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## Terms of Reference

### Support of hospital management capacity building in health care financing reforms

#### **Background**

The Republic of Serbia has received a loan from the International Bank for Reconstruction and Development (IBRD) in the amount of EUR 29.1 million equivalent toward the cost of the Second Serbia Health Project (SSHP), Loan No.: 8338-YF, and EUR 25 million equivalent toward the cost of the Additional Financing for the Second Serbia Health Project (AF-SSHP), Loan No.: 8830-YF. The Project Development Objective (PDO) is to contribute to improving the efficiency and quality of the public health system through the strengthening of: (i) health financing, purchasing, and maintenance systems; (ii) quality improvement systems and management of selected priority non-communicable diseases.

The project includes the following components:

#### 1- Improvement of Health Financing

This component aims to strengthen the performance of the health financing system by supporting introduction of incentives to improve quality and efficiency at the primary care and hospital levels.

#### 2- Improve Access to Quality Health Care

This component is organized around the following main areas: improve access to medicines; strengthening of Health Technology Assessment (HTA); and improving systems for medical equipment maintenance.

#### 3- Strengthening Quality of Service Delivery

This component aims to improve standards of quality and efficiency of care in the Serbian health sector through: (i) strengthening quality improvement systems, (ii) modernizing cancer treatment at selected tertiary facilities.

#### 4- Project management

This component will support the day-to-day Project management, including fiduciary tasks, monitoring and evaluation, audits of Project financial statements. Monitoring the implementation of the proposed reforms, including potential unintended consequences, will be a key function that will be supported under this component.

The activities under component 1 of the SSHP (Improvement of Health Financing) are directed at supporting improvement of the quality, efficiency and transparency of the Health Insurance Fund (HIF) financing for primary care and hospitals. Furthermore, the project will finance training, goods and equipment to support design and implementation of the incentives and oversee results; initial piloting of the quality improvement grants scheme to primary health care centres; and support upgrades of the information technology capacity to improve financial reporting and performance monitoring at central, hospital and primary levels. The activities under this component are structured into the following subcomponents: (1) Support Hospital Financing Reform, and (2) Strengthening Primary Health Care Financing.



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## **Key issues**

The Health Insurance Fund (HIF) is the main purchaser of the health services in Serbia with the Ministry of Health (MoH) playing the lead role in health policy and the National Institute of Public Health (IPH) responsible for planning, environmental health and monitoring. Hospitals in Serbia are currently paid on the basis of historical, line-item budgets, that do not encourage cost-containment or efficient use of resources. The HIF has begun transition to performance-based financing for acute inpatient care using the Australian Diagnosis Related Groups (DRGs) system, to promote greater efficiency for acute care in hospitals. An initial pilot in 2008 was successful and further work was focused on adapting coding procedures for the Serbian context, capacity building and updating bylaws. The MoH approved regulations requiring hospitals to begin reporting on acute care hospitalization cases based on Australian Classification of Health Interventions (ACHI) and ICD-10 starting in January 2014.

Since June 2017, HIF, MoH and IPH started with piloting of DRG payment system in 14 hospitals with continual analysis and consultations with key stakeholders. Piloting process comprehended changes in reporting and e-invoicing systems, as well as defining of initial framework for parallel budgeting and national costing. Based on pilot results from January 2018 HIF have been started with additional payments for hospitals of pilot hospitals according to their DRG performances.

In 2019, a new model of payment was introduced for 57 acute care hospitals with defined quality indicators, which accounts for 5% of the hospital's total budget. About 60% of hospitals failed to perform in 2019. Piloting is planned for budget management and transition from line budget to program budget in **2021**.

## **Objectives of the Assignment**

The MoH has set many business objectives for 2020 and beyond which ultimately increases the pressure on management and staff to improve performances and deliver a better service. To help with this the MoH is seeking assistance from professional training provider that has highly qualified staff that provide good quality training that is relevant to modern workplace where standards of performance and service are expected. It is expected that the attendance of the hospital managers at such courses shall provide increased skills and knowledge levels required to improve the quality of healthcare management.

## **Description of the Assignment**

The training should be delivered to 180 hospital managers that are approved by the MoH. Training courses will be organized into a 6-hour training day and given in a period of six (6) days divided in two modules of 3 sequential days. Number of participants per training should be up to fifteen (15) people.

Considering the COVID-19 pandemic situation, the consultant should offer an alternative to the face-to-face training to allow remote training (e.g. e-learning, web-based training) without reducing the volume and the quality of the training.



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The overall training objectives are development of managerial and leadership competencies of hospital managers. The training has to include the following:

- ❖ the principles of the new hospital financing model (payment according to DRG, payment model for non-acute hospital care, planning of hospital services, hospital budget allocation, creation and amendment to the service contract with the NHIF);
- ❖ the basic principles of management. It should include: role of managers, performance management, business planning, team building, communications skills, HR management, motivational skills, conflict management, time management;
- ❖ the basic principles of health management. It should include DRG payment, payment for performance models, hospital budgeting;
- ❖ the basic principles of finance management;
- ❖ the design tools of hospital budgeting with exercise;
- ❖ the basic principles of the Cost centre accounting; and
- ❖ incentive mechanisms for hospital professionals with best practices from EU hospitals.

### **Scope of work**

The Consultant shall:

- Develop curricula for the above training and have these approved by the MoH and the Project team in advance of training;
- Prepare a detailed training schedule and agree with the MoH and the Project team on its implementation;
- Prepare all training materials in English and Serbian and have these approved by the MoH and the Project team in advance of training;
- Ensure proactive approach throughout the training;
- Develop Training Manual for continuous learning and reinforcement to be provided to each trainee;
- Deliver the training with appropriate support available on all working days;
- Provide successful trainees with certificates;
- Carry out an objective assessment of the training delivered each day to the MoH and the Project team;
- Provide any further feedback requested by the MoH and the Project team;
- Use findings from assessments to determine any changes or improvements required for future training to be delivered and eventually implement these in conjunction with the MoH and the Project team;
- Compile report after each module (3 days of the training), which must include a detailed report of all involved trainers, as well as comments and evaluation by the trainees. If the results of the evaluation require, the consultant should make a proposal to improve the second training module as part of the report. Report shall be in both electronic and written format in Serbian and English language.
- Compile a detailed training report after the completion of each training (consisting of two modules). In addition to showing the implementation and evaluation of the full training by each trainer and trainee involved, the report should contain recommendations for further



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improvement of the following trainings, especially if the evaluation and comments require that. Report shall be in both electronic and written format in Serbian and English language.

### **Language**

Training will be delivered in Serbian language. If necessary simultaneous translation to Serbian language has to be provided.

### **Costs**

The consultant bears all costs related to the organization and implementation of the training, including refreshments and lunch breaks for participants, except accommodation for participants that will be paid from the Project funds.

### **Venue**

If the epidemiological situation with COVID-19 is stable, the locations where training shall take place shall mainly comprise Belgrade, Novi Sad, Nis and possible one or two other locations as the need arises. All expenses incurred by the consultant in delivering training at these locations are the responsibility of the consultant.

### **Duration of the assignment**

The above assignment is expected to take a period of up to 12 months to complete, with the possibility of extension depending on successful delivery of high quality training and satisfaction of the MoH and the Project Team.

### **Reporting requirements**

- (1) **Inception Report** must be submitted a month after the signing of contract and will include a detailed work plan, some of training material and training schedule, description of the approach and methodology applied, and the timeframe. The Inception Report is approved by the MoH and the Project team.
- (2) **Training Reports** must consist of a detailed report about preparation and implementation of each training. Also, they must include comments, assessments and evaluation by each trainer and trainee involved. If the results of the evaluation require, the consultant should make a proposal to improve the further trainings. In conjunction with the findings from the assessments and evaluation, the MoH and the Project team will determine if any changes or improvements are required for future training to be delivered. Consultant will implement these changes.
- (3) **Final Report** must be submitted within 7 days from the completion of trainings, listing all the tasks laid out in the Terms of Reference and describing the process of their implementation. The Final Report is approved by the MoH. The Final Report will contain the following:



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- Report on the trainings delivered with the detailed description of involvement of the Consultant's staff;
  - Training materials provided to the candidates (one copy in electronic and printed form in English and Serbian);
  - Training Manual for continuous learning and reinforcement;
  - Copy and summary of all assessments received after each training program in separate Annex to report;
  - The training attendance record;

All Reports must be available in both Serbian and English.

### **Qualifications and Requirements**

The Consultant shall provide a detailed history of its experience in designing, developing and implementing training for managers and employees with the aim to raise standards of performance and service, over the past 5 years with appropriate references. The Consultant is expected to propose a team of qualified trainers, capable of delivering the above service. CVs of all trainers must be submitted for approval to the satisfaction of the MoH and the Project team.

#### **The Key Experts proposed by the consultant shall be:**

##### **Team leader, management and business administration specialist:**

1. university degree or master's degree in the field of economics, management and business administration or in another relevant field;
2. minimum five (5) years of work experience in activities related to the management and business administration;
3. minimum five (5) years of relevant professional work experience in senior positions;
4. minimum three (3) years of practical experience in organizing and delivering training;
5. experience in similar projects in the Western Europe, Central or Eastern Europe and the Western Balkans countries is considered an advantage; and
6. excellent English language skills.

##### **Health management specialist:**

1. university degree or master's degree in health management, economics, management and business administration, medicine, or in another relevant field;
2. minimum five (5) years of relevant professional work experience;
3. minimum three (3) years of practical experience in delivering training;



4. experience in similar projects in the Western Europe, Central or Eastern Europe and the Western Balkans countries is considered an advantage; and
5. excellent English language skills.

**Health economics specialist:**

1. university degree or master's degree in health management, economics, management and business administration, medicine or in another relevant field;
2. minimum five (5) years of relevant professional work experience;
3. minimum five (3) years of practical experience in delivering training;
4. experience in similar projects in the Western Europe, Central or Eastern Europe and the Western Balkans countries is considered an advantage; and
5. excellent English language skills

**Financial management specialist:**

1. university degree or master's degree in management, economics, management and business administration or in another relevant field;
2. minimum five (5) years of relevant professional work experience;
3. minimum three (3) years of practical experience in delivering training;
4. experience in similar projects in the Western Europe, Central or Eastern Europe and the Western Balkans countries is considered an advantage; and
5. excellent English language skills.

**Diagnosis-Related Groups (DRG) specialist:**

1. university degree or master's degree in the field of economics, public health management, medicine, or in another relevant field;
2. minimum five (5) years of work experience in implementation of financing systems based on DRG and addressing issues arising in implementation of DRGs in hospitals;
3. practical experience in implementation of Australian DRG classification systems;
4. minimum three (3) years of practical experience in delivering training;
5. experience in similar projects in the Western Europe, Central or Eastern Europe and the Western Balkans countries is considered an advantage
6. excellent English language skills.