medical devices management. Although no exact figures on financial losses are available, the MOH is in the process of gathering more information as part of a larger goal to manage the financial sustainability of the health sector, which is among its new priorities.

Another priority of MOH is to increase access to quality beds and to deal with outdated infrastructure. An ambitious TL 20 billion Public Private Partnership (PPP) investment program was initiated mainly to upgrade the quality of existing hospital bed stock. It will also reduce the fragmentation of current service provision and the need to transfer patients between hospitals. The healthcare PPPs pursued by MOH are largely for complex and large healthcare campuses, the operation of which will be assumed, upon completion, by newly appointed management teams of individual hospital unions. Managing the implementation of these very large investments, the contracts with the private investors and contractors as well as managing contingent liabilities will challenge MOH's existing capacity throughout the process of preparation, follow-up, pre-commissioning and after-commissioning, in legal, financial, engineering, construction supervision, and clinical operations fields; all complicated further by a lack of standardized documentation. All are important for the sustainability, institutional memory and effective functioning of the investment operations and PPP practices.

Monitoring the impact of the reforms is important to MOH and through the HTP the Ministry has

already started focusing on health system evaluation supporting various studies including the WB-OECD Health Systems review, WB-WHO Health Sector Performance Analysis (HSPA), and MOH's Lancet Turkey Special Edition. MOH needs to sustain such evaluations to improve its evidence based decision and policy making. A prerequisite for in-depth evaluations is a fully functional Health Management Information System (HMIS) which utilizes reliable and consolidated data.

MOH also plans to build further capacity in Health Technology Assessment (HTA) to effectively cope with the rapidly changing technology (vaccinations, pharmaceuticals, medical devices and medical interventions). Once such capacity is built, MOH, together with its stakeholders (such as Social Security Institution, and Ministry of Development), would be in a better position to manage its financial resources.

The MOH intends to further disseminate its HTP experience outside the country through country specific analysis, face to face and distance training, and dissemination of HTP products. MOH will use the developed capacity to conduct the performance analysis in other countries through HSPA, and accredited training modules.

Relationship to CAS

The proposed project is consistent with the priorities outlined in the CPS and the recently approved CPS Progress Report (2014). The Turkey CPS has three main strategic objectives: enhanced competitiveness and employment; improved equity and public services; and deepened sustainable development. In pursuit of these objectives the WB works in close collaboration with the Turkish government and civil society towards ten key outcomes. One of these outcomes, under the strategic objective to improve equity and public services, is a more effective and financially sustainable health system. This proposed project builds on the Adaptable Program Loans (APLs) which supported Turkey's Health Transformation Program between 2003 and the present. The second phase of the two-phased APL approach is ongoing and projected to close in May of 2015. The objective of this final phase was to support to the overall reform. The new project will continue the support with the new strategic focus on curbing the rise of NCDs, efficiency and quality improvements.

Other related World Bank support included analytical and advisory assistance in the areas of health financing (2013), hospital restructuring (2013), pharmaceuticals (2013) and the political economy of the HTP reform (2014). The analytical work has provided a number of entry points used for the preparation of this new health partnership engagement. The new operation is proposed as an Investment Project Financing (IPF) instrument. This would allow the World Bank to finance some structural investments that are critical to further implement the next phase of Turkey's health reform program. A Program for Results was initially discussed as a possible instrument for the proposed engagement, but was not deemed appropriate for Turkey at this point as it was looking for specific support to certain aspects of its reform program.

II. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

The proposed project would continue to support the MOH Health Transformation Program's expansion of preventive medicine, improvement of hospital management, and enhanced stewardship role of the Ministry of Health. In line with these goals, the project development objective is to

contribute to improving primary and secondary prevention of NCDs, increasing the efficiency of health facility management, and enhancing the stewardship role of MOH.

Key Results (From PCN)

PDO Indicator 1:

Percentage of eligible women age 25 to 60 having taken at least one test for cervical cancer in the last three years.

PDO Indicator 2:

Increased share of adults with hypertension who are taking the prescribed medications to lower their blood pressure.

PDO Indicator 3:

Average share of annual budgets saved in public hospitals where management systems for drugs and supplies introduced.

PDO Indicator 4:

Newly developed health facility management models implemented in xx (TBD) health facilities.

III. Preliminary Description

Concept Description

The Ministry of Health's 2013-2017 Strategic Plan lays out its vision for an ideal health system: "it must be accessible, of high-quality, efficient and sustainable. Individuals must have access to healthcare services in a timely and equitable manner". The plan is structured around four strategic goals and 32 objectives aimed at achieving this vision. In addition, both the MOH and Ministry of Development (MOD) prioritize actions to prevent, treat and facilitate social rehabilitation for substance addiction in their recent national strategy and action plans.

The Bank strategic engagement would focus on supporting MOH's Four Strategic Health Sector Goals and the Government's "Healthy Living" Action Plan as follows:

- i. Awareness creation about healthy living and prevention of chronic disease risk factors, obesity, and substance addiction in support of Strategic Goal 1: "to protect the individual and the community from health risks and foster healthy life-styles". Early detection of chronic disease and substance addiction through improving primary care and effective management of chronic disease for those already affected, including the prevention of severity and co-morbidities through improvement in referral and higher level of care in support of Strategic Goal 2: "to provide accessible, appropriate, effective and efficient health services to individuals and the community;
- ii. Strategic Goal 2 also aims to improve healthcare services in terms of administration, structure and function, and improve the capacity, quality and distribution of the infrastructure of healthcare institutions. The new project will ensure development of managerial models for health facilities, and also respond directly to the strategic focus of Turkey's Tenth Development Plan which calls for health investments through Public Private Partnerships through building capacity for better planning and implementation.
- iii. Building the stewardship function of MOH, especially focusing on efficiency,

sustainability, quality and equity improvements in support of Strategic Goal 4: “to continue to develop the health system as a means to contributing to the economic and social development of Turkey and to global health”.

Addressing these is part of the strategic development objective of the proposed project.

Main components:

1: Public Health and Primary Care

This component aims to (i) raise population awareness of risk factors related to NCDs and substance addiction and promote healthy life styles; (ii) expand early detection and timely referral for effective treatment; and (iii) further strengthen primary health care to consolidate the results achieved with the HTP.

This component would finance consulting services (such as for national campaigns), medical and other equipment (such as upgrading laboratory equipment, IT and distance learning equipment), technical assistance and training. The total estimated cost would be US\$24 million.

The main activities include:

- i. Increase national awareness and behavior change with regards to risk factors of chronic disease and addiction: unhealthy dietary habits and excessive salt consumption; physical inactivity; (active/passive) smoking, alcohol, and substance addiction:
 - o Development of public outreach materials, methodologies and targeting to raise population awareness regarding risk factors of NCDs based on new findings in the recent NCD study (WHO, 2014);
 - o Promotion of physical activity by piloting such activities in Healthy Living Centers. This could require rehabilitation of Community Health Centers , where needed;
 - o Develop and implement a model for prevention of substance addiction.
- ii. Ensure effective screening for early detection of cancer through improving access to quality primary care services and monitoring efforts at all levels:
 - o Active targeting of populations at risk for screening at the family physician and/or screening centers through campaigns;
 - o Introduce a national cancer registry software by improving physical and technical infrastructure, and training health workers in its use;
- iii. Continue support to strengthen the Family Physician Training Program
 - o Expand the infrastructure and hardware of the current distance learning system to nationwide coverage;
 - o Adapt training modules for family physicians to a distance learning approach (currently training is predominantly face-to-face);
 - o Conduct a thorough workload analysis and standardize work-procedures to allow more effective service delivery and quality of care by Family Physicians;

The Public Health Institution (PheI) would be the main implementer of this component. Coordination will be established with the Local Governments and other partners to ensure complementarity in the awareness campaigns as well as efforts on prevention of substance addiction.

2: Support to the Development of Management Models for Health Facilities

This component would support two major initiatives: (i) the reform of health facility management through technical assistance and implementation support; and (ii) support to the Health Investments program through capacity building of the MOH's General Directorate of Health Investments (GDHI) and Public Hospitals Institution (PHoI) in contract and facility management. MOH will develop a model to manage the overall administration of all health facilities (including operations and administration of health services). Developing clear and comprehensive coordination mechanisms between the GDHI and the PHoI is deemed necessary.

The main implementers of this component would be the GDHI and PHoI. This component would finance consulting services (such as for contract model development), equipment (IT equipment), and training. The total estimated cost is US\$36 million.

The main activities to be covered include:

- i. Reform of the health facility management systems:
 - o Developing models and standards for efficient health facility management (clinical engineering, hospital pharmaceuticals management, stock management, medical device management, among others);
 - o Improving the capacity of the PHoI in health facility management;
- ii. Introducing architectural and technical standards for health facilities
 - o Developing architectural and technical standards for health facilities of various profiles (hospitals, oral and dental health centers, family health centers, etc.).
 - o Supporting the implementation of developed standards for health facilities
- iii. Technical support to the PPP program implementation unit under MOH:
 - o Strengthening the capacity of the GDHI in managing PPP contracts and administrating PPP projects;
 - o Developing in-house capacity in legal, financial, operational, and structural aspects of contract management.

3: Improving the Effectiveness of overall Health Sector Administration

This component facilitates the first two components and will build on the earlier World Bank support provided through the adaptable program loans (APLs) to support the overall stewardship/governance function of the MOH, with a specific focus on effectiveness of the health sector administration.

The component would finance goods and technical services (including surveys and evaluations), consultancies, and training in an estimated amount of US\$37 million.

- i. Improving the monitoring and evaluation capabilities of MOH in order to strengthen the Health Management Information System (HMIS) so as to attain reliable and consolidated data and develop decision support systems at all levels;
- ii. Harmonizing health sector data in line with international standards;
- iii. Developing a model for sharing of Turkey's experiences in health sector (including country

specific analysis, training, and disseminating HTP products);

- iv. Building capacity in Health Technology Assessment (HTA);
- v. Increasing effectiveness and alignment of training programs for all MOH staff (including the new training modules addressing NCDs).

To monitor and evaluate the performance of project interventions a rigorous impact evaluation is also planned. MOH is in favor of such evaluation. The design and the scope of the study will be defined once the final implementation plan is prepared. The estimated cost of such study is around 5 million.

IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01		x	
Natural Habitats OP/BP 4.04		x	
Forests OP/BP 4.36		x	
Pest Management OP 4.09		x	
Physical Cultural Resources OP/BP 4.11		x	
Indigenous Peoples OP/BP 4.10		x	
Involuntary Resettlement OP/BP 4.12		x	
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50		x	
Projects in Disputed Areas OP/BP 7.60		x	

V. Financing (in USD Million)

Total Project Cost:	102.00	Total Bank Financing:	102.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			0.00
International Bank for Reconstruction and Development			102.00
Total			102.00

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