



Joint Project of the Ministry of Health of Ukraine and International Bank for Reconstruction and Development “Serving People, Improving Health”

**“SERVING PEOPLE, IMPROVING HEALTH”:
CLUSTER’S OF PAYMENT SYSTEM
REFORM IMPLEMENTATION**

Dr. Volodymyr Rudyi
Consultant to coordinate new payment mechanism implementation
September 08, 2017

GENERAL OBJECTIVES OF THE CLUSTER “PAYMENT SYSTEM REFORM”

- a. Prepare conditions for the development and testing of a new hospital financing system, which provides for the reimbursement of their costs, depending on the number of patients, the degree of clinical complexity of the treated cases and the related resource needs, based on DRG classification of patients.**

- b. Develop a new strategy for financing of health care services, which also includes reforming the primary and outpatient care financing system and introducing incentives to provide patients with treatment at the lowest organizational level in the health care system where their illnesses can be properly detected and treated.**

- c. Develop legal and institutional framework for strategic procurement of medical services for budget funds and unified forms of contracts that regulate the relationship between the purchasers of these services and specific service providers.**

Thus, the overall context of the cluster provides for reform measures financing of medical care for all types and levels, but with special emphasis on financing reform of hospitals.

Why is such a focus on hospital financing reform?

- **According to the results of international analytical researches, even in countries with much more "advanced" models of health system financing, it is exactly with hospitals related to 50 percent of those resources that generally lose the health system due to inefficiency ...**
- **It is the hospitals that consume the lion's share of limited financial resources of the health system (in Ukraine it exceeds 52 percent (on average, in the EU countries is about 32 percent) ...**
- **Patients are most afraid of hospitals in Ukraine...**

BASIS OF CLUSTER'S IDEOLOGY “PAYMENT SYSTEM REFORM”

- **“MORE HEALTH FOR THE SAME MONEY!”**
- **“BETTER HEALTH CARE FOR THE LOWER PRICE!”**
- **“MONEY FOLLOWS THE PATIENT!”**
- **EQUALITY AND TRANSPARENCY**
- **APPROPRIATE PROTECTION FROM FINANCIAL RISKS IN CASE OF DISEASE FOR EACH**
- **INTRODUCTION OF P4P HEALTHCARE PROVIDERS PAYMENT MECHANISMS**
- **CREATING INCENTIVES TO IMPROVING BOTH QUALITY AND EFFICIENCY OF SERVICE PROVIDERS ACTIVITIES**

What is Done? (1)

The Project Consultants in cooperation with the Ministry of Health and other experts developed a Concept for health financing system reform (approved by *Decree of the Cabinet of Ministers of Ukraine on November 30, 2016, No. 1013-p*).

One of the starting points in the development of this Concept was the preparation of the Roadmap for the introduction of new financing mechanisms in the health care system of Ukraine, agreed by the MOH and the World Bank in May, 2016 (due to this the activities and terms of the Concept implementation are fully synchronized with the calendar plans of implementation of Project activities)

What is Done? (2)

Project consultants were among the main ideologues and developers of a number of other important methodological and regulatory documents aimed at the formation of the legal and institutional conditions necessary for the implementation of the health financing reform:

Methodical recommendations on transforming of public HCF from budget units into communal (municipal) non-profit enterprises

This document is aimed at providing methodological support for local authorities in preparing and taking decisions related with autonomization of communal HCF (as one of the preconditions for P4P implementation)

 МІНІСТЕРСТВО
ОХОРОНИ
ЗДОРОВ'Я
УКРАЇНИ

Схвалено

Робочою групою з питань реформи
фінансування сфери охорони здоров'я
України
Протокол №9 від 14 квітня 2017 року

Методичні
рекомендації

з питань перетворення
закладів охорони здоров'я
з бюджетних установ
у комунальні некомерційні підприємства

What is Done? (3)

Project consultants were among the main ideologues and developers of a number of other important methodological and regulatory documents aimed at the formation of the legal and institutional conditions necessary for the implementation of the health financing reform:

Draft Order of the Ministry of Health of Ukraine on the approval of Requirements for General Acute Care Hospitals, Level I and Level II

This document is being prepared for the signing by the Ministry of Health and for the sending to the Ministry of Justice for registration. It should become one of the main starting points for the implementation of real strategic planning of hospital districts as one of the main tools for improving the quality of medical care and improving resource efficiency use



МІНІСТЕРСТВО ОХОРОНИ ЗДОРОВ'Я УКРАЇНИ
НАКАЗ
№ _____
Зареєстровано в Міністерстві юстиції
України _____

Про затвердження Вимог до багатопрофільних лікарень інтенсивного лікування першого та другого рівнів

Відповідно до постанови Кабінету Міністрів України від 30 листопада 2016 року № 932 «Про затвердження Порядку створення госпітальних округів» та пунктів 24 та 26 Примірної положення про госпітальний округ, затвердженого наказом Міністерства охорони здоров'я України від 22 лютого 2017 року № 165,

НАКАЗУЮ:

1. Затвердити Вимоги до багатопрофільних лікарень інтенсивного лікування першого та другого рівнів, що додаються.
2. Міністру Автономної Республіки Крим, керівникам структурних підрозділів з питань охорони здоров'я обласних, Київської та Севастопольської міських державних адміністрацій, забезпечити виконання цього наказу.
3. Контроль за виконанням цього наказу покласти на заступника Міністра _____
4. Цей наказ набирає чинності з дня його офіційного опублікування.

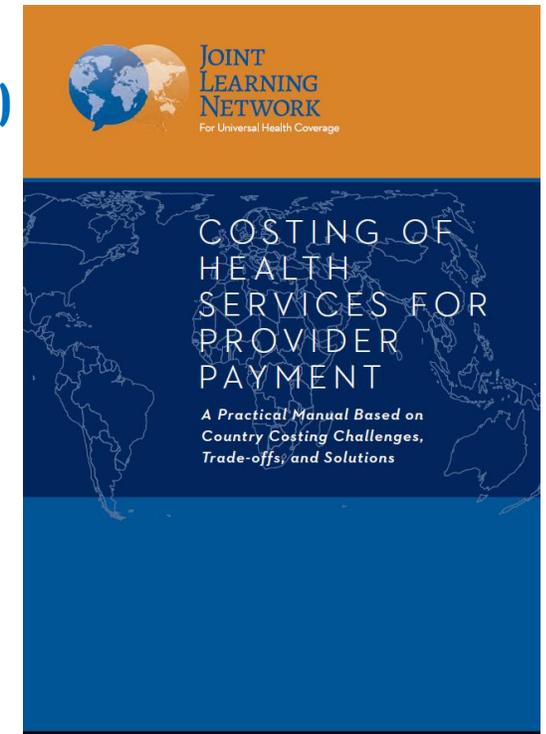
В.о. Міністра 8
У. Супрун

What is Done? (4)

Project consultants were among the main ideologues and developers of a number of other important methodological and regulatory documents aimed at the formation of the legal and institutional conditions necessary for the implementation of the health financing reform:

- **Promoting the adoption of MoHs strategic decision for electing of universal costing methodology for use in Ukrainian HCFs**
- **Developing Universal Health Services Costing Methodology adapted for Ukraine (in partnership with Health Financing and Governance USAID Project)**

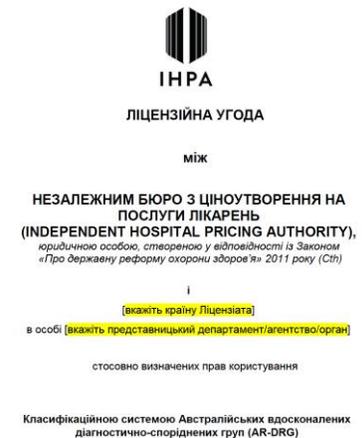
This document has been developed based on an international tool “Costing of Health Services for Provider Payment: A Practical Manual Based on Country Costing Challenges, Trade-offs, and Solutions”.
Now this document in fine tuning process with comments and suggestions provided by the Ministry of Finance and the Ministry of Economy of Ukraine.



What is Done? (5)

On the way to purchase a license for Australian refined DRGs (AR-DRGs):

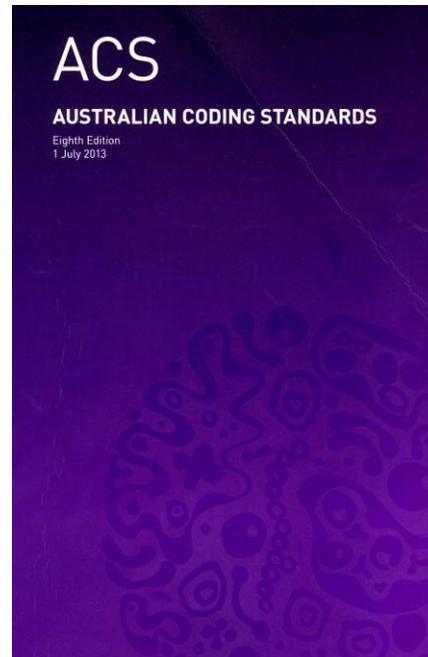
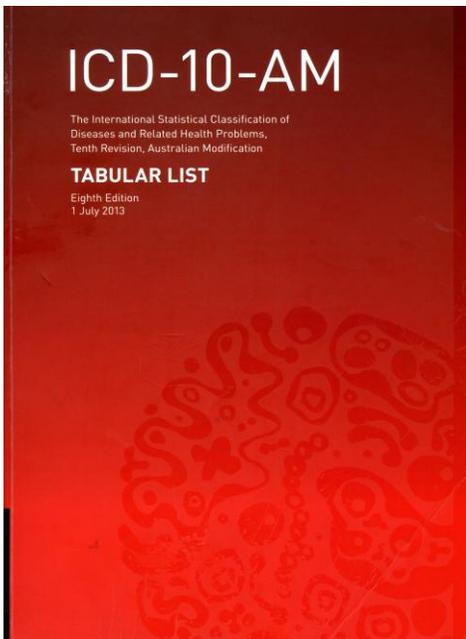
- Developed, approved by the Ministry of Health of Ukraine and agreed with the World Bank ToR for the procurement of a license for the use and development in Ukraine of the Australian Improved DRG system (AR-DRG)
- Based on this ToR above mentioned, negotiate are ongoing with the Australian Independent Hospital Pricing Authority (IHPA), which, on behalf of the Australian Government, owns this system and sells the corresponding licenses, with the possibility of amending the standard License Agreement to accommodate the interests of Ukraine to the maximum extent possible (i.e., to provide Ukraine with the latest version of AR-DRG and enable the transfer of open source codes to Ukraine for further development of this system and creation of the adapted Ukrainian DRG system on its basis)



What is Done? (6)

PREPARATION FOR PRACTICAL DRG IMPLEMENTATION:

- **The translations of the main classifiers by the Australian DRG system are completed;**
- **The first stage of the competitive selection of consultants-clinicians is completed. They will be involved in the analysis and adaptation of these classifiers taking into account Ukrainian medical terminology and specific of national clinical practice.** *(This work is scheduled to be completed by the end of 2017, prior to the pilot introduction of DRGs in selected hospitals)*



АВСТРАЛІЙСЬКИЙ КЛАСИФІКАТОР
МЕДИЧНИХ



What is Done? (7)

PREPARATION FOR PRACTICAL DRG IMPLEMENTATION:

The work on the selection of the Consultant (company) is on the way, which, under the contract with the Ministry of Health within the Project, will ensure the implementation of the pilot implementation of the DRG system in Ukraine (QCBS-2.4 package "Pilot implementation of the DRG system (based on Australian DRG) at the Ministry of Health level and selected HCF (training, software, etc.)":

- **Of the 10 initially announced candidates, a "short list" of 6 applicants was formed;**
- **Of the 6 applicants on the "short list", 4 companies submitted their technical proposals;**
- **An expert evaluation of these technical proposals is currently finalizing (the relevant evaluation report is to be forwarded to the Ministry of Health of Ukraine by September 15, 2017 for consideration by the Selection Committee; in accordance with the plan for signing the contract with a consultant selected on a competitive basis.**

Detailed information on the directions and scope of services within the pilot DRG implementation and on the practical steps taken by the Ministry of Health of Ukraine to implement the DRGs is in the following presentations

Thank you for your attention!