Mongolia: Strengthening Hospital Autonomy

Project Name: Strengthening Hospital Autonomy
Project Number: 49278-001
Country: Mongolia
Project Status: Active
Project Type / Modality of Assistance: Technical Assistance
Source of Funding / Amount: TA 9037-MON: Strengthening Hospital Autonomy
Technical Assistance Special Fund
U$S 1.10 million

Strategic Agendas: Inclusive economic growth
Drivers of Change: Governance and capacity development
Knowledge solutions
Partnerships
Sector / Subsector: Health - Health sector development and reform
Gender Equity and Mainstreaming: Some gender elements

Description: The Government of Mongolia requested assistance from the Asian Development Bank (ADB) to strengthen public hospital autonomy. A fact-finding mission took place in Ulaanbaatar in August 2015, and ADB reached agreement with the government on the impact, outcome, outputs, cost and financing, implementation arrangements, and outline terms of reference for consulting services for the policy and advisory technical assistance (TA). Concept clearance was obtained on 22 October 2015. The capacity of the Ministry of Health and Sports and other central and local government agencies to engage in a broad hospital reform process needs to be strengthened. This will require a phased approach to hospital autonomy with built-in mechanisms to learn from the implementation process and readjust implementation tools as required. Senior hospital management staff, board members, and selected community representatives will require substantial enhancements to their capacity to face their new responsibilities to manage autonomous facilities. The Ministry of Finance’s capacity to oversee and monitor hospital financing reform will also need to be reinforced. ADB has supported the government to improve sector governance, and strengthen health financing and health insurance under the Third Health Sector Development Project and the ongoing Strengthening the Health Insurance System, which resulted in a high consensus among stakeholders on key policy reforms in the health sector, including provider and purchaser split, autonomous status of providers, health insurance as a strong purchaser, and pooling of funds; and fair competition between public and private providers. The Third Health Sector Development Project also assisted the government in identifying factors that influence hospital efficiency and supported the government in revising the Health Law (2011).

Based on this momentum, the government has requested ADB support to (i) further advance the regulatory framework for hospital autonomy, (ii) build capacity of the government and hospital staff to manage hospitals within the improved legal environment, and (iii) provide technical support in the gradual implementation of hospital autonomy.

Project Rationale and Linkage to Country/Regional Strategy: The Government of Mongolia has made some initial attempts to reform hospital management. The revised Health Law (2011) has provisions for the establishment of hospital management boards in state-owned tertiary level hospitals. However, because of changing priorities and lack of technical capacity of MOHS, no regulations and operational tool for improved governance and financial and human resources management were developed to facilitate the implementation of hospital autonomy. Implementation of hospital autonomy in a few tertiary-level public hospitals in 2011, resulted in merely adding another administrative layer to the management board, which complicated hospital administration and was continued to operate under direct control of MOHS. MOHS ceased this attempt in 2013. Overall, Mongolia is developing a policy environment to improve quality of health services through the introduction of competition and market elements in the management of public hospitals. This objective is in line with the implementation framework of the Health Sector Strategic Master Plan, 2005 -2015, to ensure transparency, accountability, autonomy, and appropriate delegation of authority in public hospitals. In July 2015, the government submitted to Parliament a proposed package of draft legislations, which aims to improve the governance (enhanced decision-making power) and management of public hospitals in a comprehensive way. These new pieces of legislation will be closely interconnected with the revised Health Insurance Law (approved by the Parliament in January 2015), which enabled the health insurance organization to act as the major purchaser of health services. Autonomy of hospitals is a precondition to a sound purchasing process, as it allows hospitals to negotiate with the health insurance organization.

Impact: Public hospitals’ management performance improved
Autonomy of general and specialized hospitals in managing financial and human resources ensured

Project Outcome

Description of Outcome: Autonomy in pilot hospitals strengthened and decision to expand autonomy nationwide taken

Progress Toward Outcome: The TA implementation is proceeding well according to the schedule. The overall project implementation progress is estimated at 92.5% against elapsed time of 99%.
The piloting of hospital autonomy elements in selected hospitals is succeeded as of September 2019. The M&E framework needs to be approved by the MoH and will be applied to those hospitals that have an established Hospital Board.

Implementation Progress

Description of Project Outputs: 1. Regulatory environment for hospital autonomy analyzed and developed
2. Institutional and human resource capacity for hospital autonomy strengthened
3. Hospital autonomy implementation piloted
4. Public awareness on hospital autonomy increased
Output 1. The TA consultants reviewed best international practices in hospital autonomy applicable to the Mongolian context, including experience of Germany, England, France, Estonia and Kyrgyzstan. The consultants also conducted a desk review of policy and regulatory documents that govern operations of public hospitals in the areas of (i) hospital governance, (ii) human resources and management functions and (iii) financial management. Based on the review and consensus reached with the MOH technical working group (TWG), the consultants prepared the draft Conceptual Framework (CF), which includes the following three domains: (i) governance and management, (ii) finance, and (iii) human resources and two options of autonomy (low-to-medium and medium-to-high) per each domain. The CF also highlights specific risks of certain options and provides recommendations for preferred or phased approach. The draft CF was accepted by TWG in December 2018 and presented to stakeholders in March 2019. The consultants were tasked to assist MOH in drafting procedures and regulatory documents to ensure implementation of MCLs in areas related to hospital autonomy. In 2018, the TA made a good progress in supporting MOH and finalizing the (i) bylaw of the hospital board, approved in November 2018; (ii) selection criteria and selection procedures for the hospital director, approved in November 2018; (iii) selection procedures for the community representatives in the hospital board, approved in 2018; and (iv) sample contract between the hospital board and the hospital director including two appendixes on job description of the hospital director and performance management indicators. The TA will further contribute to designing and finalizing the remaining indicators. The TA helped MOH revise the healthcare facility standards according to the new requirements set off by the MWSL. With the technical inputs supported by the TA, the six facility standards were revised, including the standards for the (i) specialized center, (ii) central hospital and (iii) general hospital, which were approved by the relevant authorities. The new standards reflect the consultants recommendations, including (i) removal of the input-related requirements, such as the number of staff per bed and number of beds in wards and units, (ii) inclusion of general functions and hospital services to be provided by a facility regardless of the ownership type, (iii) minimum requirements for medical equipment by level of facility, and (iv) new provisions related to patient and staff safety. A comprehensive desk review was conducted in January-February 2019, the report and findings presented to the MoH in March 2019 and to the TWG in May 2019. The conceptual framework and literature review were presented to MOH and to Directors of Central hospitals of provinces during the nationwide consultative meeting on 30 Aug 2019. MOH has committed to issue a Ministerial order on the Conceptual Framework which includes the implementation plan. Other related documents were distributed to all stakeholders including staff and directors of the MOH and the directors of central hospitals urban and rural area during the final conference.

Output 2. Institutional and Human Resource Capacity for Hospital Autonomy Strengthened. The TA conducted a rapid assessment of training providers that offer training for hospital managers. The assessment result revealed that the training providers predominantly focus on management theory and concepts, rather than developing practical skills and capacity in hospital management. Therefore, it was proposed that capacity building under the TA should address these defects by developing a capacity-based training. A training needs assessment was conducted by the consultants with a view to increasing capacity with respect to new tasks and decision-making skills. The training needs assessment covered 32 management competencies, grouped under four areas (i) performance and change management, (ii) human resource management, (iii) financial management, and (iv) governance and accountability, and analyzed the training needs of six different groups in the hospitals, such as hospital directors, management teams, heads of departments, and managers in charge of human resource, finance and service quality. Based on needs assessment, the consultants developed a training concept, training programs and materials grouped into 10 modules under the four areas. During the screening of the potential training providers, the consultants identified a list of 22 candidates across the trainers for each group, but only four people were selected due to the pilot nature of the training program. The training program included training of trainers, training of trainers of trainers, and finally training of hospital managers. The training was delivered through a mix of face-to-face training and e-learning. In November 2017, agreed to support the hospital financial autonomy concept by assisting MOH in defining and weighting disease groups (DRGs) for hospital services funded by the state budget and developing the output-based payment system. In June 2018, the TA engaged two NGOs to develop the Output 2. Institutional and Human Resource Capacity for Hospital Autonomy Strengthened. The TA conducted a rapid assessment of training providers that offer training for hospital managers. The assessment result revealed that the training providers predominantly focus on management theory and concepts, rather than developing practical skills and capacity in hospital management. Therefore, it was proposed that capacity building under the TA should address these defects by developing a capacity-based training. A training needs assessment was conducted by the consultants with a view to increasing capacity with respect to new tasks and decision-making skills. The training needs assessment covered 32 management competencies, grouped under four areas (i) performance and change management, (ii) human resource management, (iii) financial management, and (iv) governance and accountability, and analyzed the training needs of six different groups in the hospitals, such as hospital directors, management teams, heads of departments, and managers in charge of human resource, finance and service quality. Based on needs assessment, the consultants developed a training concept, training programs and materials grouped into 10 modules under the four areas. During the screening of the potential training providers, the consultants identified a list of 22 candidates across the trainers for each group, but only four people were selected due to the pilot nature of the training program. The training program included training of trainers, training of trainers of trainers, and finally training of hospital managers. The training was delivered through a mix of face-to-face training and e-learning. In November 2017, agreed to support the hospital financial autonomy concept by assisting MOH in defining and weighting disease groups (DRGs) for hospital services funded by the state budget and developing the output-based payment system. In June 2018, the TA engaged two NGOs to develop the
Consulting Services
In dialogue with MOHS, ADB has recruited a consulting firm using quality- and cost-based selection with the ratio of 90:10 and a simplified technical proposal to provide 21 person-months of international and 20 person-months of national consultants' inputs, including experts in hospital autonomy, governance, health and hospital management, and capacity building. In addition, two national consultants, to assist in developing and implementing an advocacy plan and public campaign (2 person-months) and a community participation plan (4 person-months), will be recruited on an individual basis. A PIU has been established to facilitate project implementation and day-to-day organizational and technical matters. A project coordinator (24 person-months) and an administration and finance coordinator (27 person-months), who will comprise the PIU, have been recruited individually. The consulting firm and coordinators have been hired and national individual consultants will be recruited in accordance with ADB’s Guidelines on the Use of Consultants (2013, as amended from time to time).

Procurement
The PIU will be responsible for procuring the office equipment under the supervision of MOHS in accordance with ADB’s Procurement Guidelines (2015, as amended from time to time). MOHS will retain the equipment upon TA completion.

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Timetable
Concept Clearance
22 Oct 2015
Fact Finding
17 Aug 2015 to 24 Aug 2015
MRM
-
Approval
09 Dec 2015
Last Review Mission
-
Last PDS Update
30 Sep 2019

TA 9037-MON

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