

**FINANCIAL ANALYSIS OF THE FUTURE BASIC
BENEFIT PACKAGE OF THE REPUBLIC OF
MACEDONIA**

Inception Report

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1 Background

In collaboration with its government partners, the World Bank in Macedonia has commissioned technical assistance for the financial analysis of the future basic benefit package of the Republic of Macedonia.

Following an international tender Oxford Policy Management (OPM) of the United Kingdom was chosen to provide technical assistance. OPM has subcontracted the Centre for Research and Policy Making (CRPM) to assist its work and in particular to undertake the survey of costs in health facilities.

The key objectives and scope of consultancy are to:

1. Perform comprehensive fiscal analysis of the proposed Basic Benefit Package content building on the recommendations of previous consultancies;
2. Analyze and calculate the real cost of delivering BBP services in primary and hospital care, including the positive list of drugs covered by health insurance. If necessary recommend adjustment (update) of health services price list methodology and costs;
3. Determine the costs of curative part of 13 MOH Special Programmes (currently managed by MOH and financed by the budget) to be incorporated in the future BBP;
4. Make recommendations for the content of the future BBP based on a costs calculation of priority services versus available financial resources;
5. Define methodology, revise service-pricing methodology, set up procedures and build MOH and HIF capacities for regular BBP updates in future.

The costs of providing primary care services undertaken through the capitation funding arrangements are not included in the costing survey but may of course be relevant in the overall fiscal analysis.

This work forms part of a set of studies commissioned by the World Bank and Government, the most significant of which are:

- Formulation of a Co-payment Policy under Social Health Insurance (Karl Karol)
- Future Organisation, Function, and Financing of Public Health (Thomas Novotny)
- Basic Benefits Package Revision (Kees Schaapveld)
- Medical map Analyses (Global Salud)

The work is being undertaken under the overall guidance of the Basic Benefits Package Working Group.

OPM wishes to recognise the considerable support and assistance it has received from officers of the Ministry of Health and World bank Project Coordination Unit.

2 Progress report

The overall work plan for the assignment is below:

Dates	Activities	Reports / Meetings
7 th July – 13 th July	Initial Visit Meetings with Stakeholders Establishment of arrangements with local survey organisation	
23 July – 27 July	Finalise data collection instruments Agree sample of facilities / services Agree timetable for survey Prepare inception report	Inception Report
30 th July – 3 rd August	Identify all relevant secondary sources Agree reporting tables Test data collection instruments Issue letter from Minister to facilities Send data collection instrument to facilities Brief survey teams Agree participation of HIF staff	Brief BBP Working Group
6 th August to 31 st August	Data Collection Checking and Cleaning Preparation of tables	
3 rd September – 7 th September	Data analysis Draft Costing Report Scaling up to a National Model	
10 th September – 14 th September	Report preparation Report presentation to BBP Working Group Summary Report to Minister	Report and Workshop
October - December	Documentation Training Final Reports	Draft Final and Final Reports

The assignment commenced with an initial visit by the team leader Mike Naylor from 7th to 13th July. This visit included discussions with the main stakeholders, liaison with other consultants, attendance at associated workshops, visits to facilities, and concluded with a discussion with the Minister. In parallel with this visit initial work was undertaken by Tim Ensor and Alex Manu on the costing model and the associated data collection instruments.

Rana Assad Amin, costing consultant, made a visit from 23rd July to 3rd August. The focus of his work was on the preparation for the costing survey. This included the

choice of the institutions in the sample and the refinement of the survey instruments including pre testing in two institutions. The survey was undertaken during August and is now close to completion at the beginning of September. A workshop related to this stage of the assignment was undertaken on 27th July 2007.

3 Services to be costed

An important requisite of costing of services is to identify the type of services / descriptors to be costed. From the perusal of the Byelaw issued by the HIF on 15.12.06, and visits to the primary care providers, it was revealed that the following primary health services are provided by the Health Houses and these services are not included in the capitation payment system practised by the chosen doctors (GP):

- Emergency medical services
- Home visits, including transport with sanitary vehicle when that is needed,
- Preventive health protection of pre-school children & school children aged 18,
- Patronage services,
- Delivery services,
- Advisory services for healthy children and compulsory vaccination,
- Emergency dentistry services and preventive dentistry services
- Specialist Out Patient Services (Health Houses)

The hospitals services to be costed are:

General Hospital Services

- Emergency Attendance
- In Patient (by surgical, medical, paediatric, obs/gynae, trauma and orthopaedics).
- Out Patient (by same).

Special Hospital Services:

Same as the general hospital services plus certain services / specialities not provided by the general hospitals.

Specialist hospitals / Clinics

Same hospital services plus high cost and most prevalent DRGs specific plus high cost diagnostic elements: The DRGs were selected after consulting Chairman of the DRG working group and discussions with other relevant persons. The list of DRGs to be costed is given as Annex 2.

As far as 13 Special Programmes are concerned, the BBP working group has segregated such programmes into curative and preventive programmes. The curative part is included in the BBP, which is as below:

- 1 Systematic Checks of Students
- 2 Reproductive Organ Diseases (Breast and Cervical Cancer)
- 3 Health protection of Mother and Child.
- 4 Dialysis, Transplantation, Haemophilia, Diabetes, Growth hormones, Cytostatics
- 5 Drug Addiction and Mental Disorders.

4 Choice of facilities for survey

The resources available for this assignment limited the number of facilities to be surveyed to a maximum of thirty.

The health houses included in the survey were selected by the participants at the workshop on 27th July using a weighted criteria methodology.

The hospitals included in the sample are representative of:

- Different types of hospitals
- Larger and smaller hospitals
- Hospitals or clinics with unique services
- Inclusion of services in the curative part of the 13 special programmes

The list of facilities included in the survey is attached as Annex 1.

5 Survey Plan

5.1 Survey Team

The survey is being conducted by a surveying team of the Centre for Research and Policy Making. The survey team is made up of eight members and is led by Marija Risteska, Senior Policy Analyst in CRPM, who will coordinate this endeavour and conduct quality control. The team is divided in four units. Every of the units have two members; one experienced researcher/surveyor as a leader of the team and a doctor of medicine as a policy expert. The team member names are the following:

Name	Expertise
Anastas Doreski	Doctor of medicine
Martin Ivanovski	Doctor of medicine
Ruzhica Mirchik	Doctor of medicine
Tanja Karanfilovska	Doctor of dentistry
Sanja Kostovska	Policy Analyst
Bashkim Bakiu	Policy Analyst
Darko Kostovski	Policy Analyst
Marija Risteska	Policy Analyst

5.2 Pre Testing and Timetable

Before the survey commenced the survey instruments (questionnaires) were tested in two institutions: one health home (Policlinic Jane Sandanski) and one clinic (Neurology Clinic). The facilities were chosen in coordination with the Ministry of Health – Project Coordination Unit. The purpose of the testing is to see if it is feasible to receive response to all inquiries in the questionnaire and whether the instruments need further adaptations as to depict the real situation in every of the sampled health facilities.

During the survey period the plan is every of the units to visit six of the sampled facilities. The visit of the health homes will not exceed one day of field work, whereas the surveying in the hospitals (special and general) and clinics is envisaged to last up to three days.

The survey is planned to be completed in three weeks and additional week will be used for quality control, data cleaning, and data entering.

5.3. Surveying techniques

Techniques	Data Source	Research Method
<i>Financial data gathering</i>	Price list of health services provided by the HIF; financial statements, annual accounts and material accounting of health facilities; market prices for equipment and land; benchmarking for utilization of	Review of documents and in-depth qualitative interviews with managers,

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	capacities, staff time and salaries	accounting and financial staff
<i>Health statistical data gathering</i>	Medical histories; activity reports; invoices; medical staff	Review of documents and in-depth qualitative interviews with doctors and nurses

Annex 1 – Facility sample

Health Houses - HH

- 1 Kumanova
- 2 Ohrid
- 3 Strumica
- 4 Prilep
- 5 Tetovo
- 6 Shtip
- 7 Valandovo
- 8 Skopje.
- 9 Negotina
- 10 Resen
- 11 Mother and Child Health Home Skopje
- 12 Skopje Central Clinic.

Hospitals

General Hospitals (Secondary) - GH

- 1 Bitola
- 2 Tetovo
- 3 Ohrid

General Hospital (Special) - GHS

- 1 Skopje Special Surgical Hospital
- 2 Psychiatry Hospital Skopje.
- 3 Special Orthopaedic Hospital Erazmo.
- 4 Special Hospital for Lungs and TB diseases, Velas

Specialist Hospitals / Clinics (Tertiary) - C

- 1 Gynaecology
- 2 Nephrology
- 3 Cardiology
- 4 Children Diseases.
- 5 Orthopaedic
- 6 Haematology
- 7 Dentistry
- 8 Oncology.
- 9 Endocrinology - the Center for Diabetes.
- 10 Radiology
- 11 Urology

Annex 2 DRGs to be costed

Cardiology

136
CARDIAC CONGENITAL & VALVULAR DISORDERS AGE >17
W/O CC

140
ANGINA PECTORIS

556
PERCUTANEOUS CARDIOVASC PROC W NON-DRUG-
ELUTING STENT W/O MAJ CV DX

134
HYPERTENSION

Gynaecology

372
VAGINAL DELIVERY W COMPLICATING DIAGNOSES

371
CESAREAN SECTION W/O CC

366
MALIGNANCY, FEMALE REPRODUCTIVE SYSTEM W CC

391
NORMAL NEWBORN

Nephrology / Urology

309
MINOR BLADDER PROCEDURES W/O CC

317
ADMIT FOR RENAL DIALYSIS

302
KIDNEY TRANSPLANT

Orthopaedic

232
ARTHROSCOPY

211
HIP & FEMUR PROCEDURES EXCEPT MAJOR JOINT AGE

>17 W/O CC

219
LOWER EXTREM & HUMER PROC EXCEPT
HIP, FOOT, FEMUR AGE >17 W/O CC

502
KNEE PROCEDURES W PDX OF INFECTION W/O CC

Oncology

409
RADIOTHERAPY

410
CHEMOTHERAPY W/O ACUTE LEUKEMIA AS SECONDARY
DIAGNOSIS

405
ACUTE LEUKEMIA W/O MAJOR O.R. PROCEDURE AGE 0-17

Endocrinology

294
DIABETES AGE >35

300
ENDOCRINE DISORDERS W CC