



## Social Health Insurance Project: Improving Access, Quality, Efficiency and Financial Protection (P152625)

EUROPE AND CENTRAL ASIA | Kazakhstan | Health, Nutrition & Population Global Practice |  
IBRD/IDA | Investment Project Financing | FY 2016 | Seq No: 7 | ARCHIVED on 26-Apr-2019 | ISR36473 |

Implementing Agencies: Ministry of Health, Ministry of Health, Republic of Kazakhstan

### Key Dates

#### Key Project Dates

Bank Approval Date: 27-Apr-2016

Effectiveness Date: 27-Jun-2017

Planned Mid Term Review Date: 30-Mar-2020

Actual Mid-Term Review Date: --

Original Closing Date: 30-Jun-2021

Revised Closing Date: 30-Jun-2021

### Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The proposed Project Development Objective is to improve accessibility, quality, and efficiency of health service delivery, and reduce financial risks to the population that are caused by serious health problems.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

### Components

Name

Component 1. Supporting implementation of the national mandatory Social Health Insurance system:(Cost \$16.63 M)

Component 2. Strengthening of health service delivery to support implementation of the national mandatory Social Health Insurance system:(Cost \$62.94 M)

Component 3. Project management, monitoring and evaluation, and communications strategy:(Cost \$10.43 M)

### Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Moderately Unsatisfactory	● Moderately Satisfactory
Overall Implementation Progress (IP)	● Moderately Satisfactory	● Moderately Satisfactory
Overall Risk Rating	● Substantial	● Substantial

### Implementation Status and Key Decisions

**Health reform implementation.** Implementation of the health sector reform has continued, with good progress demonstrated to date. More specifically (i) A single payer system was adopted and all public funds for the provision of individual health services under the State Guaranteed Benefits Package are managed, as of January 2018, by the Social Health Insurance Fund (SHIF). The payments for provided health services also include the funds for salaries of the health facilities staff that previously were receiving salaries based on pre-defined, unified salary rates; (ii) Since July 1, 2017, the SHIF has been collecting insurance contributions from formal sector employers and individual entrepreneurs; these SHIF-pooled



funds have reached KZT 157.7 billion (~ US\$415 million) as of April 1, 2019 covering about 4.66 million (or 26%) of the total population, which is intended to ensure a financial buffer for health provider payments when they start as of January 1, 2020. The SHIF will also start collecting contributions from formal sector employees and government-subsidized contributions for defined vulnerable population groups as of January 1, 2020, with a simultaneous start of provision of an expanded package of health services to the insured; (iii) In line with the objective to increase the level of health facilities' autonomy, the legal status of hospitals and other qualified health sector organizations is being transformed from "public institutions" into "state economical enterprises" and corporate management elements are being introduced, such as boards of trustees, to provide health organizations with the necessary autonomy to implement changes to better respond to the new demands of the single payer system. This transformation allows health facilities to expand or reduce existing services or create new services to become more competitive when the SHIF expands the use of strategic purchasing function; (iv) The Ministry of Health (MoH) is implementing a comprehensive communication strategy to inform the population about their rights and benefits of the implementation of the new Mandatory Social Health Insurance (MSHI) system.

Current status of the activities under each of the Project components is as follows:

**Component 1. Supporting implementation of the national mandatory Social Health Insurance system:** The implementation of this component has moved ahead, with work commencing simultaneously on highest-priority tasks, including planning the MSHI budget, improving health care benefits packages, strengthening of purchasing pharmaceuticals and health technologies, and improving health services purchasing mechanisms and provider payment methods. The MoH, SHIF, and the consulting company understand the importance of strengthening the SHIF capacity and tools to perform its strategic purchasing function, which is expected to contribute to the efficiency, quality, and financial risk protection aspects of the Project objectives.

**Component 2. Strengthening of health service delivery to support implementation of the national mandatory Social Health Insurance system:** Under sub-component 2.1 "Developing the health facility network", activities have started for development of health infrastructure, institutional development and capacity building of the newly established Public Healthcare Service, improvement of primary health care and primary and secondary prevention as well as building a standardization system for health care and electronic medical data. The development of technical specifications for the planned equipment under this sub-component is expected to be finalized by mid-May in order to publish invitations for bids later in May. Under sub-component 2.2 "Managing the quality of health care services", institutional support is provided to the functioning of the Joint Commission on Healthcare Quality and further development of Health Technology Assessment. Activities to support the monitoring and implementation of the WHO/UNICEF breastfeeding practice and development of implementation tools for clinical protocols will also be launched within a short period of time. Under the sub-component 2.3 "Strengthening of human resources for health care based on strategic partnership", implementation of four strategic partnerships with international medical universities (Finland, Sweden, Lithuania, Turkey) continues to be implemented well. Two other strategic partnerships and activities to support the development of professional nursing environment and improvement of re-training system for nurses are also expected to be launched soon.

**Component 3. Project management, monitoring and evaluation, and communications strategy:** Following the development of the renewed MSHI communications strategy, the MoH is moving towards its full-scale implementation to ensure broadest coverage of the country population with awareness-raising and behavior-change communications. The MoH is also measuring the reform perceptions, concerns, and expectations of various target groups through periodic reputational audits and sociological surveys. The Project will support the establishment of a medical informational and analytical Contact-center at the national level to provide patient consultations, respond to inquiries on various aspects of reforms, routing of inquiry flows, making patient appointments and reminders, etc. To coordinate and manage all the communications activities, the MoH has established a 7-staff dedicated project office on MSHI communications. As part of citizen engagement and beneficiary feedback efforts, in addition to multiple existing channels, the MoH also established a 5-staff monitoring and proactive complaints handling/feedback team at the MoH to manage incoming citizen complaints/inquiries and analyze the information to support MoH policy inputs in lagging areas. To further improve the existing grievance redress mechanisms, support will also be provided to the development and implementation of enhanced community monitoring and feedback mechanisms at the health facilities level. As part of the Capacity Building Plan for 2018-2019, a total of 983 health sector workers were covered with various training activities so far, including 785 in 2018 and 98 in first quarter of 2019.

## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● Moderate	● Moderate	● Moderate
Macroeconomic	● Substantial	● Substantial	● Substantial
Sector Strategies and Policies	● Substantial	● Substantial	● Substantial
Technical Design of Project or Program	● Substantial	● Substantial	● Substantial
Institutional Capacity for Implementation and Sustainability	● Substantial	● Substantial	● Substantial



Fiduciary	● Substantial	● High	● High
Environment and Social	● Moderate	● Moderate	● Moderate
Stakeholders	● Substantial	● Substantial	● Substantial
Other	● Substantial	● Substantial	● Substantial
Overall	● Substantial	● Substantial	● Substantial

## Results

### PDO Indicators by Objectives / Outcomes

Improve accessibility, quality, and efficiency of health service delivery and reduce financial risk				
▶ Increase public expenditure share for PHC + consultation and diagnostic care + outpatient drugs (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	35.00	37.00	38.00	40.00
Date	18-Sep-2015	17-Dec-2018	05-Apr-2019	30-Jun-2021
Comments:	This indicator is on track based on data from Annual Implementation Progress Report for 2018.			
▶ Percent of all surgeries included in the “outpatient elective surgeries” list performed as outpatient surgeries in project-supported hospitals and outpatient facilities (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	5.00	27.80	35.00	40.00
Date	18-Sep-2015	17-Dec-2018	05-Apr-2019	30-Jun-2021
Comments:	This indicator is on track based on data from Annual Implementation Progress Report for 2018. According to the revised RF, a specific target for 2018 is defined as the “List of “elective outpatient surgeries” defined”. The list of “outpatient elective surgeries” recommended to be performed as outpatient surgeries was approved in 2018 and includes the following 5 manipulations from ICD-9: (i) Hernioplasty of umbilical hernia; (ii) Local excision of the disease site of mammary gland; (iii) Reposition of nasal bone; (iv) Surgery to remove hydrocele of tunica vaginalis; (v) Drainage of soft tissue abscess.			
▶ Percent of all contracted inpatient services subject to technical audit (annually) (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	20.00	20.00	20.00	30.00
Date	18-Sep-2015	17-Dec-2018	05-Apr-2019	30-Jun-2021
Comments:	This indicator is on track based on data from Annual Implementation Progress Report for 2018. Note that the original intermediate target values for this PDO indicator were erroneously not revised in line with the Borrower's request in the Bank system and the Attachment 1 to the Amendment Letter communicated to the Borrower on December 12, 2018. These values have now been corrected in the Bank system to the ones that had been agreed with the Borrower.			

►SHIF is fully functional based on predefined criteria (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	18-Sep-2015	17-Dec-2018	05-Apr-2019	30-Jun-2021
Comments:	This indicator is on track based on data from Annual Implementation Progress Report for 2018. The first phase of MSHI reform is under implementation, with three out of six criteria of the SHIF full functionality satisfied as part of its current functioning as the purchaser of health services under in the State Guaranteed Benefits Package (SGBP): (i) the Law on MSHI adopted and relevant by-laws updated; ii) SHIF signs contracts with providers for specific sets of services; and (vi) health facilities receive payments for services contracted by SHIF in accordance with payment schedules specified in their contracts. In addition, (iii) the insurance package has also been defined and will be formally approved for implementation as of January 2020.			
►Proportion of the bottom 40% of households spending 10% and more on health services and non-food goods in the health sector out of total expenditure on paid services and non-food goods (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	10.50	11.70	11.70	12.80
Date	30-Jun-2016	17-Dec-2018	05-Apr-2019	30-Jun-2021
Comments:	This indicator is on track in the sense that, although the out-of-pocket expenditures of the bottom 40% of households in 2017 demonstrated an increase from the baseline value of 10.5% in 2016 (based on data for 2017 from the Statistics Agency), this increase was anticipated based on the tendency of increased out-of-pocket health expenditures of the population in recent years and reflected so in the revised project Results Framework. Data for 2018 will become available in Quarter 3 of 2019.			

## Overall Comments

The progress being achieved in health sector reforms supported by the Project is reflected in the PDO-level indicators, with four out of five indicators showing improvements, as reported in the MoH/PMU annual implementation progress report for 2018 and results framework updated as of March 31, 2019.

## Intermediate Results Indicators by Components

Component 1. Supporting implementation of the National Mandatory Social Health Insurance System				
►Percent of population for whom SHIF received SHI contributions/subsidies (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	24.00	26.00	83.00
Date	18-Sep-2015	17-Dec-2018	05-Apr-2019	30-Jun-2021
Comments:	This is indicator is on track.			



► Achievement of key benchmarks for functioning social health insurance system (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	--	Partial	Yes
Date	18-Sep-2015	17-Dec-2018	05-Apr-2019	30-Jun-2021
Comments:	<p>This indicator is on track (partial achievement of key benchmarks, as planned). The Road Map for MSHI implementation was approved through MoH Order No.764 dated October 16, 2017. Since January 1, 2018, budget proceeds under the State Guaranteed Benefits Package are channeled through the Social Health Insurance Fund (SHIF), which conducts strategic purchasing and contracts services from public and private providers.</p>			
► Key adjustments in the contracting methods are adopted to include incentives for providers to improve quality (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	18-Sep-2015	17-Dec-2018	05-Apr-2019	30-Jun-2021
Comments:	<p>This indicator is on track (partial progress towards achievement, as planned). The related MoH Order No.138 on incentivizing quality of health services rendered as part of the SGBP was signed on March 29, 2018.</p>			

## Component 2. Strengthening of health service delivery to support implementation of the national mand

► Number of fully functional regional PHC excellence centers (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	16.00
Date	18-Sep-2015	17-Dec-2018	05-Apr-2019	30-Jun-2021
Comments:	<p>This indicator is on track for achievement as scheduled. 16 regional PHC excellence centers have been identified through the MoH Order No.239 dated May 5, 2018. The process to ensure their full functionality--including procurement of the necessary equipment, training, etc.--is underway.</p>			
► Number of regions implementing disease management programs with evidence-based effectiveness, including incentives for health providers and patients (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	2.00	16.00	16.00	16.00
Date	18-Sep-2015	17-Dec-2018	05-Apr-2019	30-Jun-2021
Comments:	<p>Activities measured by this indicator are being implemented ahead of schedule. All 16 regions have launched activities for implementation of disease management programs for the three piloted conditions (arterial hypertension, diabetes, and chronic heart failure) based on the MoH Order No. 348 dated June 11, 2018.</p>			
► Number of educational programs developed and implemented in medical education institutions based on competence-based approach and professional standards through strategic partnerships (Number, Custom)				



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	3.00	6.00	5.00
Date	18-Sep-2015	17-Dec-2018	05-Apr-2019	30-Jun-2021
Comments:	Activities measured by this indicator are implemented ahead of schedule. Six educational programs (nursing at technical and vocational, academic bachelor's, master's, and PhD levels as well as educational programs on public health (bachelor's level) and biomedicine (master's level)) have been developed or updated in 2018, with five of them to be implemented as of the new academic year in September 2019. Educational programs for neurology and anesthesiology, traumatology, and emergency medical care are currently being developed.			
<b>►Unified register of human resources for health implemented (Yes/No, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	18-Sep-2015	17-Dec-2018	05-Apr-2019	30-Jun-2021
Comments:	On track. Acceptance of the Health Information and Interoperability Platform, which includes a module on human resources for health, has been completed. Development of an information model (Data Mart) for "Business Analytics" component of the Platform, through which analytical and reporting information on human resources would be provided, is currently underway.			
<b>►Health personnel receiving training (number) (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	541.00	983.00	3,400.00
Date	18-Sep-2015	17-Dec-2018	31-Mar-2019	30-Jun-2021
Comments:	This indicator is on track. 983 health workers have been trained with Project support as of March 31, 2019.			
<b>►Health facilities constructed, renovated, and/or equipped (number) (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.00	1.00	50.00
Date	18-Sep-2015	17-Dec-2018	05-Apr-2019	30-Jun-2021
Comments:	Procurement process for simulation equipment for 20 pre-hospital emergency medical care stations has started.			
<b>►Percentage of patients reporting improved health services (Text, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	n/a	--	22.5%	+10% over baseline
Date	18-Sep-2015	17-Dec-2018	31-Mar-2019	30-Jun-2021



Comments:	This indicator is on track. Based on findings of the semi-annual sociological survey, on average, 22.5% of patients across all the regions have reported improvements in health services provision. This value will serve as the baseline value for subsequent measurements of this indicator.			
<b>► Increase in transparency, credibility, and effectiveness of the complaints handling system (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	57.00	60.00
Date	18-Sep-2015	17-Dec-2018	31-Mar-2019	30-Jun-2021
Comments:	This indicator is on track. Based on findings of the semi-annual sociological survey, on average, 57% of the population across all the regions have rated the transparency, credibility, and effectiveness of the existing complaints handling system as High.			

**Overall Comments**

All 11 intermediate results indicators (IRI) are on track to achieve their end-of-Project targets, with activities measured by two of the indicators (IRI 5: disease management programs and IRI 6: educational programs) being implemented ahead of schedule.

**Data on Financial Performance**

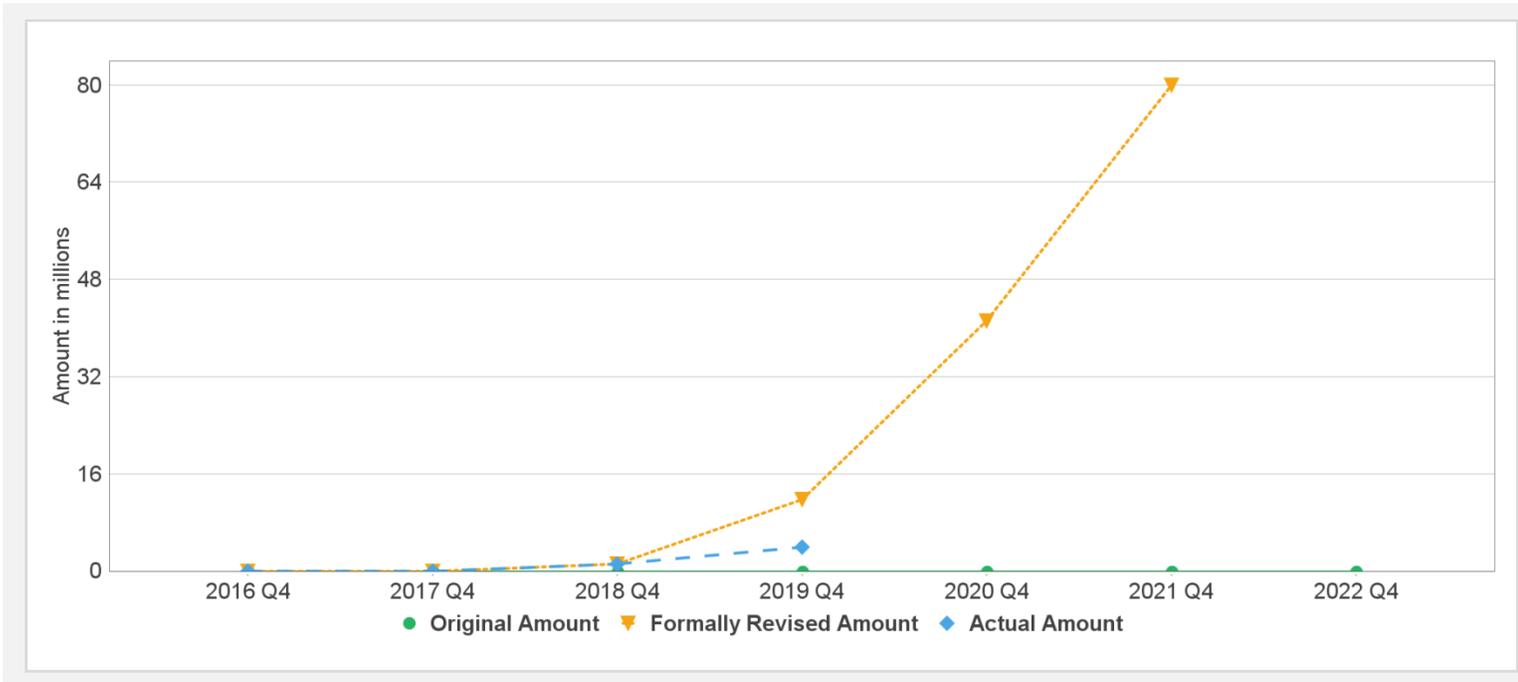
**Disbursements (by loan)**

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P152625	IBRD-86170	Effective	USD	80.00	80.00	0.00	3.96	76.04	4.9%

**Key Dates (by loan)**

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P152625	IBRD-86170	Effective	27-Apr-2016	01-Nov-2016	27-Jun-2017	30-Jun-2021	30-Jun-2021

**Cumulative Disbursements**



### Restructuring History

Level 2 Approved on 11-Dec-2018

### Related Project(s)

There are no related projects.