

PROJECT NAME:	HEALTH TRANSITION PROJECT
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LOAN AMOUNT: Euro 49.42 Million

DURATION: 2004-2008

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BACKGROUND: Turkey continues to rank far behind most middle-income and European Union (EU) accession countries in terms of health status and access to healthcare. Life expectancy is nearly ten years below the OECD average, and infant and maternal mortality rates are among the highest of middle-income countries. The health sector in Turkey is under-performing in achieving health outcomes commensurate with its level of socio-economic development. Substantial and sustained efforts will have to be made if the country is to meet the European health and service standards and the Millennium Development Goals (MDGs) by the year 2015.

The 2003 World Bank sector study “Reforming the Health Sector for Improved Access and Efficiency” (Report No.: 24358-TU) identified the following issues as the main reasons behind the under-performance: (i) Inequalities in health and access to health care, (ii) Inefficiencies in resource allocation, (iii) Weak system stewardship and governance:

There is widespread consensus that a fundamental overhaul of the health system – as opposed to piecemeal changes – is needed. Indeed, the Government’s “Urgent Action Plan” (UAP), released in January 2003, and its expanded sectoral spin-off, “Program for Transformation in Health” (PTH) advocate for the separation of provision and financing of health care so as to achieve a more efficient resource allocation and use; introduction of universal public health insurance so as to ensure equity and access to health services; financial and administrative autonomy for public hospitals in order to improve technical efficiency and strengthen management; introduction of family medicine so as to integrate and streamline delivery of primary health care with inpatient care and ensure comprehensiveness and continuity in health care; and increased emphasis on improving maternal and child health. The Health Transition Project (2004-08) supports the Government’s program for health transformation.

PROJECT OBJECTIVE: The development objective of this project is to narrow the gap in access to, quality and utilization of health services between Turkey and other middle-income and EU accession countries by extending health insurance coverage to all Turkish population and reducing inequalities in access to health care, especially for the poor and those living in rural and peri-urban areas.

The specific objectives of the Health Transition Project are to: (i) help expand the capacity of the Ministry of Health (MOH) and Social Security Institute (SSI) to formulate and effectively implement health policies, health sector regulatory mechanisms and health insurance functions, (ii) support the implementation of critical health services delivery reforms (family medicine and hospital autonomy) with the objective of improving access, efficiency, quality and fiscal sustainability of the health sector.

PROJECT DESCRIPTION: The proposed operation will support a comprehensive sector program, instead of parts thereof, and will include five key components that are briefly described below:

COMPONENT 1: Strengthening MOH Capacity for Stewardship: This component assists the MOH to redefine its roles and responsibilities as a policy maker and regulator of service provision, while retaining key public health functions including disease prevention and health promotion. The component has four sub-components: (i) building the capacity of the Strategic Planning and Policy Development Unit in the MOH; (ii) strengthening the regulatory function vis-à-vis pharmaceuticals and medical devices which are increasingly becoming of concern as major expenditure items, but also because of inappropriate use, (iii) supporting the operationalization of a Hospital Performance Monitoring Unit that will initially assess performance within MOH hospitals but eventually in all hospitals (public and private), (iv) operationalization of a monitoring and evaluation (M&E) Unit to track progress with the implementation of the Government's Program for Health Transformation, evaluate pilot reforms to inform plans for scaling up, and also to become the key unit to provide key evidence in line with the MOH's revised mandate and functions.

COMPONENT 2: Building Capacity of the Health Insurance and Social Security Institutions: The objective of this component is to initiate the process of building the institutional capacity of the Social Security Institute (SSI) to implement a fiscally sustainable UHI and social security system

COMPONENT 3: Reorganizing the Delivery of Healthcare Services: This component assists the MOH to design, develop and pre-test new organizational models for service delivery by: (i) introducing a family medicine model as a basis for the provision of outpatient and primary health care services, (ii) beginning a phased process for making MOH hospitals autonomous and forming networks of hospitals to foster coordination of capacity and referral

COMPONENT 4: Strengthening Public Health Functions and Human Resources Capacity in the Health Sector. The objective of this component is to strengthen the implementation of public health functions such as disease surveillance, public health research, workforce development, enforcement of public health laws and regulations, and supporting health policy development. It will support the re-activation of the school of public health which will act as an advisory and training institutions to MOH, and fulfill the functions of training, research and consultancy covering the topics of public health, health policies and strategies, health services management and health financing and economics. This component is implemented by the School of Public Health and the Refik Saydam Hygiene Institute under the MOH

PROJECT STATUS: Overall, there is good progress in the implementation of the Government's Program for Transformation in Health and the project is providing valuable inputs to the further development and refinement of this program. There is progress with the legislative framework underlying the proposed transformation in health. In terms of specific objectives of the project, (i) the Law on Regulating Pharmaceuticals and Medical Devices and the pilot Hospital Autonomy Law have been adopted by the Government and submitted to the Parliament, (ii) the Hospital Performance Monitoring Unit is established and the Monitoring and Evaluation Unit in the MOH is operational; (iii) the law(s) to reform Social Security Institutions and to establish the Universal Health Insurance Fund have been approved by Turkey's Grand National Assembly, although specific articles of the Law were subsequently cancelled by the Constitutional Court. The Law is planned for re-submission to the Parliament in 2007 and its adoption is included in the Government's Urgent Plan of Action for 2007. The Universal Health Insurance law is expected to go into effect by March 2008; (iv) administrative integration of the separate health insurance funds is underway and a standardized claims management system for all public and private hospitals is operational (v) the Law on the Family Medicine Pilot is enacted and the pilot is already ongoing in 15 provinces of Turkey, including Adiyaman, Bolu, Denizli, Edirne, Elazig, Eskisehir, Gumushane, Isparta, Izmir and Samsun, following a successful pre-pilot in the Duzce province. (vi) SSK and MOH hospitals are integrated, hospital management capacity is upgraded and some budget and financial management functions are de-concentrated to hospitals, thereby building a good foundation for the implementation of full hospital autonomy (vii) the MOH has introduced a performance management system for family doctors and hospitals, thereby encouraging family doctors to take preventive services seriously and improving the quality of medical inputs and personnel in public hospitals, (viii) The School of Public Health continues its successful partnership with the World Bank Institute in implementing the "Flagship course on health reforms. This year, the Flagship course will be expanded to include a module on health financing for senior policy makers and SSI technical staff.

RESULTS ON THE GROUND: The Government's Health Transformation program to which HTP I contributes has achieved much progress in improving **access** and **quality** of health services (especially services provided in public facilities).

- Improved access of Green card holders to outpatient health services and pharmaceuticals and SSK enrollees to health facilities and pharmacies;
- 10 percent increase in SSK enrollment between 2005 and 06.
- Increased availability of quality inputs (trained health personnel, modern medical devices) in public hospitals. The percent of physicians working full time in public hospitals has increased from 11 in 2002 to 53 in 2005. The working hours of physicians has also increased.
- The referral rate from secondary to tertiary care facilities has dropped from 30% in 2004 to 23% in 2006
- Patient satisfaction with public facilities has increased from 38% in 2004 to 57% in 2006
- Increase in the percentage of women giving birth in institutional settings (75% in the late 1990s and in 2006, over 90%);