Annex 12. Strategic Plan for Health Care Spending for 2007-2009

SECTOR: Health Care

ANALYSIS OF CURRENT SITUATION: The ongoing consolidation and updating of the health care system, coordination of activities between central and local public administration authorities in working out health care issues, and increase in the access of population to high quality health care services, was the key goal of the plan of actions of the Ministry of Health and Social Protection. The accomplishment of key goals contributed toward the stabilization of health indicators, improved access of population, specifically for vulnerable groups, to a defined set of health services, adequate funding for health care facilities, and more efficient management of resources available for healthcare.

Within the country, the restructuring of the Health care system has been reporting a progress in Moldova over the last years in terms of the reforms, yet it still is lagging behind when compared to Eastern European countries. Health care budget in 2005 has been increased by over Mdl 430 million compared to 2004 due to consideration of the fundamental principles based on which the mandatory medical assistance insurance fund is being set. This resulted in larger volumes of health care services, start-up compensation for pharmaceuticals under the insurance in outpatient settings, increase in the volume of services rendered and medication made available to people through national programs (diabetes mellitus, mental conditions, hemodialysis etc.)

Per capita spending is an important indicator of health care system financing. It is worth stating that the per capita spending on health care increased over three times starting in 2001, and totaled MDL 529.75 in 2005. The share of health care spending in the GDP accounted for 4,27 per cent in 2005.

Nevertheless the reforms have not achieved a significant progress in terms of health care quality, or widening the access of the whole mainstream of population to these services and a decrease of death and morbidity indicators that still place Moldova on lower positions compared to our neighbour EU countries. A considerable part of population able to work but socially disadvantaged, especially in the rural areas, do not still have an effective access to health services because of the financial and transportation problems.

Key issues featuring in the current situation within the health care system are as follows:

§ The development of mandatory health insurance system is one of the most important ways to sort out the above issues and improve the overall situation in the health care. The use of market economy principles and development of competition in the health care service markets contribute to the improvement of quality of these services, improvement of health care management, and to a sustainable use of resources. The insurance by the government of certain social groups is providing them with guaranteed access to health care services.

- § Primary health care and pre hospital emergency services out provided to the entire population, irrespective of whether the person has health insurance or not. Only people with health insurance have access to outpatient services and family medicine services, while emergency services are available to all. The funding of the mandatory health insurance system is done from three sources: (i) mandatory health insurance premiums in the amount of 5 percent paid by employees, and equally paid by employees and employers; (ii) personal contributions made by private businesses, and other people that get individual health insurance policy; (iii) transfers made from the government budget to the people who, by law, are insured by the government.
- § Although there is some evidence that the health Index somewhat improved in the middle of the 1990's, the outputs still are poor in terms of the health status of people in Moldova versus other European countries. Deterioration of health is reflected in the trends of people's natural movement indicators: growing mortality rate, dropping natality rate. The reduction of birth rate was noticed in urban and rural areas alike.
- § Moldova is facing a double problem in health care. One could notice conditions and diseases characteristic to developing countries (communicable and parasitic diseases) and a high level of conditions specific to developed countries (cardiovascular conditions, cancer).
- § According to official data, there has been an increase in the number of endocrine, nutrition, metabolic, blood and hematopoietic, and circulatory conditions in the last years, as well as an increase in the number of complications in pregnancy, birth, and *post partum*. During the same time frame, the general levels of morbidity decreased though.
- § The increase in the number of socially determined conditions, such as tuberculosis, HIV/AIDS, and drug-addiction, is another serious problem.

Priority goals in health care for 2007-2009, as outlined below:

Accomplish effectively equal access for citizens to basic health care;

Improve the quality of life by improving the quality and safety of health care;

- Bring Moldova's health and demographic indicators in line with those of economically developed countries, coupled with a drop in the number of conditions specific to developing countries.

In order to accomplish these objectives and efficiently develop the health care system, a number of measures should be taken, aiming at improving the conditions and the outcomes within the health care system. Specific programs within the framework of the strategic spending plan for 2007-2009 and specific actions that ought to be taken during this time interval are set out below.

Current situation	Objectives / goals	Reform actions taken within programs	Implications on budget management	Monitoring indicators
Program I. "Health Care Services rendered through the Mandatory Health Insurance System"				
Key Issues This program includes health care services provided through the mandatory health insurance. The health care provided through the mandatory health insurance system is rendered through an unified program of mandatory health insurance, setting out concrete volumes for different types of health care services. Courtesy of the implementation of mandatory health insurance, the following has been achieved: § Improving basic indicators characterizing people's health status; § Providing financial autonomy; § Availability of several sources for funding of health care facilities, higher flexibility in funding health care facilities; § Considerable growth in the access of populace, specifically vulnerable groups, to health care services: ü Average number of visits to a family physician was 2.7 in 2005 versus 2.4 reported per inhabitant in 2004, whereas for insured people it was equal to 3.3 and 2.7 visits per inhabitant respectively; ü Level of hospital admissions went up to 15.4 per 100 inhabitants in 2005 versus 15.2 in 2004; and ü Demand for emergency health care services went up by 23.5 per cent. § Increase the spending on the purchase of pharmaceuticals and bandage materials	• Increase the level of access and social equity for population to health care services **(EGPRSP)**		§ MHIF financial resources will increase during 2007-2009 versus 2005 respectively by: ◊ 54.5 per cent in 2007; ◊ 78.8 per cent in 2008; and ◊ 102.1 per cent in 2009. § Contributions of government budget to the MHIF for the government insured	

Current situation	Objectives / goals	Reform actions taken within programs	Implications on budget management	Monitoring indicators
from MDL 175.0 million (in 2004) up to MDL 246.1 million (in 2005), and food for patients – from MDL 45.1 million up to MDL 56.7 million, respectively; and § Growth in the salary paid to health workers by 22 per cent on average. **<u>Challenges</u>** § Ongoing growth in the spending on health care services created difficulties for very poor households in terms of their access to the given services. Provided that the budgets of people are very limited, about one-third of them could not afford purchasing a health insurance policy, whereas the health care services they could afford are limited in scope. Quite a few of uninsured people are the owners of farming lands from rural areas (approximately 25 percent of population); § Review of efficiency in the use of resources earmarked for the MHIF by types of outpatient health care services (primary health care, and specialized outpatient care), shows that hospital care still is quite expensive, and services provided there are not always aiming at the most severe conditions, whereas the degree of resource use is appraised at about 60 percent of the total spending funds earmarked for mandatory health insurance. Under the circumstances, the complex risk of most resources are focused on health treatment rather than on preventative health care programs funded from the budget, which the international experience proved the opportunity of greater impact on the health status, specifically within poor families; § Spending on health care services is still part of the government's general spending and is ought to be planned and managed from the substantial financial and policy standpoints as much as possible. In this context, there is need to implement mechanisms to regulate the control over	• Increase the access of people, including the poor, first of all, to basic health care services, by developing the primary health care system; • Improve the quality of health care services rendered to population; and • Improve the efficiency in the use of	• Consolidation of health care staff capacity at the national and regional levels in view of their operation and work under new circumstances **(EGPRSP)**; • Consolidation and strengthening of institutional capacity **(EGPRSP)**; • Development of a monitoring and evaluation system for outcomes **(EGPRSP)**; • Implementation of financial flow regulation and control mechanisms, as well as for the quality control of services provided **(EGPRSP)**; • Ensuring the transparency of management the National Health Insurance Company's operation management **(EGPRSP)**; • Maximal coverage of the country's population through the mandatory health insurance system. Facilitation of mechanisms for gradual tapping into the mandatory health insurance scheme of able-bodied people, first of all, who are individually working their farming land, and people paying fixed-amount insurance premiums;	people will increase from MDL 1,212 million in 2007 up to MDL 1,526.7 million in 2009; § There will be an improvement in the "salary raise – quality of health care services" ratio during 2007-2009, by adding to the principles underpinning the funding of health and treatment facilities specific criteria for quality indicators; § Gradual growth in the spending on per capita health insurance will also impact upon an upsurge in the volume of health services included into the unified program. The value of an unified package for one person will increase from MDL 1,209 in	• Number of insured patients treated; • Trends in insurance premiums; and • Change in the general incidence and prevalence rates of people.

Current situation	Objectives / goals	Reform actions taken within programs	Implications on budget management	Monitoring indicators
financial flows and the quality of health care services provided, and ensure the transparency of the National Health Insurance Company's operations management; and § Under-staffing of health care facilities, specifically of those from the rural sector, with specialized staff; § Under supply of health care facilities with up-to-date health care equipment and improve technical and material resources: water supply, heating, sewer, and natural gas supply systems;	resources (EGPRSP).	• Development and strengthening of primary health care and emergency care services; • Stimulation of health care staff recruitment in economically disadvantaged regions by setting adequate conditions for the young specialists in rural areas; • Widening the range of compensated pharmaceuticals (preferably, locally made medication) for outpatient treatment, subject to the amounts of mandatory health insurance funds accumulated;	2007 up to MDL 1,716 by 2009; and § As a tool to protect young specialized physicians appointed to work in rural areas, there are additional funds earmarked in the government budget to the basic funds, worth: ◊ MDL 3,462.4 thousand in 2007; ◊ MDL 7,974.7 thousand in 2008; and ◊ MDL 13,537.1 thousand in 2009.	
Program II. "National Health Programs"				
Key Issues National health programs are a set of actions aiming at preventing and controlling of diseases with major impact on the health status of population. The health of children, maternal health, fighting against and prevention of HIV/AIDS, sexually-transmitted infections, and tuberculosis, are the priority areas of the given programs; Budget funds earmarked for the national health programs accounted for MDL 129.4 million in 2005, or MDL 55.8 million more versus those reported in 2004. This allowed				

Current situation	Objectives / goals	Reform actions taken within programs	Implications on budget management	Monitoring indicators
for an increase in the volume of services and pharmaceuticals that the population is provided with within the framework of national programs (diabetes mellitus, mental conditions, hemodialysis etc.) Nevertheless, the share of funds earmarked for national programs within the total amount of allocations made to the health care system accounted for merely 10.2 per cent in 2005. **<u>Challenges:</u>** • Growth in incidence of TB up to 130.5 cases per 100 thousand inhabitants in 2005 (versus 118.7 cases per 100,000 in 2004); • Growth in the number of primary cancer patients up to 6,952 reported in 2005 (versus 6,851 patients in 2004); • Increase in the number of HIV/AIDS people up to 538 new cases in 2005 (versus 234 new cases in 2001); • Growth in the incidence of alcoholism up to 112.8 per 100 thousand inhabitants in 2005 (versus 84.0 in 2004); • Growth in the incidence of drug addiction up to 28.4 reported cases per 100 thousand inhabitants in 2005 (versus 21.9 in 2004); • Unplanned pregnancy, as 50 per cent of all reported pregnancies is terminated through abortion, whereas 20 per cent result in giving birth to unplanned or unwanted children. On average, a Moldovan woman has 3-4 abortions during her lifetime; • Increase in the number of complications in pregnancy, birth, and *post-partum*;	Improve measures for the prevention and treatment of socially-determined conditions **(EGPRSP)** § Promote and use new treatment technologies and drug supply in priority areas, aiming at some groups of people, such as socially vulnerable groups, people with chronic conditions and fighting disease.	***Implementation of new health care technologies in the prevention and treatment process*** *(EGPRSP)* • Immunoprophylaxis (supply of vaccines) and anti-epidemic measures; • Stopping the TB epidemic, setting up a system for control over current situation and minimizing the spread of disease; • Support and development of blood services; • Treatment and care provided to patients with diabetes mellitus and diabetes insipidus "MoldDiab"; • Promotion of high-quality perinatal services; • Prevention and control of HIV/AIDS and sexually-transmitted infections; • Fighting viral hepatitis; • Prevention and control of cardiovascular conditions; • Development of cardiac surgery; • Prevention and treatment of oncological diseases; • Treatment of mental and behavior disorders, drug addiction, toxic substance abuse, and alcoholism; • Taking measures aiming at modern prevention and treatment of factors with adverse impact on human genome;	• The provision of funds from the government budget in order to carry out the National Health Programs that are not included into the unified health insurance Program, will contribute toward the reduction in the incidence of these diseases; • Moreover, international organizations will support some actions through grants and technical assistance provided by WHO, UNICEF, USAID, Soros, Global Fund, UNAIDS, World Bank etc.; and • Provide from government budget	• Indicators for monitoring of social conditions: incidence and prevalence of socially determined conditions; and • Indicators from all health care system programs.

Current situation	Objectives / goals	Reform actions taken within programs	Implications on budget management	Monitoring indicators
• Negative natural growth reported in 2005, namely 1.9 pro mil (1.0 pro mil in 2004); • Increase in the number of endocrine, nutrition, metabolic, blood and hematopoietic, and circulatory conditions; • Republic of Moldova is facing a double problem. There are diseases reported in the country that are typical of developing countries (communicable and parasitic conditions) and a high level of illnesses specific to developed countries (cardiovascular diseases, and cancer); and • Some part of uninsured population with evidence of social vulnerability has no access to basic health care services.		• Support and development of hemodialysis and renal transplantation services; • Provision of health care to certain groups of patients with socially determined conditions and those with adverse impact on public health, and to socially vulnerable people not covered by the mandatory health insurance system; • Development of audiology services; and • Monitoring, evaluation, and integration of health care services.	health care to some categories of patients with socially determined conditions and the adverse impact upon public health and upon socially vulnerable groups that are not covered by the mandatory health insurance system.	
Program III. "Epidemiology Health Service"				
<u>Key Issues</u> Courtesy of measures and actions taken within the framework of this program, there is a stable and favorable sanitary-epidemiological situation reported in 2005 in terms of communicable disease morbidity. Thus, there have been no cases of cholera, diphtheria, brucellosis, tetanus, pseudo-tuberculosis, anthrax, tularemia, acute poliomyelitis, in-born rubella, hemorrhagic fevers, rabies, typhoid exanthema, summer-fall tick encephalitis, hepatitis E etc. reported in the country. There was a drop of 2.2 times in the morbidity from viral hepatitis, including a drop of 2.7 times in the number of viral hepatitis A cases, significant reduction in the incidence of rubella and measles, with a decrease in			• Earmarking funds for preventive health service operations will contribute toward improvement and ensuring the timeliness of conducting preventive and current government health epidemiologic surveillance and fighting the outbreaks of communicable	

Current situation	Objectives / goals	Reform actions taken within programs	Implications on budget management	Monitoring indicators
morbidity rates from typhoid, salmonellosis, NAG infection, whooping cough, hemorrhagic fevers, parotitis, and scarlet fever. There have been no mass outbreak cases reported in terms of communicable diseases and food poisonings, cases of conventional diseases and extremely contagious infections etc. **Challenges:** • Adverse situation in terms of acute diarrhea owing to under-supply of people with high-quality potable water, and flow of low-quality food products; • Air pollution is a pending issue in the municipality of Chisinau due to the increase in the number of auto vehicles that could lead to a worsening health of population; • Provisions are not made to secure, in line with relevant health standards, the health and epidemiologic conditions of pre-school and pre-university facilities, with children's meals in collective organized gatherings being a pending issue as well, and other; • Shortage of data on the health status of population for making forecasts; • Strengthening of health, hygiene and bacteriological laboratory services; • People not fully aware of the healthy life styles; • Inadequate cooperation between agencies responsible for food safety and other related issues linked to a healthy	• Health and epidemiologic surveillance, prevention of some eventual environment pollutions (contaminations) with toxic wastes and radioactive refuse in order to minimize the risk impact in ensuring the safety of people's health and monitoring of infectious diseases.	• Improvement and strengthening of the government sanitary-epidemiological service; • Development of the Concept of sanitary-epidemiological government service reforms, staffing, and training of personnel for the new system; • Strengthening the social and hygiene monitoring, as well as the monitoring of implementation of National Programs and other normative acts on the sanitary-epidemiological coverage of population; • Implementation of a Health Promotion and Disease Prevention Strategy, and the new epidemiological surveillance system; • Strengthening of the information system and the integration of it into the IMIS; • Completion and streamlining of organizational and procedural work done with the government sanitary-epidemiological service, and monitoring of territorial PMC centers' operations; • Health education and healthy life styles promotion; and • Organizing and coordinating the actions of taking measures to fight and prevent diseases, including communicable, parasitic, and professional diseases, in	diseases and mass poisoning in mainstream population. • Some additional actions will be funded by foreign donors through technical assistance provided by WHO, UNICEF, USAID, UNAIDS etc.	Environment-linked health indicators: • Incidence of acute diarrhea in children under 5; • Incidence of iodine deficiency conditions; • Incidence of fluorosis; • Average life expectancy (including by men and women); and • Trends in indicators, such as parasitic morbidity, poisonings, and communicabl

Current situation	Objectives / goals	Reform actions taken within programs	Implications on budget management	Monitoring indicators
environment, specifically between local administration authorities; and • Inadequate infrastructure to ensure the supply with drinking water and waste management.		order to ensure the sanitary-epidemiological well-being of population all over the country.		e diseases.
Program IV. "Rehabilitation of Children of Early Age"				
<u>Key Issues</u> The difficult economic situation that many families find themselves drawn into resulted in mass out-migration of people in the country. This situation is exerting an adverse impact on the well-being of children, which end up being bereft of parental care and subsistence means. As a result, there was an increase in the number of orphan children, children abandoned by their parents, and children brought up in risk families, in recent years. More than 500 children are admitted each year to the two Placement and Rehabilitation Centers for Children. Hence, during 2005 , there have been: ◊ 518 children institutionalized; ◊ 148 children re-integrated in natural families; and ◊ 71 children re-integrated in adoptive families and family-like orphanages. The Ministry of Health and Social Protection took measures toward restructuring and upgrading current services in view of securing the prevention of children abandonment in maternity wards, protection of life and harmonious development of their personality.	• Ensure the development of children in as close to the family an environment as possible; and • Contribute toward the shortest possible stay of children in placement centers in order to provide for the rights of each child to a family.	• Protection and support for children of early age; • Development of rehabilitation services for children of early age. • Creation of adequate conditions for care, education, and subsistence of children, development of maternal centers; and • Strengthening technical and material resources of placement and rehabilitation centers for children of early age.	• Supply with equipment, food products and drugs will be secured from the government budget and from potential humanitarian aid; and • Some additional actions will be funded by foreign donors through technical assistance.	• Number of children institutionalized; • Number of children reintegrated in natural families; • Number of children reintegrated into adoptive families and transferred to family-like children's houses; • Number of children transferred to boarding schools;

Current situation	Objectives / goals	Reform actions taken within programs	Implications on budget management	Monitoring indicators
Challenges: • Morbidity – 882 cases; and • Health rehabilitation of children of early age who have been abandoned and their possible reintegration back in families.				• Morbidity; and • Average length of stay.
Program V. "Rehabilitation and Recovery of Sick Children and Disabled Children"				
Key Issues The level of disability in children has been on an upward sloping trend over the last three years. In order to rehabilitate very sick children, the Ministry set up a network of facilities specialized in their rehabilitate treatment and care. There are 300 phthisio-pulmonologic (TB) rehabilitation beds for children operational today, and 280 rehabilitation beds for children. As many as 4,996 sick and disabled children have been rehabilitated during 2005, with an average rehabilitation stay of 37 days. **Challenges:** • Increase in the number of disabled children, accounting for 18.7 per 1,000 children today (versus 16.0 per 1,000 children reported in 2004); and • High incidence of TB in children pervading, up to 29.3 per 100 thousand children in 2005 (versus 32.3 in 2004).	• Achieve lasting remission in sick children and disabled children; • Prevention of disabilities in children during their early development; and • Reduce the incidence of TB in children.	• Development of rehabilitation and recovery services for sick children and disabled children; and • Strengthening of human potential, as well as material and technical resources, of rehabilitation phthisio-pneumological (TB) centers and recovery centers for children.	• Identify funds from the government budget for recovery and rehabilitation services; • Some additional actions will be funded by foreign donors through technical assistance.	• Disability rate in children under 16 years; • Number of children rehabilitated and recovered; and • TB incidence in children.
Program VI. "Public Health and Health Management"				
Key Issues Health is one of the key indicators				

Current situation	Objectives / goals	Reform actions taken within programs	Implications on budget management	Monitoring indicators
reflective of the quality of life and the key factor of a sustainable society development. Much the same as in other countries, the health care system in Moldova should meet the new demands, emerged as a result of demographic and socio-cultural changes, globalization process and rapid progress in medical technologies. The implementation of information and communication technologies within the health care system in Moldova is going through a transition period today, with the main dimensions of operations aiming at equipping health care facilities with personal computers, getting connected to the worldwide web, purchasing program products, and staff training. Certain measures have been taken in improving the norms-setting framework, by developing and adopting for this purpose a Concept and Model for a Health Information System, Concept of an Integrated Health Information System, Concept and Terms of Reference for a Unified Information System for the mandatory health insurance system. An internet-based review of the presence of websites showed that merely 11.3 per cent of all health care facilities have one, ranking bottom on this criterion, lagging behind government facilities, media, universities and culture-oriented facilities. International practice is being given thorough consideration at this stage with respect to setting ways to streamline and make efficient use of spending on health care services provided within the mandatory health insurance	§ Develop an integrated information system in health care; § Develop health and public health promoting programs; and	• Development of programs promoting life style changes; • Development of health promoting strategies based on cross-sector coordination with the education system; • Development of a monitoring and evaluation system for health care service quality control of operations run by health care facilities within the framework of mandatory health insurance; • Setting up of an integrated information system within the health care system;	• Secure funding from government budget, and international organizations' grants; and	• Indicators from all health care programs; • Roster of programs and strategies developed in the medium and long run from within the health care system;

Current situation	Objectives / goals	Reform actions taken within programs	Implications on budget management	Monitoring indicators
system. **Challenges:** • Inadequate information review and management; • Managers making use of indicators collected at the central level in order to improve the outcomes at the national level; • Management of the system, putting out substantive information at the appropriate level, and using information in management decision-making; • Lack of an integrated information system within the health care system; • Under-supply of health care facilities with personal computers, scanty capacity of Internet networks and Internet access channels; • Low level of training of public servants working in the health care system and of patients in how to use information and communication technologies; and • Lingering of outdated mechanisms for health care management, disproportionate allocation of material and financial resources to various categories of health care facilities.	§ Review of health care indicators.	§ Development of an up-to-date legal and information framework for health care and financial management, aiming at a more rational and efficient use of assets, funds earmarked for the health care facilities participating in the mandatory health insurance scheme; and § Implementation of up-to-date procedures and techniques in the retraining of health care and management staff.	• Consolidate the capacity of management structures through training in strategic planning and priority setting.	• Number (per cent of total) of actions taken in the short and medium run; and • Number of staff operating in planning and management that underwent specialized training courses in strategic planning and management.
Program VII "Forensic Health Care"				

Current situation	Objectives / goals	Reform actions taken within programs	Implications on budget management	Monitoring indicators
Key Issues The demands for and complexity of forensic health expertise increased over the last years. Hence, the following activities have been completed in 2005: § 9,195 cadavers examined; § 28,928 people examined; § 48,266 biological investigations conducted; § 988 toxic and narcotic substance investigations conducted; § 3,188 histological and morbid anatomy investigations conducted; § 215 criminal investigations conducted; and § 313 committee-based expertise performed. **Challenges:** § There is a high incidence of health expertise necroscopy, examination of humans, and health care papers; and § Consolidation of material and technical resources of the health expertise system.	§ Finding the socio-juridical truth in committing a crime: threat to one's life, a person's corporal integrity, health and dignity, or under other circumstances as set out in the law with respect to murder attempts, corporal lesions, personal health and dignity hurts.	§ Completion of forensic health expertise appraisals, investigations, findings, research, laboratory investigations, forensic paternity tests, as well as other forensic health works; and § Development and consolidation of material and technical resources within the forensic health care system.	§ The funding of planned actions as set out will be done within the limits of funds available to the given sector.	§ Proportion of changes to primary conclusions; § Proportion of unjustified conclusions issued by judicial experts; § Number of investigations / tests and people investigated.
"Program VIII. "Drug Research"				
Key Issues The Agency for Drugs has been focused on improving the pharmaceutical assistance in the country during 2005 by promoting the government policy on drugs, and by supplying the pharmaceutical market with efficient, harmless, accessible, and high quality drugs - through the accomplishment of government action plans of the Ministry of Health and Social Protection, of the Agency for Drugs, and of the former National Institute of Pharmacy. The entire batch of normative acts regulating the area of drugs and				§ Absolute value of expertise

Current situation	Objectives / goals	Reform actions taken within programs	Implications on budget management	Monitoring indicators
pharmaceutical activity was subject to review in 2005. The staff of the Agency for Drugs has been involved in developing the pharmaceutical Code - a complex legislative act in the area of drugs and pharmaceutical activity, to be brought in line with European Union regulations. As many as 1,157 pharmaceuticals have been authorized to be put out on the pharmaceutical market, including 131 locally made drugs. **Challenges:** § Inadequate development of domestic pharmaceutical industry; § Illicit trade and sales of health care goods and medication; § Existence of unauthorized medication; § Selling of drugs without the papers of province; § Existence of medications without conformity papers; and § Selling of expired drugs.	§ Protect the drugs market from the import of inefficient, hazardous and low-quality pharmaceutical s and health care goods.	§ Expertise, homologation, and registration of pharmaceuticals and health care goods; § Expertise of drug-related actions; § Quality assurance and control for drugs and health care goods; § Authorization for the import of pharmaceuticals and health care goods; and § Authorization of and supervision over clinical tests.	• Funding from special funds generated from the taxes paid by economic agents the economic operations of which are linked to importing medication and health care goods.	tests conducted; § Number of drugs and health care goods newly registered; § Number of authorizations issued out, including for imports; and § Testing of 100 per cent of imported drugs and health care goods.
Program IX “Conducting Patient Expertise and Re-expertise of Complicated Cases”				
Key Issues As many as 13,096 of citizens of the Republic of Moldova have received a disability category in 2005, that is 12 percent more than in 2004. The number of people to whom the disability category has been reconfirmed dropped by 2.7 percent – there have been 44,382 people reported last year. Generally, cardiovascular system diseases (20. fire for				

Current situation	Objectives / goals	Reform actions taken within programs	Implications on budget management	Monitoring indicators
percent), oncological diseases (14 percent), and mental disorders (12 percent), primarily account for the primary disability. At the same time, as many as 1,345 people had their disability removed over the last three years, whereas another 8,562 had their disability lowered down. According to the data of the World Health Organization, 10-12 percent of population is people with a disability category. They account for 4. 6 percent in Moldova. **<u>Challenges:</u>** • Bringing out instances of disability category assessment without relevant papers; and • Instances of counterfeit health records when assessing a disability degree, with some 20 per cent counterfeit records in 2005 alone.	§ Set up as much a transparent mechanism as possible for health expertise of vitality.	§ Development of specific criteria for the appraisal of degrees of disability.	§ Funding earmarked from the government budget secured for the health expertise of vitality.	§ Number of expertise tests.
Program X "Other Measures and Services in Health Care System"				
<u>Key Issues</u> This program covers those health care facilities that render health care services to certain categories of people, as set out in the existing normative acts, as well as other measures related to the management and running of specific programs, projects etc. The National Center for Sports Medicine "Atletmed", designated as the Olympic Sports Building for health sports testing and as a health care facility responsible for the sports health assistance and pharmacological care provided to sports people in 2005 with health				

Current situation	Objectives / goals	Reform actions taken within programs	Implications on budget management	Monitoring indicators
care services in the total amount of 56,500. Sub-units providing emergency inpatient health care, departments of hospital admissions, and surgery theatres, have been supplied with up-to-date health care equipment in all district public health care facilities (DPHCF), (33 sets within the admissions department, and 37 sets - surgery department), within the framework of the Ministry of Health for Social Protection's "Health Investment Fund" in 2005. As many as 137 laboratory equipment sets have been purchased and distributed all over. Each district has 3 to 5 sets, thus allowing for the scaling up the patients' opportunities to have a wide array of laboratory investigations done locally right away. **Challenges:** • Provision of an inadequate package of health care services to specific groups of people as provided for under existing normative acts; • Inadequate supply of health care facilities with modern medical equipment; and • Inadequate material and technical resources in health care facilities.	§ Accessibility of free health care services to specific groups of people; and § Improve the quality of health care services provided to people.	§ Promotion of implementation of a high-quality and adequate package of health care services to meet people's demands; and § Supply and strengthening of technical and material resources of health care facilities.	§ Funding earmarked for planned measures will be possible within the range of funds available in the sector.	§ Number of health care services; and § Number of measures.
Program XI. "Management of Health Care and Social protection System"				
Key Issues This program includes a set of facilities and measures related to the running and management of health care and social protection programs both at the central and				

Current situation	Objectives / goals	Reform actions taken within programs	Implications on budget management	Monitoring indicators
local levels. Both the health care system *per se* and the social protection system include the mix-up of insurances, generated by premiums paid and run by separate relevant facilities, namely – by NHIC and SHIC. On top of this, following the government reorganization carried out in 2005, the administrative tasks within the health care and social protection system have been assigned all to one ministry – Ministry of Health and Social Protection. That is why it is necessary to clearly mark off the skill-mix and institutional and operational responsibilities, in order to avoid overlapping and gaps in the system, both vertically and horizontally **Challenges** • *Poorly defined management responsibilities.* There is a lack of clear-cut marking off of management tasks within the health care and social protection systems today. This makes the decision-making process difficult in terms of policy promotion and resource management; • *Fragmented management is undermining the opportunity of streamlining the resources*. The Government's apparatus, Ministry of Health and Social Protection, municipal and local public administration authorities, all have hospitals and health care facilities subordinate to them. There is no consolidated management or	• Improve the management of the health care and social protection system; and	• Review and improvement of the legal and norms-setting framework for the areas in question; • Review the structure of the Ministry of Health and Social Protection within the framework of CPA reforms; • Review of the administrative structure and clear-cut marking off of the health care and social protection system roles and responsibilities; • Shifting NHIC and NSIH to government budget funding starting in 2008;	• Measures for the development or improvement of the legal and norms-setting framework, review the administrative structure and clear-cut marking off of roles within the system, will basically be financed from existing funds, and will contribute toward more efficient management of	• Proportion of staff trained; • Planning and management staff that attended specialized training courses in strategic planning; • Agreements signed with Bulgaria, Portugal, Italy, Greece, Spain, and other countries;

Current situation	Objectives / goals	Reform actions taken within programs	Implications on budget management	Monitoring indicators
bookkeeping of health care facilities, thus undermining the efficiency and competition. Once could see the same situation in the social protection system, too; • *There is no adequate records keeping and monitoring of total spending on social protection and of social assistance recipients.* A big chunk of funds earmarked for social assistance is spent as transfers from the government budget to the GSIB and are run by the NHIC today. Another chunk of spending is run locally. Besides, the same person could be enrolled in more than one social assistance program at the same time, thus making the keeping of records on social aid recipients difficult to perform; • *Limited analysis and strategic planning capacity.* The development and monitoring of sector-wide EGPRSP policies, as well as the development of blueprints for medium-term spending, implies the involvement of qualified staff with special skills in the area of strategic planning and analysis. The training model employed today to achieve this is not sufficient. Moreover, staff cuts that occurred in 2005 made the situation in terms of skills and capacity even worse; and • *Shortage of trained managers in the health care system.* There is a wide shortage of	• Streamline the organization of the health care and social protection system.	§ Building institutional and technical capacity of staff in the related areas by developing an in-service ongoing training and retraining program for staff; § Signing of bilateral social protection agreements with a number of countries; § Drafting annual social reports on the development of the social protection system; § Development of a unified information system for keeping records of social assistance recipients; § Development of a network of social workers inside mayor's offices; § Consolidation of the Ministry's review capacity and strategic planning, specifically the development and maintenance of medium-term financial forecasts modules; and § Development of strategic plans for sector-wide spending in the medium run in view of bringing sector policy priorities in line with the MTEF spending ceilings.	available resources; • Measures aiming at developing a unified information system for social protection and building technical skills and the training of staff in this area, will be taken within the limits of existing funding, with opportunity to bring in donor funds; and • Funds from the Food Safety Program are planned for the development of a network of social workers inside mayor's offices for 2007.	• Annual social reports developed; • Data base of social assistance recipients; and • Model of financial forecasts in the medium run developed.

Current situation	Objectives / goals	Reform actions taken within programs	Implications on budget management	Monitoring indicators
trained managers in the system. Most professionals working in the health care system in management positions have medical education only. However, they should have knowledge of modern management techniques, such as the management of projects, financial forecasting, negotiations, contracting, and staff management.				

Distribution of funds earmarked for spending on health care programs for 2005-2009

Program Name	Total public spending		Forecasts (MDL			Proportion of total (per		
	2005	2006	2007	2008	2009	2006	2007	2008
Program I. "Mandatory Health Insurance"	1,108,007.5	1,527,712	1,979,900	2,278,800	2,589,700	79.1	81.6	84.0
Program II. "National Health Programs"	131,789.2	196,297.4	294,098.3	281,944.8	275,459.2	11.8	10.1	8.9
Program III. "Health Epidemiology Services"	66,857.7	66,768.3	71,310.3	72,010.3	72,833	2.8	2.6	2.4
Program IV. "Rehabilitation of Children of Early Age"	11,917	10,771.8	11,169.9	11,428.8	11,724.7	0.4	0.4	0.4
Program V. "Rehabilitation and Recovery of Sick Children and Disabled Children"	18,388.7	19,233	20,059.2	20,569.2	2,1190	0.7	0.7	0.7
Program VI. "Public Health and Health Management"	4,553.1	2,711.3	2,838.2	2,903.2	2,987	0.1	0.1	0.1
Program VII. "Forensic Health Care"	8,308.6	8,384.2	8,693.3	8,823.3	8,976	0.3	0.3	0.3
Program VIII. "Drug Research"	15,253	11,937.5	16,590	17,040	17,565	0.7	0.6	0.6
Program IX "Conducting Patient Expertise and Re-expertise of Complicated Cases"			3,950	3,997.5	4,057	0.2	0.1	0.1
Program X. "Other Health Care Measures and Services"	202,567.7	183,906.5	90,991	92,304.3	75,654.9	3.6	3.3	2.5
Program XI. "Administration of Health Care and Social Protection System"	4,747.8	3,283.4	3,331.2	3,364.6	3,415.7	0.2	0.2	0.2
Sector Total	**1,572,390.3**	**2,031,005.4**	**2,502,931.**	**2,793,186**	**3,083,562.**	**100.0**	**100.0**	**100.0**
Funded from:								
Government budget (indicative ceilings)	1,072,093.9	1,290,702.9	1,567,891.	1,776,502.	1,946,350.	62.6	63.6	63.1
including, transfers to MHIF	839,498.9	1,001,552	1,212,000	1,378,100	1,526,700	48.4	49.3	49.5
Budgets of administrative-territorial units	35,937.2	761.8	778.6	793.1	812.1	0.0	0.0	0.0
Mandatory Health Insurance Funds (MHIF)	1,108,007.5	1,527,712	1,979,900	2,278,800	2,589,700	79.1	81.6	84.0
Grants and loans, foreign projects	125,868.9	150,008	95,661.2	43,390.7		3.8	1.6	0.0
Special funds (consisting of special means)	881	892				0.0	0.0	0.0
Special means	69,100.7	62,480.7	73,400	71,800	73,400	**2.8**	2.6	2.4
Sector Total	**1,572,390.3**	**2,031,005.4**	**2,502,931.**	**2,793,186**	**3,083,562.**	**100.0**	**100.0**	**100.0**