



**REPUBLIC OF MACEDONIA  
MINISTRY OF HEALTH**



**WORLD BANK**

**TECHNICAL ASSISTANCE IN STRENGTHENING OF  
HOSPITAL MANAGEMENT THROUGH HEALTH  
MANAGEMENT CURRICULA DEVELOPMENT &  
ESTABLISHMENT (ORGANIZATIONAL DEVELOPMENT) OF  
NEW SKOPJE GENERAL CITY HOSPITAL  
(RFP & HSMP 3-1A-CS1)**

**(IBRD LOAN # 4733)**

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## **PROGRESS REPORT 1**



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# PROGRESS REPORT

<b>Project Title:</b>	TECHNICAL ASSISTANCE IN STRENGTHENING OF HOSPITAL MANAGEMENT THROUGH HEALTH -MANAGEMENT CURRICULA DEVELOPMENT & ESTABLISHMENT (ORGANIZATIONAL DEVELOPMENT) OF NEW SKOPJE GENERAL CITY HOSPITAL (RFP & HSMP 3-1A-CS1)	
<b>Project reference:</b>	(IBRD Loan # 4733)	
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# Abbreviations

<b>CGH</b>	City General Hospital
<b>CSH</b>	City Surgical Hospital
<b>CSPH</b>	Centre - School of Public Health, Medical Faculty, University “St. Cyril and Methodius” Skopje
<b>HMP</b>	Hospital Master Plan
<b>HIF</b>	Health Insurance Fund
<b>MoF</b>	Ministry of Finance
<b>MoED</b>	Ministry of Economic Development
<b>MoH</b>	Ministry of Health
<b>OD</b>	Organizational Development
<b>PCU</b>	Project Coordination Unit
<b>PHC</b>	Primary Health Care
<b>SHC</b>	Secondary Health Care
<b>TA</b>	Technical Assistance
<b>THC</b>	Tertiary Health Care
<b>ToR</b>	Terms of Reference

# 1 INTRODUCTION

The Terms of Reference (ToRs) call for a First Progress Report to be presented at the end of the second visit of the assignment. This First Progress Report by the consultant team, following their second mission to Skopje from February 28 to March 6 2010, contains the following information:

- A description of the results of the initial technical assistance for the organizational development of the new Skopje General City Hospital focusing on areas according to the agreed Action Plan contained in the Inception Report.
- An overview of the existing health management and leadership training program
- An outline of the syllabus and the proposed curriculum. This will be for a sustainable health management training course of about 8 days duration and comprising approximately. 4 modules to be carried out during a one month period.
- The proposed program of management training. This will include concrete theme proposals to be addressed and details of the nominated<sup>1</sup> professional staff –both local experts from the Centre - School of Public Health, Medical Faculty, University “St. Cyril and Methodius” Skopje, and experts from the consulting team -appointed to jointly develop the modules and with clear division of responsibilities for the proposed training modules.

Sections 2 to 5 below deal with each of these topics in turn.

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<sup>1</sup> Members of the **WG for sustainable hospital management course development** appointed by the Minister include:

1. Prof. Dr. Vladimir Popovski, Deputy Minister, Ministry of health (MoH), Principle Coordinator
2. Prof. Dr. Mome Spasovski, Centre of Public Health, Medical University, WG manager
3. Prof. Dr. Jovanka Bislimovska Karadzinska, Centre of Public Health, Medical University, member
4. Prof. Dr. Fimka Tozija, Centre of Public Health, Medical University, member
5. Prof. Dr. Dragan Gjorgjev, Centre of Public Health, Medical University, member
6. Prof. Dr. Dragan Danilovski, Centre of Public Health, Medical University, member
7. Dr. Katerina Venovska, Policy Formulation and Implementation Coordinator, MoH, PCU, member
8. Mr. Shaban Memeti, Institute of Public Health Director, member
9. Mrs. Gordana Majnova, MA, MoH, member

## 2 A description of the results of the initial TA for the OD of the new Skopje City General Hospital

**2.1.** In the Inception Report, Section A deals with the approach to the consultancy, and Section F analyzes the current status of the progress of the transformation of the Military Hospital into the new Skopje General City Hospital. A key part of the consultant team's approach, as described in Section A, was to network the key actors- the MoH; the HIF; the CGH and the CSH-in order to get them to accept "ownership" of their involvement in the development of the new CGH. This was done by the team in the knowledge that whilst they had a role to play, they would wish to safeguard their respective interests.

**2.2.** Accordingly, on their second visit, the team proposed the creation of a steering group comprising representatives from the key actors referred to in paragraph 2.1 above. The proposed ToRs for the group are attached as Annex 1. As stated, the principal purpose of this group will be to support the Board of the CGH in developing their Strategy and Business Plan and Organizational and Management Structure. This group will enable informed discussion of the issues that will arise such as for example the funding and re-direction of patient referrals, it will also enable the consultants to facilitate the key actors to identify the threats and opportunities that arise for their own organizations from the development of the CGH and to amend their own strategies and plans as required.

**2.3.** Agreement in principle of the interested parties was secured in a series of meeting during the second mission[See Inputs and Activities undertaken during the mission attached as Annex 2] and the proposed ToRs along with proposed representation will be confirmed prior to the third mission that is scheduled for April 18 to 25 2010. As well as the Steering Group, a working group has been put in place at the CGH to provide data and complete tasks associated with the Strategy, Business Plan and Budget in between the planned missions. Membership of that group was decided by the Director of the CGH and the Board of the CGH following a meeting with the team during the second mission when the proposals for the TA were described. At the same time, a non –staff Board member was nominated to take the lead on putting a formal agreement in place with the Philip 11 hospital [see Section F of the Inception Report for details].

**2.4.** It was the view of the consultants in the Inception Report that it would be prudent at some stage to involve the Municipality -both the city wide Municipality and the "Borough" Municipalities- in the development of the CGH for the City of Skopje. It was considered that questions of accountability for service delivery and governance will inevitably arise as the clinical services are expanded and the new CGH plays a bigger role in the provision of hospital services to the citizens of Skopje. In due course, the MoH may even wish to consider policy changes concerning possible de-centralization and ownership of facilities. Following discussion with MoH representatives, it was their view that the respective interests of the Municipality(ies) and the MoH are best served by inviting Municipality representative(s) to participate in a workshop at the completion of the project.

**2.5.** The Inception Report identified two key tasks in relation to the Action Plan –these were to establish baselines for both the funding and the service capacity of the new CGH. The first task was to obtain some clarity around the funding status of the new CGH following its transfer from

the MoD. During the first mission, the Director of the CGH had maintained that the funding available to the new CGH was insufficient to cover the running costs of the hospital. During the second mission, a meeting was held with Ms Maja Parnardzieva-Zmejtkova, Director of the HIF, and her team on March 3 to ascertain the funding arrangements. The Director of the HIF confirmed that the current level of funding available to the CGH from the HIF for 2010 (subject to an approved business plan) is 113 million denars. This sum represents a continuation of the previous MoH contribution to the former military hospital.

**2.6.** At that meeting, it was stated that the MoH are to make available to the CGH, a further 200 million denars “when the economic situation permits”, hopefully later in 2010. It was also reported that in addition, capital expenditure of some 3.6 million denars for new medical equipment for the new CGH, previously approved by the MoH, would enable the new equipment to be delivered in mid 2010. A list of the new equipment has been requested and it will form an important input into the Business Plan. Clarity around the funding of the new CGH enables the Director of the CGH to determine the initial level of beds and staffing that can be supported. Confirmation of the level of baseline funding –both revenue and capital-enables the Business Planning Consultant to initiate the development of the Business Plan.

**2.7.** The second and related task identified in the Inception Report was to establish a similar baseline for service capacity and activity levels. Data provided to the consultants by the CGH Director during their first mission in January-February 2010, revealed that a gradual reduction in both in-patient and out-patient activity had occurred at the former Military Hospital in the year or so prior to its transfer to the MoH. From discussions held with the HIF and the Directors of the CSH, and along with scrutiny of data obtained from the CSH, during the second mission, it was evident that CSH is currently meeting the greater part of the needs of the residents of Skopje emergency and elective treatment. This enabled the consultant team to suggest during their second mission that the medium to long term proposition of transforming the former military hospital to a new CGH can be undertaken in a gradual planned way without adversely affecting current hospital services to the residents of Skopje.

**2.8.** An initial assessment of the use of hospital beds in various medical branches was undertaken by the CGH management during the second mission [Analysis of activity data on CGH attached as Annex 3]. This will now enable the Organizational Development (OD) consultant to support the CGH board and management to initiate development of a plan for the number of beds and human resources needs required to fulfill the general hospital role. The plan will enable the initial requirements for beds to be re-addressed and optimized if needed introducing high quality standards of work and processes that will be a firm base to provide integrated quality hospital care to the Skopje citizens.

**2.9.** Following their initial assessment undertaken in January - February 2010, the consultant team used their second mission in February - March 2010 to develop firm proposals for the proposed technical assistance to the City General Hospital in the form of a facilitated step-by-step approach to the development of a Strategy, Business Plan, Budget and Organizational and Management structure (This step-by-step approach is described in the Work Plans contained at Annex 4 of the Inception Report). In formulating their planned interventions, the team involved not only Professor Saso Stojchev, Director, and the Board of the CGH but also the MoH; the HIF; the Director and Board of the new CGH; and the Directors of the CSH.

**2.10.** In addition to ongoing email contact prior to the next mission in April 2010, the consultants with specific responsibilities for technical support and guidance and advice to the MOH and new Skopje General City Hospital management, will continue their work on the detailed step by step approach to developing a Strategy; Business Plan; Budget and Organizational and Management

Structure. This will involve the preparation of materials for their planned missions such as Workshop formats with PowerPoint presentations; Case Studies where applicable; Macedonian specific contexts, where applicable; and background materials and references as supporting documentation. This will enable the consultants to compile detailed manuals that can left for the use of the Board and management of the CGH.

**2.11.** The next mission in April 2010 will see the delivery and completion of the first stages of the work plan for the facilitated step by step development of the Strategy, Business Plan and Budget by the Business Planning Expert, Charles Carson and the Organizational and Management Structure by the Hospital Management expert, Peter Droog.

## 3 An overview of the existing health management and leadership training program

**3.1** An analysis of the existing health management and leadership training program was completed by members of the consultant team in their first visit in late January/early February 2010. They also made proposals for future training. The team's analysis of current management training and proposals for future training are contained in Section E of the Inception Report. Their analysis deals with the strengths and weaknesses of current health management processes in Macedonia; it identifies the need, where appropriate, for improved management processes and interventions and indicative management training needed; and it identifies the interventions and specific training modules that could be applied.

**3.2.** Their analysis showed that competencies in areas such as strategy formulation and implementation; accounting and finance; leadership; marketing and human resources management are now essential to successfully direct a healthcare facility. Directors and their staff require new skills if they are to balance the books in the absence of traditional line-item budgeting; to motivate staff in a system which allows for more flexibility in compensation patterns; to negotiate contracts with HIF and to design partnerships with private investors (PPP).

**3.3.** The competencies referred to above can be ensured by different professionals: healthcare management researchers focusing on the development of new knowledge; specialists in curriculum development focusing on needs analysis and course design; and trainers focusing on skills transfer. In practice, effective skills transfer requires trainers to be part of the process leading to the development of new knowledge, driven also by an understanding of existing gaps in the set of skills managers must deploy in the real world.

**3.4.** The training market itself in Macedonia as elsewhere is likely to evolve into two segments: one targeting the top tier, with prestigious institutions, sometimes abroad, offering market-based, high-value programs to selected participants (MBA for healthcare), and other offering standardized, low-cost, subsidized programs to large numbers of participants who are interested more in the certification than in new skills.

**3.5.** In order to ensure the quality of management training, the training institutions in Macedonia must be able to deploy three inter-related competencies:

- Development of proprietary knowledge in the field of health care management: The ability to carry out original research on what works and what does not in the specific environment of healthcare is necessary, since future trainees are not going to value training institutions simply repeating the same concepts they can read in the management books now widely available.
- Design of management development curricula suitable to meet learning needs: If the principle of a standard training curriculum is going to be set aside (at least in part), then the ability to analyze the need for new management skills and to design learning processes suitable to address these gaps are going to be key determinants of competitiveness.
- Modern training methodologies focusing on skills transfer: The effective transfer of skills, though, requires different educational methods than the transfer of knowledge, even more when trainees are adults with direct experience of organizational dynamics and with the desire to occupy leadership positions.

**3.6.** As stated in Section E of the Inception Report, hospital managers in Macedonia have to adapt to a more competitive and challenging environment. And whilst it is encouraging that, as reported in the ToRs, the Macedonian healthcare managers clearly acknowledge the need for more sophisticated management skills, it is apparent from the analysis contained in the Inception Report that the existing health management and leadership training program requires some re-consideration by its sponsor the MoH and the PCU on behalf of the MoH. It is, for example, reasonable to expect new professionals to enter the field of health care management, as a direct consequence of the new responsibilities accruing to health care facilities. In order to assist the MoH and the PCU in formulating a strategy that will enable a sustainable Training Strategy to be developed, the training consultants have developed a Competency Framework for Health Service Managers in Macedonia (attached as Annex 1 in the Inception Report ) and a document entitled The Situation Analysis of Health Management training needs in the Macedonian health sector (attached as Annex 2 in the Inception Report).

## 4 An outline of the syllabus and the proposed curriculum

4.1. During the first mission, the list of training modules specified in the ToR was considered as a satisfactory starting point and the training consultant, Mr Eero Linnakko made proposals for their actual content and the possibility for additional relevant modules as identified in Table 1 below:

**Table 1: Training Modules and draft content**

	Modules in ToR	Possible Content
1.	Health care management	<ul style="list-style-type: none"> <li>■ Theory of management and contemporary management models</li> <li>■ System theory and the practical implications</li> <li>■ Management technologies</li> <li>■ Management of healthcare institutions</li> <li>■ Other country experience in organization and management of health care delivery</li> </ul>
2.	Health policy and health systems	<ul style="list-style-type: none"> <li>■ Public health policy and strategies in health care</li> <li>■ Conceptual and methodological aspects of analysis of public health policy and public health administration reform</li> <li>■ Health care systems as a mechanism of state policy realization</li> <li>■ Health policy tools</li> <li>■ Management of constrained resources</li> <li>■ Legislative regulation of health care organizational structure and its management</li> <li>■ The major tasks in harmonization health laws according to the accepted legal standards</li> </ul>
3.	Organizational change and management	<ul style="list-style-type: none"> <li>■ Organizational structures and functions</li> <li>■ Organizational structure (setting up)</li> <li>■ Managers' skills</li> <li>■ Change management</li> <li>■ Communication</li> <li>■ Conflict management</li> </ul>
4.	HR Management	<ul style="list-style-type: none"> <li>■ Labor regulations</li> <li>■ HR formation</li> <li>■ Personnel development</li> </ul>
5.	Quality management	<ul style="list-style-type: none"> <li>■ Ways of developing quality approach</li> <li>■ Quality indicators</li> <li>■ Quality management system (TQM, CQI)</li> <li>■ Quality control and control theory</li> </ul>

	Modules in ToR	Possible Content
6.	Clinical epidemiology, biostatistics and evidence based management	<ul style="list-style-type: none"> <li>■ Scientific research and clinical experience</li> <li>■ Data analysis</li> <li>■ Biostatistics</li> <li>■ Evidence based medicine</li> <li>■ Designing clinical trials</li> <li>■ Evidence based medicine, algorithm of implementation</li> <li>■ Clinical guidelines</li> <li>■ Systematic evaluations</li> <li>■ Diagnosis, treatment, prognosis and prophylaxis</li> <li>■ Instruments (AGREE)</li> </ul>
7.	Financial Management and health economics	<ul style="list-style-type: none"> <li>■ Health care markets and market regulation</li> <li>■ Organizational and legal forms of health care provision (system approach)</li> <li>■ Basic concepts of health economics, effectiveness and efficiency</li> <li>■ Financial management and management accounting</li> <li>■ Management of fixed and current assets</li> <li>■ Costing</li> <li>■ Methodology of financial management</li> <li>■ Investment</li> <li>■ Health care financing and staff compensation</li> <li>■ Economic analysis of health programs</li> </ul>

	Modules not explicitly mentioned in ToR	
8.	Information management and information systems	<ul style="list-style-type: none"> <li>■ Strategies and problems of ICT implementation, integration and interoperability;</li> <li>■ Health statistics in health care management (population health statistics, health care statistics)</li> <li>■ IT system in hospitals</li> </ul>
9.	Marketing of health services	<ul style="list-style-type: none"> <li>■ Theory of marketing</li> <li>■ Health services market analysis</li> <li>■ Marketing in doctor-patient relations</li> <li>■ Regulation of marketing relations (methodology)</li> <li>■ Regulation of marketing relations (problem areas)</li> </ul>
10.	Planning in health care system	<ul style="list-style-type: none"> <li>■ Strategic planning and management</li> <li>■ Strategic plan and planning process</li> <li>■ Business planning and different budgets layers</li> <li>■ Planning and analytical methodologies</li> <li>■ Business-plan</li> </ul>
11.	Facility management	<ul style="list-style-type: none"> <li>■ Regulation of fixed asset management</li> <li>■ EU experience</li> <li>■ Infrastructure management</li> <li>■ Support services</li> </ul>
12	Health facility under insurance model	<ul style="list-style-type: none"> <li>■ Health Insurance</li> <li>■ Mandatory social health insurance</li> <li>■ Voluntary health insurance</li> <li>■ Quality management of insured health services</li> <li>■ Payment systems (purchaser – provider)</li> </ul>

**4.2.** These initial proposals are contained in the Inception Report. During the second mission, the training consultants M. O'Rourke and E. Linnakko met again with Professor Dragan Gjorgjev and the members of the faculty of the Centre - School of Public Health, Medical Faculty, University "St. Cyril and Methodius" Skopje, to further develop the proposed topic areas and a subsequent version was developed - Figure 2 below. These revised proposals will be submitted to the PCU for comment and will require the ultimate approval of the MoH.

**Figure 2: Topic Areas and Responsibility for preparation**

Topic area	Responsibility for preparation
Trends in health services management	Project Consultants and CSPH teachers
Health system organization and health policy	Project Consultants and CSPH teachers
Introduction to the changes in Macedonian health care system: legal, regulatory and ethics principles	CSPH teachers
Human resource development and performance evaluation	Project Consultants
Quality management, workplace safety, patient safety, clinical audit and communication skills	Project Consultants and CSPH teachers
Data and epidemiological indicators for monitoring of population health	Project Consultants and CSPH teachers
Economic evaluation of health care programs and health financing mechanisms	Project Consultants and CSPH teachers
Risk management in health care organizations	Project Consultants
Project management, planning and evaluation	Project Consultants
Information management and information systems	Project Consultants

**4.3.** In a series of meetings the training consultants secured agreement in principle by the CSPH of their proposals for a management training curriculum. These proposals will be referred to the PCU for comment and amendment as required by the MoH. Agreement on the final training curriculum between the training consultants M. O'Rourke and E. Linnakko and the MoH, the CPU and CSPH academic staff is expected to be secured by ongoing email contact prior to the next mission in April 2010. In the meantime, the consultants will continue work on the detailed outline of training topics and preparation of materials according to the Curriculum draft. The consultants will also undertake ongoing development of workshop material (Workshop formats with PowerPoint presentations; Case Studies where applicable; Macedonian specific contexts, where applicable; background materials and references as supporting documentation in the participants' training package etc.).

## 5 The proposed program for management training

5.1. Following the second mission by the training consultants, a further Training Program was developed and these modules and the responsibility for preparation of training materials are set out below in Figure 3:

**Figure 3: Latest draft topic areas and responsibility for preparation (as of 22 March 2010).**

### Health Management and Training Curriculum Development

	Topic areas	Responsibility for preparation
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#### 5.1.1.1 Module 1

1.	Current issues in health care organisation and delivery	Project Consultants (Michael O'Rourke lead) and CSPH teachers
2.	The changing Macedonian health care system: current policy, legal and regulatory reforms	CSPH teachers

#### 5.1.1.2 Module 2

3	Health Human Resources Management	Project Consultants (Michael O'Rourke lead) and CSPH teachers
4	Health care quality improvement: techniques, methods and applications for Macedonian hospitals	Project Consultants (Michael O'Rourke lead) and CSPH teachers

#### 5.1.1.3 Module 3

5	Information management and information systems	Project Consultants (Eero Linnakko lead)
6.	Introduction to health economics and health financing: financing mechanisms and management accounting	Project Consultants (Eero Linnakko lead) and CSPH teachers

#### 5.1.1.4 Module 4

7.	Use of data and performance indicators in hospital management	Project Consultants (Eero Linnakko lead) and CSPH teachers
8.	Planning for health and hospital services of the future	Project Consultants (Michael O'Rourke lead)

5.2. The steps for Training are described in Figure 4 below:

**Figure 4: Next Steps**

Tasks	Timeline
Project Consultants will allocate topics to individuals within the Consultant Team	5 March 2010
All trainers (local and international) will review and modify their specific Topic titles and prepare a description of the training content	10 March 2010
Preparation of training material:  In joint topic areas, trainers should exchange draft material so that both consultants and CSPH staff are in touch and agreement. Potentially, one person should take overall responsibility for integrating and finalizing material  In areas with single responsibility, draft material should be circulated to the Project consultants and to nominated local experts  Final materials and course organization should be reviewed and approved by Professor Spasovski	8 March – 6 April 2010  All course materials completed (in English) by 6 April
Learning outcomes clearly described	6 April 2010
Development of Evaluation Instrument	6 April 2010
Translation of materials	Early April – mid May 2010

5.3. In their next mission in April 2010, the training consultants expect to secure final agreement on a Training Curriculum and Timetables [*See Annex 4: Training Curriculum and Timetables*] and in liaison with the TA consultants to identify further training material and management support documentation for the CGH. The consultants will also develop a comprehensive resource of training materials to be left with the client once the assignment has been completed.

## 6 Next steps

**6.1.** For the TA component, the next mission in April 2010 will focus on the delivery and completion of the first stage of the work plan for the facilitated step by step development of the Strategy, Business Plan Budget and Organisational and Management Structure for the CGH by the Business Planning Expert, Charles Carson and the Hospital management expert, Peter Droog.

**6.2.** For the Training component, the objectives for the next mission in April 2010 are to secure final agreement on Training Curriculum and Timetables with the PCU on behalf of the MoH and the CSPH and the identification of further training materiel and management support documentation for the CGH