



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF

THE HEALTH SYSTEM RESILIENCY STRENGTHENING PROJECT

APPROVED ON JANUARY 21, 2015

TO

THE PALESTINE LIBERATION ORGANIZATION
(FOR THE BENEFIT OF THE PALESTINIAN AUTHORITY)

HEALTH, NUTRITION & POPULATION

MIDDLE EAST AND NORTH AFRICA

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ABBREVIATIONS AND ACRONYMS

HRH	Human Resources for Health
HSRSP	Health System Resiliency Strengthening Project
ICD	International Classification of Disease
IP	Implementation Progress
MoH	Ministry of Health
NPR	National Price List
OMR	Outside Medical Referrals
PA	Palestinian Authority
PDO	Project Development Objective
PHC	Primary Health Care
PMU	Project Management Unit
PNIPH	Palestinian National Institute for Public Health
SPU	Services Purchasing Unit
UHC	Universal Health Coverage



BASIC DATA

Product Information

Project ID P150481	Financing Instrument Investment Project Financing
Original EA Category Not Required (C)	Current EA Category Not Required (C)
Approval Date 21-Jan-2015	Current Closing Date 30-Jun-2020

Organizations

Borrower Ministry of Finance	Responsible Agency Ministry of Health
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Project Development Objective (PDO)

Original PDO

The project PDO is to support the Palestinian Authority in securing continuity in healthcare service delivery and building its resilience to withstand future surge in demand for effective healthcare coverage.

Summary Status of Financing

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
TF-18986	04-Feb-2015	04-Feb-2015	16-Feb-2015	30-Jun-2020	8.50	5.44	3.06

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

The Project was approved on January 21, 2015 and declared effective on February 16, 2015 with a closing date of June 30, 2020. The Project's Development Objective is *to support the Palestinian Authority (PA) in securing continuity in healthcare service delivery and building its resilience to withstand future surge in demand for effective healthcare coverage.*

The Project Development Objective (PDO) and Implementation Progress (IP) ratings have remained between Satisfactory and Moderately Satisfactory throughout implementation. Project disbursement is at 64 percent and fiduciary performance (both procurement and financial management) continues to be rated as satisfactory with no outstanding audits.

Despite numerous challenges, many beyond the Ministry's control, significant progress was made on project implementation across all project components, especially in adopting modern tools for more strategic purchasing of Outside Medical Referrals (OMRs) and digitalizing the health insurance system.

To help minimize costs, referrals to Israeli hospitals have been limited to follow up cases or critical emergency conditions where there are no other alternative service providers available. Additionally, new contracts have been established with two Jordanian hospitals and two Egyptian hospitals with better prices for specialized and advanced health care services. Eighteen Memoranda of Understanding were signed with service providers to better organize the purchasing and bundling of services for OMRs.

The e-referral system was developed and is based on the digitalization of key OMRs activities with all non-MoH (Ministry of Health) service providers. The E-Referral system is considered instrumental in achieving enhanced management and monitoring of OMRs by the Services Purchasing Unit (SPU) and key decision-makers of the MoH in general. Eight referral protocols have been developed and disclosed, while two remain to be developed – this is substantial success given the complexity of the task and the need to ensure ownership by all key stakeholders.

With funds from the HSRSP (Health System Resiliency Strengthening Project), key institutional capacity building was provided to the SPU enhancing the administrative process, albeit the SPU is still under excessive pressure with over 300 referral cases to process per day. Additionally, with funds from the HSRSP, the SPU auditing capacity of OMRs in Israeli hospitals was improved and, as a result, a total of about NIS 18,000 was reimbursed to the PA by Israeli hospitals during November 2019, which was a major achievement.

A National Price List tool was developed and is being piloted with 50 of the costliest referral procedures with five non-MoH hospitals. This pilot allowed the Ministry to negotiate better payment conditions with incentives for efficiency, using a bundling system with a unified standardized set of codes for a set of complex diagnostic and therapeutic interventions. It is expected that once the pilot is completed, the SPU will be able to introduce comprehensive and transparent contracts with providers outside the MoH network using modern tools to foster efficiency and allowing a more competitive purchasing environment.

To enhance ownership and further rationalize OMRs, over 700 MoH health staff have been trained on the use of the new tools developed to standardize OMRs for the top most expensive and frequent referral diagnostic and therapeutic interventions and on the management of the National Price List tool.



Two major health facilities serving the Southern and Middle governorates' population – the largest in the Palestinian territories (Bethlehem and Hebron) – were endowed with new equipment financed by the HSRSP for better quality and access of MoH services reducing long waiting lists and OMRs.

A communication plan for better understanding the objectives of improved processes and tools developed for OMRs and public health insurance was completed. Key messages for a broad audience were formulated using various mass media methods. implementation is expected to start in early 2020.

The status for each component is provided below:

Component 1: ***Emergency and Rapid Response Window***: this component covered much needed recurrent expenditures during the aftermath of the 2014 Gaza Crisis. The cost of hospital cleaning services was covered, helping to lower the increase of infections and the outbreak of communicable diseases. An impact assessment conducted in August 2016 showed positive impact with over 65 percentage point increase in satisfaction rates by the MOH employees and patients. Even though this component is completed and fully disbursed, the Project Management Unit (PMU) continuously reports on the status of hospitals in Gaza strips, given the prevailing dire conditions.

Component 2: ***Rationalizing Outside Medical Referrals***: key activities geared to enhancing the OMRs management system are being implemented. Institutional support to the Services Purchasing Unit is being provided with funds of the HSRSP by training staff on the use of modern tools for strategic purchasing; the financial module of the e-referral system is being strengthened to help generate complete and more reliable data; the piloting of the National Price List with five local referral hospitals is ongoing; the developed Government Health Insurance Management System is being installed; and training continues to be delivered to health specialists on top referral conditions (such as pediatric pulmonology; neonatology; ophthalmology) as well as on the management of the National Price List (NPR) tool. The containment of referral costs, however, continues to remain a challenge for reasons beyond the Ministry's control including (and not limited to) the rise in the population and in non-communicable diseases among Palestinians. On the other hand, the Ministry is determined to invest in all the activities under Component 2 particularly in the potential of the e-referral system as a reliable tool for organizing the flow of referrals, reducing the processing time through complete automation and sharpening the financial module of the system by rendering it more transparent, comprehensive and hence reliable. The NPR tool is also another priority for the Ministry as it would pave the way for comprehensive and transparent contracts with all service providers.

Component 3: ***Supporting Health Coverage to Strengthen Sector Resilience***: The Palestinian National Institute of Public Health (PNIPH) under WHO's umbrella was contracted by the MoH to carry out activities in three areas of work: (i) health care workforce availability and mapping in the public and private sectors; (ii) digitalization of clinical files and other modern tools to support the progressive introduction of the Family Health Model to all primary health care (PHC) facilities; and (iii) universal health coverage (UHC) financing. Substantial progress has been made in the first two areas - *Human Resources for Health Observatory and Digitalization of Family Health Practice*.

An observatory for all human resources for Health (HRH) was created along with a comprehensive database providing the Ministry oversight of the current HRH situation in Palestine, allowing the adoption of sound policies to better manage the health workforce. Some of the outputs that the observatory is working on include: (i) a report analyzing supply and demand of health workforce was completed and is being used to conduct workforce



analysis and projections so as to develop a comprehensive health workforce strategic plan; and (ii) constructive engagement and dialogues with all stakeholders will be held to review the plan that will be developed.

The digitalization of clinical files and other modern tools for the Family Health Model at the Primary Health Care level is in the advanced stage of design and implementation and is expected to be completed by June 2020. An assessment of the existing electronic information system in the Primary Health Care clinics has been carried out. The software is being developed with technical assistance from the Oslo University and will eventually be implemented in 5 districts: three in the West Bank and two in Gaza. Training of personnel on the use of the system is expected to take place in February/March 2020. The needed hardware has been already procured but installation will take place after training staff on the use of the software. The implementation of this activity including the training of personnel is expected to be carried out smoothly given the “data-entry” nature of the system.

The health financing pillar has been lagging due to lack of local expertise. Accordingly, the Ministry identified other priority areas for implementation including the development of the benefit package of health care services and an enrollment criteria and benefit package options. This will be a significant step towards health insurance reforms as well as a vision that is adopted by the PA leadership and is on top of the development partners’ agenda.

The Project went through two restructurings so far: (i) Level II restructuring in September 2015 for the additional funding of US\$1,250,000, resulting in the total Grant Amount of US\$8,500,000.; and (ii) Level II restructuring in January 2018 following the recommendations of the Mid Term Review mission conducted in July 2018; revising two PDO indicators; one intermediate indicator and two intermediate indicators’ end targets.

Extensive discussions and consultations held in the last few months with MoH officials including the Minister and other key stakeholders concluded the need to extend the Project’s closing date to fully meet the objectives of the project. The extension of the closing date will also allow the MoH to complete key ongoing activities and carry out complementary activities under Component 2 (Rationalizing Outside Medical Referrals). The activities include:

- Data collection and analysis of selected health care interventions and facilities to produce critical inputs for more efficient and realistic contracts for OMRs that will complement the work on the NPR.
- Technical support to monitor a contract pilot with a referral facility and developing comprehensive contracts based on the NPR results analysis
- Completion of the NPR tool with costing inputs and providing inputs for design of integration of improved pricing criteria and tools as part of the e-referral system
- Upgrading the e-referral system based on the recommendations of the recent system analysis
- Development of two more referral protocols and making them public
- Installing a Continuous Professional Development software
- Training to medical personnel on conditions leading to OMRs; including infection prevention control; neonatology; ophthalmology; radiology and emergency skills. Training will also be provided on the International Classification of Diseases 10 coding as part of the NPR tool.
- Procurement of IT equipment for the SPUs both in West Bank and Gaza
- Procurement of essential medical equipment for selected facilities



Furthermore, one PDO indicator will be revised to reflect the reality on the ground, and additional intermediate indicators will be introduced to further highlight the impact of essential training activities to help contain OMRs as well as the family practice procedures as part of the UHC reforms.

II. DESCRIPTION OF PROPOSED CHANGES

The changes introduced through this restructuring are as follows:

- An extension of the closing date from June 30, 2020 to December 31, 2021 at no additional cost. The extension is required to enable the Ministry to complete the ongoing Project activities as well as to initiate and complete new activities agreed upon with the Bank to contribute to achieving the Project's PDO.
- The revision of the Results Framework as follows:
 - Revise the PDO indicator "average annual growth of total expenditure in OMRs of a four-year period lower than the proposed baseline which is the period of 2012-2015 (<13.19%)" to read instead **"average annual growth of total expenditure in OMRs of three-year period lower than the proposed baseline which is the period 2013-2015 (<16.59%)**. Since the processing of the referral bills and their auditing tend to be a cumbersome and lengthy procedure, it is more realistic to capture a three-year period (2016-2018) rather than four years, with a more ambitious target of less than 16.59 percent. The e-referral system has resolved many referral management system challenges; however, the financial aspect is yet to be further developed. The Project will help promote the financial module of the e-referral system during the remaining implementation period in order to produce more reliable financial data.
 - Correct a typo in the end target of the PDO indicator "Gap in geographic equity for referral cost (between the West Bank and Gaza) reduced by 80 percent" to read 1.15:1 instead of 1:15:1.
 - A continuous tracking of emerging conditions leading to OMRs is a Ministry priority. Hospital Acquired Infections have been one of the conditions leading to referrals with two major hospitals in the West Bank recently facing an infection control situation. To address this, the Project will train health personnel in infection prevention control methods. The following intermediate results indicators are introduced to: i) measure the impact of training of health personnel on conditions leading to OMRs; and ii) capture how investments in digital tools facilitate and enhance intermediary outcomes of introducing the Family Health Model as part of the UHC reforms:
 - 10 certified infection preventionists and 10 quality improvement practitioners by the Health Care Accreditation Council will develop infection control plans and implement Infection Prevention protocols and quality improvement and patient safety measures in local hospitals (linked to Component 2)
 - Reduction in Device associated infections (Central line-associated bloodstream infection, catheter-associated urinary tract infection, ventilator associated pneumonia) to 11/1000 (baseline is 19/1000 catheter or ventilator day) (linked to Component 2)
 - Reduction in Surgical Site Infection to 6% (baseline is 12%) [linked to Component 2]
 - The electronic health record for adult, child, vaccination and NCD (non-communicable diseases) is functional and generates aggregated and population of catchment area data/indicators in the pilot PHC facilities where service delivery is based on the Family Health Model. (linked to Component 3).



III. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Loan Closing Date(s)	✓	
Implementation Schedule	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
Components and Cost		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)



LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
TF-18986	Effective	30-Jun-2020		31-Dec-2021	30-Apr-2022



Results framework

COUNTRY: West Bank and Gaza

Project Development Objectives(s)

The project PDO is to support the Palestinian Authority in securing continuity in healthcare service delivery and building its resilience to withstand future surge in demand for effective healthcare coverage.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	DLI	Baseline	End Target
Project Development Objectives			
Utilization rates (out-patient, emergency and obstetrics) in the hospitals of Shifa, Rafedia and Alia Hospital do not deteriorate or improve up to 10% compared to a baseline end-September, 2014 (Text)		Shifa occupancy: 89%, Rafedia occupancy: 85% Obstetrics Shifa: 76% Obstetrics Rafedia: 94% Outpatient Shifa: 578,646 Outpatient Rafedia: 163,262	Shifa occupancy: 89%, Rafedia occupancy: 85%, Alia occupancy: 136% Obstetrics Shifa: 76% - Obstetrics Rafedia: 94% - Obstetrics Alia: 105% Outpatient Shifa: 578,646 - Outpatient Rafedia: 163,262 - Outpatient Alia: 102046
Average annual growth of total expenditure in OMRs of a three-year period lower than the proposed baseline which is the period 2013-2015 (<16.59%) (Text)		16.59%	<16.59%
Action: This indicator has been Revised			
Gap in geographic equity for referral cost (between the West Bank and Gaza) reduced by 80 percent relative to baseline (Text)		1.7:1	1.15:1
Action: This indicator has been Revised		Rationale: There was a typo in the end target: fixed from 1:15:1 to 1.15:1.	



Intermediate Results Indicators by Components

Indicator Name	DLI	Baseline	End Target
Intermediate Results (Action: This Component has been Marked for Deletion)			
Component One: Emergency and Rapid Response Window (Action: This Component is New)			
Utilization rates (outpatient, emergency, and obstetrics) in the hospitals of Shifa, Rafedia and Alia do not deteriorate or improve by up to 10% compared to a baseline end September 2014 (Text)		Shifa occupancy:89% - Nasser occupancy: 74% European Gaza Hospital: 79%	Same ratio as baseline or improve up to 10%
Component Two: Rationalizing Outside Medical Referrals (Action: This Component is New)			
Referral protocols and procedures for the ten costliest conditions defined and rendered operational (Number)		0.00	10.00
A consolidated Government Health Information System (HIS) for referrals and health insurance is operational (Text)		0.00	A web-based system operational in all hospitals taking referrals
HIS operational in selected hospitals (Number)		0.00	10.00
Health facilities constructed, renovated, and/or equipped (number) (Number)		0.00	2.00
Direct project beneficiaries (no), of which female (%) (Percentage)		0.00	53.00
Ten certified infection preventionists and ten quality improvement practitioners by the Health Care Accreditation Council who will develop infection control plans and implement IP protocols (Text)		Zero	10 Certified Infection Preventionists 10 Quality Improvement Practitioners
Action: This indicator is New			



Indicator Name	DLI	Baseline	End Target
Reduction in Device Associated Infections to 11/1000 catheter or ventilator day (Text)		19/1000 catheter or ventilator day	11/1000 catheter or ventilator day
Action: This indicator is New			
Reduction in surgical site infection to 6% (Text)		12%	6%
Action: This indicator is New			
Component 3: Supporting Health Coverage to Strengthen Sector Resilience (Action: This Component is New)			
New referral contracts/ MOUs negotiated with all outside providers (Text)		0.00	30.00
Purchasing agency (either independent or part of the MOH) created, staffed and made operational (Text)		0.00	Functional
People with access to a basic package of health, nutrition or reproductive health services (Percentage)		80.00	90.00
Direct project beneficiaries (no), of which female (%) (Percentage)		0.00	50.00
The Electronic Health Record for Adult, Child, Vaccination and NCD is functional and generates data in the pilot PHC facilities where service delivery is based on the family practice approach (Text)		Not functional yet	Functional in 5 health directorates (3 in the West Bank and 2 in Gaza)
Action: This indicator is New			
People who have received essential health, nutrition, and population (HNP) services (CRI, Number)		0.00	526,662.00
Number of children immunized (CRI, Number)		0.00	414,348.00
Number of deliveries attended by skilled health personnel (CRI, Number)		0.00	112,314.00
Project Management and Capacity Building (Action: This Component is New)			



Indicator Name	DLI	Baseline	End Target
External audit (medical and financial) (Text)		Not available	Functional
Health personnel receiving training (number) (Number)		0.00	500.00
Grievance and Redress Mechanism (GRM) for OMRs and access to Health Care designed and fully operational by end of the project (Text)		Not available	Fully functional
Communciation strategy on UHC developed and consultation workshops conducted to promote the concept of citizens' engagement (Text)		0.00	One consultation workshop conducted



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