



**ANNUAL  
REPORT  
2018**

**REPUBLIC OF KOSOVO  
HEALTH INSURANCE FUND**

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### List of abbreviations

HIF	Health Insurance Fund
LD	Legal Division
DFGS	Department of Finance and General Services
DHIS	Department of Health Information System
DPS	Department of Pharmaceutical Services
DTOPHI	Division for Treatment outside Public Health Institutions
PD	Personnel Division
MTEF	Medium Term Expenditure Framework
KCCGP	Kosovo Council for Clinical Guidelines and Protocols
MOF	Ministry of Finance
MOH	Ministry of Health
HUCSK	Hospital and University Clinical Service of Kosovo
ICD	International Classification of Diseases
MFMC	Main Family Medicine Centre
KIPA	Kosovo Institute of Public Administration
GIC	German Institute for Cooperation
WB	World Bank
KHPCU	Kosovo Health Project Coordination Unit
EML	Essential Medicines List

FIS	Fund Information System
KPI	Key performance indicators

### Opening Speech of the Chairman of the Board of Directors

Dear,

I am pleased to present the Annual Report for the year 2018, which is at the same time the Fund's first report Health Insurance.

Based on the mandate provided by the Law on Health Insurance Nr. 04 / L-249, and with the Statute of the Fund of Health Insurance, the Governing Board has overseen the activity of the Fund, has reviewed and approved regular reports, provided transparency and has ensured that control systems internally comply with the principles of Management of Public Finance in the Public Sector.

The year 2018 marked a turning point in the straight path functionalization of the health insurance system, with the sole purpose of “Realizing the rights of citizens of the Republic of Kosovo for protection of their health ”.

The Fund has managed to consolidate within this year in terms of its governing bodies by appointing the Managing Board and selecting the Director of the Fund.

All preparations for an efficient health insurance system are ongoing

in order to establish a solid foundation that will ensure that all insured citizens have timely access to health services.

Despite all the achievements so far, our focus is to create an institution that, through the services provided, strengthens citizens' sense of security about the Fund's potential to cover the costs of their health problems.



“Creating a credible institution that with its potential assures citizens that it will cover all costs for their health problems”

At the end let me thank the Minister of Health, the Members of the Board of Directors, the Director of the Fund and all other stakeholders who contributed to the successes achieved this year in the interest of achieving our objectives.

I believe this report will provide sufficient information on our achievements during 2018, as well as our strategic objectives for the years ahead.

Prishtina, 31 march 2019

Naim Bardiqi                      [Signed]

**Dear Chairman, Honorable Board Members**

**Heads of the Health Insurance Fund**

Since assuming the position of Director of the Health Insurance Fund, I am pleased to report a series of successes towards the achievement of our goals of "operationalizing the Fund".

The 2018 Annual Report presents how I have used the resources entrusted to me, as well as comparing it with previous budget years and outlines steps to be taken in the future to address the challenges faced.

Fund developments within 2018, with some of the professional positions recruited, either through the Kosovo Health Project and those with the Kosovo Budget, have helped in the process of our mission towards the functioning of the Fund, namely the creation of a credible institution, which ensures universal access of Kosovo citizens to quality healthcare services.

In addition to investing in professional staff, we have provided ongoing professional training, including basic and advanced training. The trainings are mainly organized by international staff with long experience in the field of health insurance.

During the reporting period, the Fund has also increased cooperation with stakeholders, both at home and abroad, to capitalize on their experiences of establishing a more sustainable premium collection system and covering health costs.



“Creating a credible institution that ensures equal treatment of insured persons and their needs are resolved in a timely, good quality and cost-effective manner”

The report is structured in six sections and reflects all the activities undertaken by the Director and the Board, outlining the strategic goals and achievements of the Fund, continuing with other sections reflecting the current governance, objectives and structure of the Fund. With all the achievements so far, our focus is

to create an institution that, through the services provided, strengthens citizens' sense of security about the Fund's potential to cover the costs of their health problems.

To this end, I am continuing to consolidate a strong team of Executive Managers, with whom we will develop a development strategy that will serve as a new era in leadership with a pro-active approach to change. In the end let me thank the Governing Board, the Fund Staff and all other stakeholders who contributed to the successes achieved this year in the interest of achieving our objectives.

Prishtina, 31 march 2019

Fatmir Plakiqi [Signed]

Director of the Health Insurance Fund

## Members of the Governing Board



**Naim Bardiqi**

Chairman of the Steering Board of the HIF,  
Secretary General of the Ministry of Health



**Xhevat Zejnullahu**

Member of the Board of Directors,  
representative of the Ministry of  
Finance Deputy General Director  
of the Treasury, Ministry of Finance

**Izedin Bytyqi**

Member of the Governing Board, representative  
from the Ministry of Labor and Social Welfare  
Secretary General in the Ministry of Labor  
and Welfare



**Rrezart Halili**

Member of the Board of Directors,  
representative of the Chambers of Health  
Professionals  
Family Medicine Specialist - MFMC  
Prishtina (Acting Deputy  
Director) Vice President of the Kosovo  
Doctors' Chamber



**Murat Berisha**  
ICE FUND



Member of the Board of Directors  
HUCSK  
Specialist, Children Surgeon

**Naim Ismaili**

Member of the Board of Directors,  
representative of the Kosovo  
Municipalities Agency – KMA  
Mayor of Shtime



**Muhamedin Kodra**

Member of the Board of Directors,  
representative of the Patient Association  
Member of the Association for Patients' Rights  
in Kosovo – PRAK

Law no. 04 / L-249 of Health Insurance, approved by the Assembly of Kosovo on 10 April 2014, provided the legal basis for public health insurance in the Republic of Kosovo.

The Health Insurance Fund (Fund) is a public institution of special interest, with legal autonomy of the legal person, with special rights, obligations, responsibilities and authorizations for the implementation of this law. The Fund is authorized to determine the rights and obligations of the insured in relation to compulsory health insurance, as well as to establish a list of basic health care services.

The year 2018 marked a turning point in the path towards the functionalization of the health insurance system, with the sole purpose of "Realizing the rights of the citizens of the Republic of Kosovo for their health protection".

Therefore, the Fund presents its first working report for 2018. This report summarizes the Fund's activities throughout 2018, which have been largely geared towards the functionality of health insurance. The report is structured in six sections and reflects all the activities undertaken by the Director and the Board, outlining the strategic goals and achievements of the Fund, continuing with other sections reflecting the current governance, objectives and structure of the Fund.

All preparations for an efficient health insurance system are ongoing with a view to establishing a solid foundation that will ensure that all insured citizens have timely access to health services.

Based on Law no. 04 / L-249 on Health Insurance, Government of the Republic of Kosovo, by Decision no. 11/42 dated 19.04.2018 appointed the Managing Board of the Fund.

The Board of Directors of the Fund held its first meeting (constitutive meeting) on 02.05.2018, at which meeting the Chairman of the Board and its secretariat were selected.

Based on the competencies defined by the Law on Health Insurance no. 04 / L-249, and with the Statute of the Fund, the Board of Directors supervised the activity of the Fund, reviewed and approved regular reports, ensured transparency and ensured that internal control systems were in compliance with the principles of Financial Management. Public in the public sector.

During 2018, the Board of Directors held a total of thirteen (14) regular meetings in which the following decisions, conclusions and recommendations were issued:

- Recruitment procedures (competition, interview and evaluation) and appointment of the Director of the Fund on 05.07.2018;
- Issuing a recommendation to the Minister of Health for the Fund to be allocated as a separate Budget Organization;
- Approving the criteria for the Fund's logo and continuing the procedures for its selection;
- Approval of the Fund's six (6) month performance report;
- Approval of the quarterly activity plan (October - December 2018);
- Reviewing and contributing to the Fund's annual plan for 2019;
- At Approval of the Disciplinary Responsibilities Regulation for the Fund staff; and
- Adoption of a code of ethics.

The Board of Directors of the Fund remains committed to the full realization of the duties and responsibilities set out in the Law on Health Insurance no. 04 / L-249 and the Statute of the Health Insurance Fund

### Vision, mission and values



#### Vision

Creating a sense of security among citizens about the Fund's potential to cover all costs for their problems health.

#### Mission

The mission of the Health Insurance Fund is to be a credible institution that ensures universal access of citizens and residents of the Republic of Kosovo to quality basic health care services, with the aim of improving health indicators and providing financial protection against impoverishment. high spending on health care through the establishment and regulation of the public health insurance system.



## **Basic Values of the Health Insurance Fund**

**Goals** - We aim to have continuous and sustainable development, relying on competent and results-oriented staff;

**Reliability** - Being trustworthy, open and approachable. Decision-making is transparent and attentive to others; and

**Collaboration** - We create an atmosphere of trust within our institution and in relationships with our partners and clients.

## **Strategic goals and achievements during 2018**

The annual report of the Fund in a structured way presents all activities carried out during 2018 as well as strategic goals (objectives and activities) until the full functioning of the Health Insurance Fund. To be as transparent as possible we have disclosed sufficient details of all activities carried out vis-à-vis delegated tasks and responsibilities.

The results achieved cover the organizational, legislative, and contractual aspects.

**Organizational aspect** - Administrative bodies were operational during 2018. The Board was established in April 2018 and after three (3) months respectively July 2018 has been appointed Director of the Fund.

The Fund's capacities have also been increased by professional staff, hiring five (5) experts through the Kosovo Health Project, which cover important areas, including finance, legislation and information technology. In addition, two (2) other experts are expected to be recruited to cover the area of communication and budgeting.

**Legislation** - The Health Insurance Law is in the process of being amended / amended, and is expected to be approved in 2019. Additional additions / changes are required for the normal operation of the Fund's activities.

In terms of secondary legislation, the Administrative Instruction on the pricing of medicines and medical devices has been finalized, and the Administrative Instruction on the eligibility criteria for premiums, co-payments and other payments for health services has been drafted. In addition, the responsible committee drafted and submitted the list of basic services with test prices, and the reporting forms were finalized by all health institutions in the Fund.

**Contracting** - the contracted and remaining activities in process are as follows:

- A tender dossier for the Fund's Information System has been announced which will include the e-prescription and the contract is expected to be signed in the first half of 2019;
- The contract has been signed with the company to assist in the implementation of the outpatient drug scheme;
- The company has been selected to support us in "Implementing and Developing Fund Communication as well as Primary Health Level"; and
- The fund is expected to soon sign a partnership activity with the German Public Fund.

**Strategic goals for the future will be oriented to:**

- Effective, transparent and accountable governance;
- Preparation of the five (5) year strategic plan, health sector financing plan proposal, annual work plan for 2020;
- Identifying the needs for supplementing / amending the legal and sub-legal acts;
- Development and implementation of Fund Information Systems;
- Collaboration with the Hospital and University Clinical Service of Kosovo (HUCSK) and other health care institutions;
- Proposal of Health Sector Financing Scheme;
- Effective management of medical treatments outside Public Health Institutions;
- Increasing cooperation with other local institutions as well as with international partners;
- Capacity building of human resources and continuing professional education;
- Fulfilling the prerequisites for contracting services and starting the collection of premiums;
- Preparation and finalization of the list of out-of-hospital drugs (at prices) to be paid by the Fund;
- Informing the public through information campaigns; and
- Securing the location / commencement of construction of the Health Insurance Fund facility

**1. Internal control system**

The Fund is in the process of establishing a governance system including the processes, structures and actions implemented to enable the overall goals to be achieved – results intended for citizens.

Revised processes within the Fund enable effective controls to address risks and provide reasonable assurance regarding the achievement of results in the realization of objectives of the Fund.

Measuring indicators for establishing a good governance system are strategic planning, legislation, communication and reporting, as well as review / audit of internal and external audit processes.

**1.1. Strategic planning**

In November 2016, the Ministry of Health (MoH) drafted the Health Sector Strategy for the financial years 2017-2021. Within it are foreseen three (3) strategic objectives, such as:

- Maintaining and advancing health;
- Providing Sustainable Health Financing; and
- Reorganization of the Health Sector

The second objective “Providing Sustainable Health Financing” is the strategic objective that should be achieved by the Fund. This objective is then broken down into three (3) specific objectives, such as:

- Reorganizing health financing;
- Involvement of the population in compulsory health insurance; and
- Providing accessible and equitable health services.

In order to achieve the strategic objectives, the Fund has drafted the Annual Plan for 2019 which sets out in a structured way all the objectives and activities towards the full functioning of the Fund, as defined by Law 04L / 249 on Health Insurance.

The planning of objectives and activities is done taking into account all the resources available to the Health Insurance Fund, including human and financial resources.

This pre-finalization plan has been discussed with all stakeholders who are related or assist in the process of making the Fund operational.

Implementation of this plan will contribute to the realization of the mission of the Fund, “Ensuring universal access of citizens and residents of the Republic of Kosovo to quality services. of basic health care, with the aim of improving health indicators and providing financial protection against impoverishment due to high health care costs through the establishment and regulation of a public health insurance system ”.

## **1.2. Legislation**

Law no. 04 / L-249 of Health Insurance, approved by the Assembly of Kosovo on 10 April 2014, provided the legal basis for public health insurance in the Republic of Kosovo.

Subsequently, on December 08, 2016, the Government of Kosovo issued the Statute of the Health Insurance Fund which defined the organization, rights, duties, responsibilities and manner of performing the activity, according to this law.

The Fund is a public institution of special interest, with legal autonomy of the legal person, with special rights, obligations, responsibilities and authorizations for the implementation of this law. The Fund is authorized to determine the rights and obligations of the insured in relation to compulsory health insurance, as well as to establish a list of basic health care services.

The legal division within the main objectives was the implementation of the 2018 Government Legislative Program and the 2018 Legislative Plan of the scope of the Fund in cooperation with the MoH.

The main focus has been on professional support in drafting primary and secondary legislation. In this regard, priority has been given to the Draft Law on Amending the Law (No. 04 / L-239) on Health Insurance where during 2018 the Legal Division has participated in several Working Group meetings assisting it both in administrative and technical terms, as well as professionally.

The Legal Division has also assisted in completing the procedures of drafting the Administrative Instruction on the Price Regulation of Medical Products and Devices, and was also the Annual Report - in the process of drafting the Administrative Instruction on Released Categories from Premium payments and other co-payments.

Furthermore, in cooperation with the Ministry of Health and the Ministry of Justice, necessary clarifications have been provided to the State Attorney on cases pending litigation before the competent courts.

The Legal Division has also been involved in drafting a number of internal legal acts of the Fund, within the Quarterly Plan (Q4 2018), which carry significant significance.

Consequently, by the end of 2018 the Legal Division has drafted the following normative acts:

- Fund Code of Ethics (approved by the Board);
- Draft Regulation on Disciplinary Procedure (approved by the Governing Board);
- Draft Regulation on Wages and Salaries for Employees (in the process of finalization); and
- Draft Regulation on Performance Evaluation (in the process of finalization).

### **1.3. Communication and reporting**

The Ministry of Health in March 2017 has drafted the communication strategy for Health Insurance for the years 2017-2021. The purpose of this strategy is to assist all parties in health reform through integrated and mutual communication in providing and receiving information in a timely manner.

In order to have good planning, to oversee activities on a regular basis and to enable effective decision making, management needs to have regular reports. Accountability as a process is the acceptance of responsibilities, holding people accountable for their actions and disclosing results transparently.

The Fund has built effective communication with employees, providing opportunities for each employee to express themselves openly both at the hierarchical level and within departments on issues related to the nature of their work.

The Director of the Fund holds regular meetings with department heads to discuss and report on operational activities carried out as well as activities planned for the forthcoming period. Afterwards, heads of departments hold meetings with their staff who are briefed on key issues related to the institution.

Further, the Fund in its Work Plan for 2019 has drafted a specific objective for the review of the current strategy that will contribute to the development of communication and relationships with public that will serve the purpose of informing the public through information campaigns that are expected to provide increased public confidence

### **1.4. Internal Audit System**

The Internal Audit Unit (IAU) was established at the beginning of October 2018, with the recruitment of the head of this unit. During this short period of time the Unit Statute, Code of Ethics, Strategic Plan of the Unit for the period of three (3) years, as well as the Annual Audit Plan for 2019 have been prepared.

The annual plan is comprehensive reflecting the potential financial and operational risks within the Fund and provides a sufficient basis to provide assurance on the effectiveness of internal controls.

This plan covers areas that are exposed to many risks such as:

- Medical treatments outside Public Health Institutions;
- Finance and General Services;
- Personnel; and
- Pharmaceutical services.

External audit for 2018 is underway by the National Audit Office. During 2018, the Fund was an integral part of the Ministry of Health and therefore the statement of revenue and expenditure of the Fund will be within the audit report of the Ministry's annual financial statements. The report is expected to be completed within the period by June 30, 2019.

## **2. Budget execution report**

## 2.1. Human resources

Human resources have created a new approach to human resource management. Their main focus is on professional development of human capacities, where through the continuous professional development of employees we aim to strengthen the competence of staff in their professional work.

During 2018, 12 employees were recruited, reaching 36 employees at the end of 2018. Of these:

- Within the Office of the Director of the Fund - 4 employees;
- Department of Health Services - 5 employees;
- Department of Pharmaceutical Services - 6 employees;
- Department of Finance and General Services - 15 employees;
- Department of Information Systems Management - 1 employee;
- Legal Division - 3 employees;
- Procurement Division - 1 employee; and
- Internal Audit Unit - 1 employee.

In addition, five (5) staff are engaged through the Kosovo Health Project (KHP), covering the field of finance, legislation and IT.

During 2018, all staff of the Fund have been provided with basic and professional training to ensure their continued professional development. In addition to the maintenance of physical personnel files, an electronic system of personnel files has also been established.

Further, the annual training plan for 2019 was drafted, on the basis of which basic and advanced training is planned. The purpose of these trainings is for the staff of the Fund to maintain knowledge of business processes as well as to enhance professional knowledge (competences) through participation in vocational training, workshops, etc.

## 2.2. Financial management

The Health Insurance Fund during 2018 operated within the Ministry of Health (Organizational Code 206) with 3 (three) sub programs:

- Administrative Administrative-Logistic Support Services - Program 71900;
- Treatment Outside Public Health Institutions - Program 71600; and
- Performance Incentives for Professional Personnel - Program 78800.

### 2.2.1. Expenditure in relation to initial and final budget

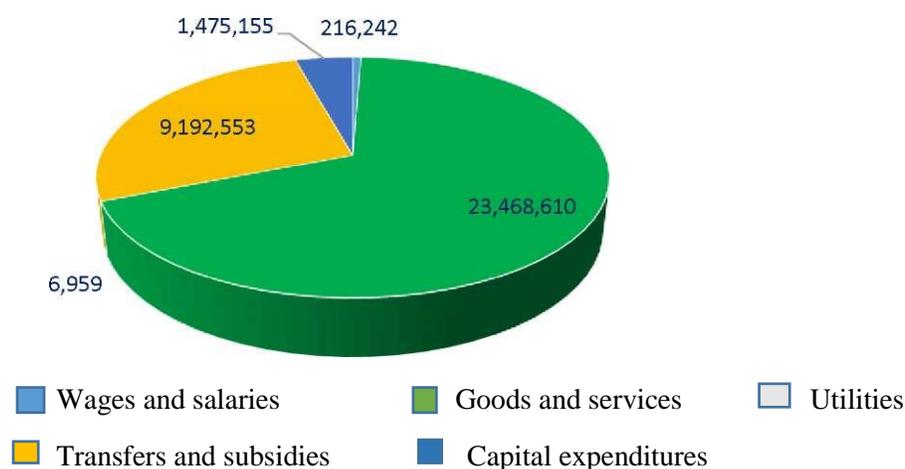
With the Law on Budget no. 06 / L-020 for 2018, the initial approved budget was € 34,225,919, but after budget changes, the final budget increased by € 2,450,897, reaching € 36,676,816. Out of them € 34,359,519 was spent during 2018, or 94% of the final budget.

The Fund during 2018 has established a good payment system in full compliance with Treasury rules, ranging from contracting to their execution. Each invoice received is first protocolled and then paid within the legal deadlines. For all unpaid bills a separate record is kept which are regularly reported to the MoH (for each month), which are subsequently consolidated and reported to the Ministry of Finance.

Table no. Budget in relation to expenditure for 2018

Designation	Initial budget	Final budget	Expenditures 2018	Expenditures in %
Wages and salaries	158,622	216,242	216,242	100%
Goods and services	22,831,097	25,466,097	23,468,610	92%
Utilities	3,200	8,231	6,959	85%
Transfers and Subsidies	6,000,000	9,500,000	9,192,553	97%
Capital expenditures	5,233,000	1,486,246	1,475,155	99%
<b>Total</b>	<b>34,225,919</b>	<b>36,676,816</b>	<b>34,359,519</b>	<b>94%</b>

Figure no. 1. Expenditures by economic category



The performance of budgetary changes and expenditure execution for all economic categories is as follows:

- **Wages and Salaries** - The initial approved budget was € 158,622, but in the final budget this category was increased to € 216,242. At the end of the year the budget was € 216,242, or expressed as a percentage at 100%;
- **Goods and Services** - The initial budget approved for this category was 22,831,097, but by decisions this budget was increased by € 2,635,000, increasing the value of the final budget to € 25,466,097. The final budget spent was € 23,468,610, or 92%;

- **Utilities** - The initial budget approved for this category was € 3,200, but the final budget increased to € 8,231. The budget executed at the end of the year for this economic category was 6,959, or expressed as a percentage of 85%;
- **Subsidies and Transfers** - The initial budget approved for this category was € 6,000,000, but the final budget increased by € 3,500,000, increasing the value of the final budget to € 9,500,000. The final budget spent was € 9,192,553, or 97%; and
- **Capital Expenditures**: The initial approved budget was € 5,233,000, but with the final budget this category was reduced by € 3,746,754 (the final situation for the construction of the hospital in Ferizaj and equipment for the hospitals) falling to € 1,486,246. The budget in this category was spent in the amount of € 1,475,155, or 99%.

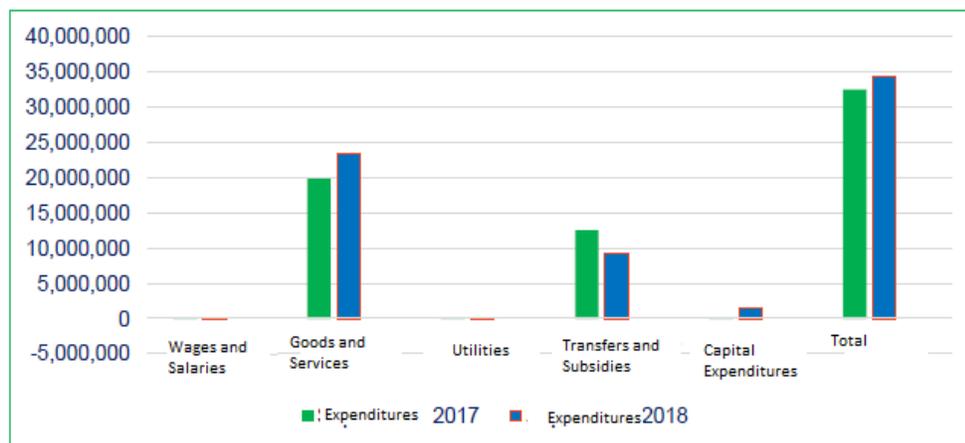
### 2.2.2. Expenses of 2018 in relation to those of 2017

Table no.2. Increase in 2018 spending compared to 2017

<b>Designation</b>	<b>Expenditures 2017</b>	<b>Expenditures 2018</b>	<b>Difference</b>	<b>Difference in %</b>
Wages and salaries	126,793	216,242	89,449	41%
Goods and services	19,835,861	23,468,610	3,632,749	15%
Utilities	194	6,959	6,765	97%
Transfers and subsidies	12,557,552	9,192,553	3,364,999	-37%
Capital expenditures	5,180	1,475,155	1,469,975	100%
<b>Total</b>	<b>32,525,580</b>	<b>34,359,519</b>	<b>1,833,939</b>	<b>5%</b>

The table above shows that spending for 2018 increased by 5% compared to 2017. There was an increase in expenditures excluding transfers and subsidies in which economic expenditures were lower by 37%. Although in this category the liabilities were doubled compared to the previous year. For more details this is disclosed in the following chapters, especially the subchapter, Medical Treatments outside Public Health Institutions.

Figure no.2. Expenditure by economic category



### 2.2.3. Wages and Salaries Expenses 2018 in relation to 2017

Table no.3. Wages and Salaries Expenses for 2018 compared to 2017

Expenses for Wages and Salaries in 2018 increased by € 89,449, or by 71% compared to those in 2017. In the following table we have disclosed expenditures according to economic codes.

Table no.3. Increase in 2018 spending compared to 2017

Economic code	Description	2017	2018	Increase in %
11110	Net wages through payroll	107,564	183,782	71%
11115	Payment for unions	159	111	-30%
11500	Personal income tax	6,993	11,753	68%
11600	Pension contribution - worker	6,038	10,297	71%
11700	Pension contribution - employer	6,038	10,297	71%
<b>Total</b>		<b>126,793</b>	<b>216,242</b>	<b>71%</b>

### 2.2.4. Goods and services, as well as utilities 2018 in relation to 2017

Expenditures for Goods and Services and Utilities in 2018 increased by € 3,639,394, or by 18% compared to 2017. Expenditure increases are mainly related to medical supplies, while other expenditures remain approximately at the same level, except that different economic codes have been used for some of the same expenses.

In the following table we have disclosed expenditures by economic codes.

Table no.4. Goods and services, as well as utilities of 2018 in relation to those of 2017

<b>Economic code</b>	<b>Description</b>	<b>2017</b>	<b>2018</b>	<b>Increase in %</b>
13140 - 13143	Exp. for official trips abroad	38,970	18,934	-51%
13210	Electricity	-	4,838	100%
13220	Water	-	75	100%
13250	Telephone costs	194	21	-89%
13260	Payment-court decisions	-	2,025	100%
13320	Mobile phone costs	2,617	3,960	51%
13410	Education training services	36,675	3,200	-91%
13440	Various serv.intel.& advising	8,605		-
				100%
13460	Other contracting services	190,167	128,084	-33%
13470	Technical Services	-	242	100%
13502	Phones (less than 1000 euros)	1,437		-
				100%
13503	Computers with less than 1000 euros	12,207		-
				100%
13509	Other equipment <1000	71	505	614%
13610	Office supplies	11,086	122	-99%
13620	Supplies food & drinks (excl. official lunches)		715	100%
13630	Medical supplies	19,521,402	23,026,099	18%
13650	Supply of clothing	1,194		-
				100%
13780	Car fuel	887	1,263	42%
13820	Advance for official trips	2,873		-
				100%
13950	Vehicle registration	905	75	-92%
13951	Vehicle insurance	-	161	100%
13952	The municipal tax of the vehicle reg.	-	85	100%
14010	Maintenance repair of vehicles	1,081	14	-99%

14020	Maintenance of buildings	-	2,986	100%
14110	Rent for buildings	-	58,548	100%
14210	Advertisements and vacancies	2,103	1,902	-10%
14220	Publishing of publications	1,898		-
14310	Official dinners	1,803	1,251	-31%
14410	Costs-decisions of the courts	-	24,155	100%
14420	Payments-article 39.2 lmfpp	-	196,309	100%
	<b>jTotal</b>	<b>19,836,055</b>	<b>23,475,569</b>	<b>18%</b>

### 2.2.5. Subsidies and Transfers 2018 in relation to 2017

Expenditures for subsidies and transfers in 2018 decreased by € 3,357,959, or by 27% compared to 2017. Expenditure reductions are not related to increased liabilities in this category. For more details this is disclosed in the chapter, Providing Health Services.

Table no.5. Subsidies and Transfers of 2018 in relation to those of 2017

Economic code	Description	2017	2018	Increase in %
21110	Subsidies for public entities	12,557,552	9,192,553	-27%
	<b>Total</b>	<b>12,557,552</b>	<b>9,192,553</b>	<b>-27%</b>

### 2.2.6. 2018 capital expenditures compared to 2017

Capital expenditure in 2018 increased by € 1,469,975, compared to 2017.

In the following table we have disclosed expenditures by economic codes.

Table no.6. Capital expenditures of 2018 compared to those of 2017

Economic code	Description	2017	2018
---------------	-------------	------	------

31122	Health facilities	-	1,475,155
31660	Special medical equipment	5,180	-
	<b>Total</b>	<b>5,180</b>	<b>1,475,155</b>

### 2.3. Wealth management

Non-financial assets of the Fund (Capital and non-capital assets) amount to € 1,569,146 net of which € 1,565,002 were acquired in 2018 (capital asset in the amount of € 1,475,155 includes the construction of a regional hospital in Ferizaj, while non-capital assets in value € 89,847, including purchases of inventory and equipment for the Fund's needs, financed by WB borrowing).

At the end of the year, an asset inventory committee was established which, after the process of physical identification / counting of the assets, drafted a report that was compared to asset reports to identify and eliminate the differences.

Following the allocation of the Fund as a budget organization in early 2019, it is planned to be receipt and submission of assets, and then recording the assets of the Fund in its accounting records.

### 2.4. Obligation Management

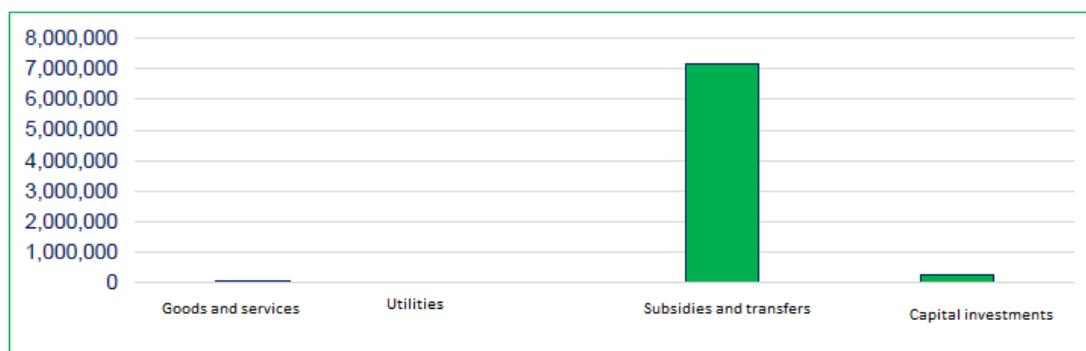
During 2018, the Fund established a good payment system in full compliance with Treasury rules, ranging from contracting to their execution. Each invoice received is initially protocolled and paid within the legal deadlines. For all unpaid bills a separate record is kept which is regularly reported to the MoH (for each month), which is subsequently consolidated and reported to the Ministry of Finance.

Despite this regular payment process, a significant amount of liabilities have remained outstanding. At the end of 2018 they were worth € 7,503,432, or by € 3,524,155 higher compared to 2017 (at the end of 2017 the Fund's liabilities were € 3,979,277).

Table no.7. Obligations outstanding as of December 31, 2018

Economic categories	Obligations on 31 december 2018	Obligations in %
Goods and services	56,854	0.76%
Utilities	4,355	0.06%
Subsidies and Transfers	7,170,229	95.56%
Capital Investments	271,994	3.62%
<b>Total</b>	<b>7,503,432</b>	<b>100.00%</b>

Figure no.3. Obligations outstanding as of December 31, 2018



In addition to the obligations reported to the Ministry of Finance, the Fund also has some contingent liabilities.

During 2018, 39 appeals were made to the Fund, of which six (6) were approved, three (3) were remitted. Following this process, some of them have been sued by the Fund and these cases are expected to be dealt with in the coming years.

At the end of 2018 there were 20 lawsuits in total 164,091 € which are disclosed in the following table.

Table no. Contingent liabilities at the end of 2018

No.	Plaintiff	Respondent	Description	Value
1	R.B.K	MoH/FSSh	Compensation for treatment abroad	10,000
2	B.S.	MoH/FSSh	Compensation for treatment abroad	2,500
3	R.I.	MoH/FSSh	Compensation for treatment abroad	3,878
4	H.R.	MoH/FSSh	Compensation for treatment abroad	11,000
5	A.L.	MoH/FSSh	Execution procedure	8,000
6	R.B.	MoH/FSSh	Compensation for treatment abroad	900
7	U.C. shpk	MoH/FSSh	Execution procedure	36,798
8	R.H.M	MoH/FSSh	Execution procedure	6,380
9	M.D.	MoH/FSSh	Execution procedure	7,890
10	M.D.	MoH/FSSh	Execution procedure	2,180
11	E.H.	MoH/FSSh	Compensation for treatment abroad	6,000

12	Sh.T.	MoH/FSSh	Compensation for treatment abroad	4,000
13	Xh.H.	MoH/FSSh	Compensation for treatment abroad	3,000
14	I.I.	MoH/FSSh	Compensation for treatment abroad	8,000
15	A.Q.	MoH/FSSh	Execution procedure	4,800
16	B. A.	MoH/FSSh	Compensation for treatment abroad	8,500
17	"MT"	MoH/FSSh	Execution procedure	36,913
18	D.M.	MoH/FSSh	Execution procedure	2,615
19	"A. SHPK"	MoH/FSSh	Execution procedure	139
20	"A. SHPK"	MoH/FSSh	Execution procedure	598
Total				164,091

### 3. Supply with hospital drugs

#### 3.1. Providing pharmaceutical health services

In 2018, the Department of Pharmaceutical Services (DPS), through the Health Insurance Act, has introduced a new way of providing pharmaceutical health services, in providing Essential Medicines List products according to the needs of Health Institutions.

During 2018 the Department for Pharmaceutical Services has continuously cooperated with the Health Institutions whereby the following activities were carried out:

- Notifying and educating representatives of Health Institutions about new supply procedures, including the acceptance and approval of quarterly plans and action plans by Health Institutions;
- Contributing to the creation of a cooperative spirit with all stakeholders (pharmaceutical service providers; suppliers; MoH) in order to optimize outcomes in patient service delivery;
- Continuous and efficient communication with the responsible of Health Institutions in terms of rational spending of budget, continuous supply of medicines, quality of pharmaceutical services, etc .;
- Continuous communication with economic operators in order to deliver supplies in accordance with the contracting criteria;
- Acceptance and approval of emergency requests processed by Health Institutions upon request of Clinics / Wards for items for which there was a lack of contracts with the Fund, or significant delay in delivery, previously approved by the Executive Directors of Health Institutions;
- Registration of contracts (items) in the Contract Management System - As a result of the chaotic situation created by contract exceedances and non-functioning of the SMSF, from Q2-2018;
- The approval of the requirements of the Health Institutions is realized through the Contract Management System. Sheets are approved in accordance with Planning of HUCSK, (with modifications for emergency cases / requests; and
- Active participation in LBA product contracting activities as part of the committees in the opening / evaluation of relevant activities.

#### 3.2. Supplies of medicines

During 2018, the Fund supplied secondary and tertiary level healthcare institutions with medicines and consumables in the amount of 23,171,072€<sup>1</sup>. It should also be noted that HUCSK has been continuously supplied by the MoH, respectively the Division of Pharmacy (specific programs) as well as ongoing donations. Most of the expenditures in the amount of € 17,644,012, or about 76%, were made only for the University Clinical Center of Kosovo (UCCK), while the remaining € 5,527,060, or 24%, were made for regional hospitals.

In the following table and figure we can see in detail the budget expenditures in the ratio between UCCK and Regional Hospitals.

Table no.9. Expenses by hospital centers

Hospitals	Expenditures 2018	Difference in %
UCCK	17,644,012	76%
Hospital   Prizren	1,565,005	7%
Hospital   Peje	1,221,501	5%
Hospital   Gjakove	807,874	3%
Hospital   Gjilan	794,152	3%
Hospital   Mitrovice	505,550	2%
Hospital   Vushtrri	489,499	2%
Hospital   Ferizaj	143,479	1%
Total	23,171,072	100%

Figure no.4. UCCK expenditure in relation to regional hospitals

<sup>1</sup> In table no.4. Goods, services and utilities, medical supplies were presented in the amount of € 23,026,099, while in this chapter the supply of medicines and consumables was presented in the amount of € 23,171,072, with a difference of € 144,973. The change exists as hospitals may have been supplied but payments have not been made for the difference.

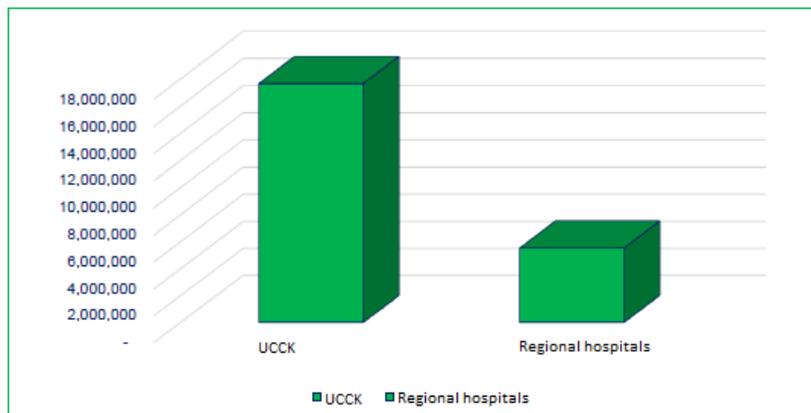
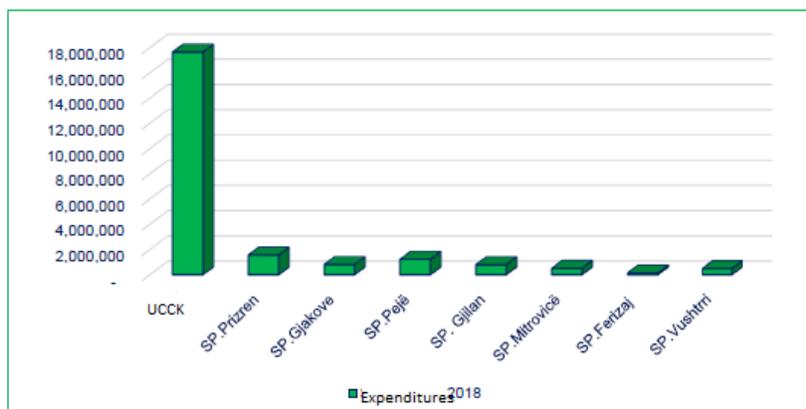


Figure no.5. Expenses by hospital centers



### 3.3. Costs for medicines

The fund has covered most of the hospital expenses, ie about 56% compared to their actual planning. Of these, drugs accounted for 62%, consumables 49% and cytostatics 57%.

Table no.10. Public Sector Expenditure Coverage (Fund)

Expenditures	% of Fund coverage
Medicines	62%
Expendable Material	49%
Cytostatic	57%
Total	56%

Figure no.6. Public Sector Expenditure Coverage (Fund)

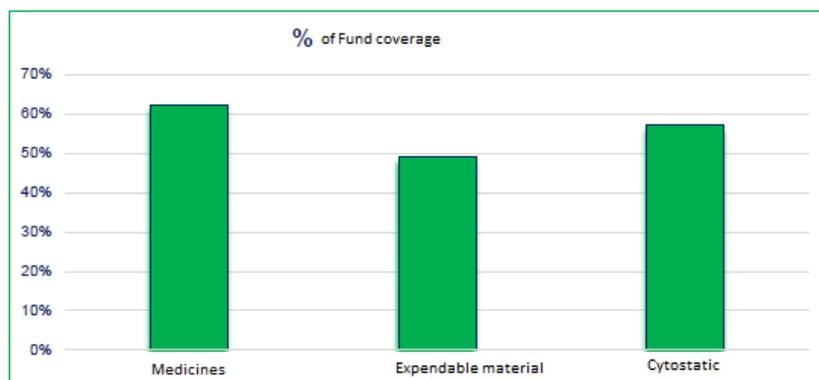
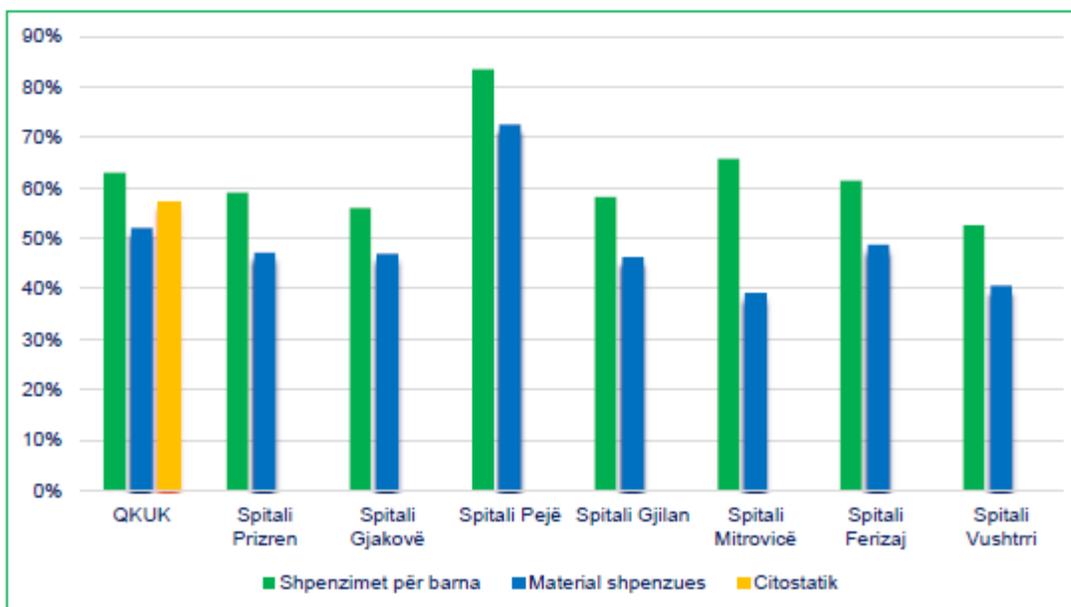


Table no.11. Coverage of expenses by hospital centers

Hospitals	Drug Costs	Citostatic	Expenditure Material
UÇCK	63%	52%	57%
Prizren Hospital	59%	47%	0%
Gjakova Hospital	56%	47%	0%
Peja Hospital	83%	73%	0%
Gjilan Hospital	58%	46%	0%
Mitrovica Hospital	66%	39%	0%
Ferizaj Hospital	61%	49%	0%
Vushtrri Hospital	53%	41%	0%
Average	62%	49%	7%

Figure no.7. Coverage of expenses by hospital centers



### 3.4. Contracting products

Compilation of the annual plan of contracting needs for medicines and consumables from the Essential Medicines List (EML) was made based on the needs / requirements analysis of Health Institutions, material priorities and opportunities. In accordance with the annual plan of contracting needs, requests have been made for the initiation of tendering and re-tendering procedures for medicines and consumables from the List of Essential Medicines, and in which case during the year 2018, 106 articles from the medicine section, 244 articles from the consumables section, and 20 items from the cytostatic section were contracted.

Table no.12. Items contracted from the List of Essential Medicines

No. Description	Amount
1 Medicines	106
2 Expendable material	244
3 Cytostatic	20
Total	370

Figure no.8. Items contracted from the List of Essential Medicines

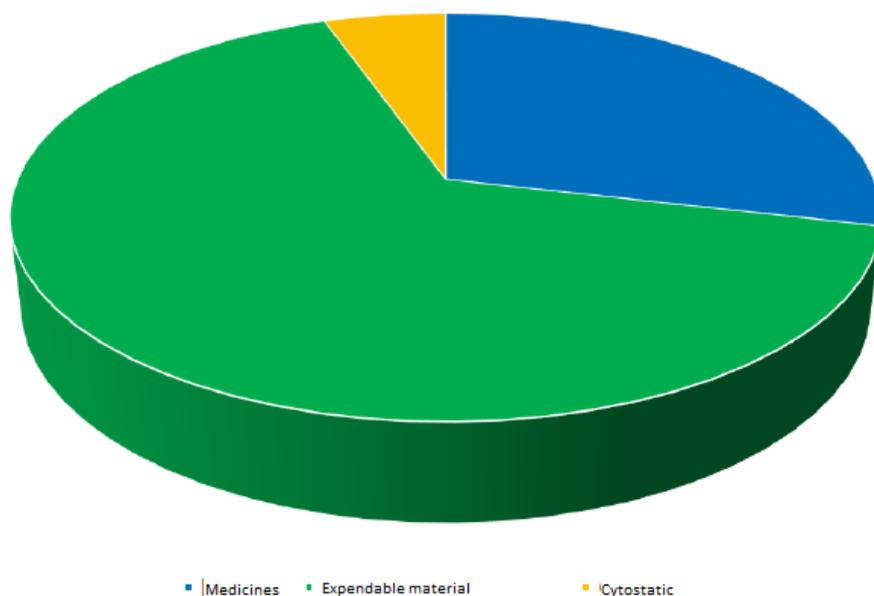
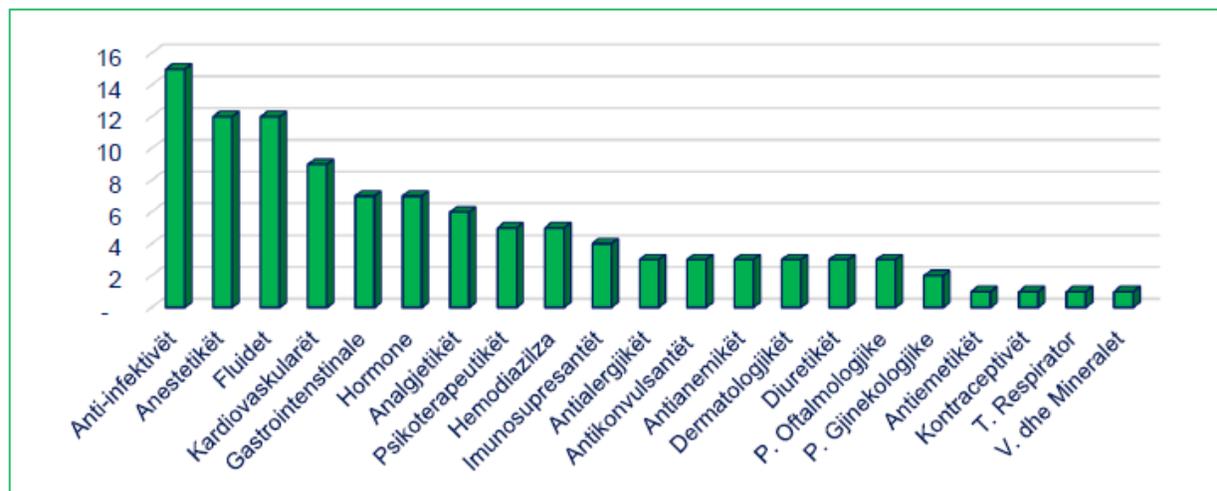


Table no. 13. Items contracted by pharmaceutical groups (Medicines)

No.	Description	Amount
1	Anti-infective	1
		5
2	Anesthetics	1
		2
3	Fluids	1
		2
4	Cardiovascular	9
5	Gastrointestinal	7
6	Hormones	7
7	Analgesic	6
8	Psychotherapeutic	5
9	Haemodialysis	5
10	Immunosuppressant	4
11	Antiallergic	3
12	Anticonvulsants	3
13	Antianemics	3
14	Dermatologic	3
15	Diuretic	3
16	P. Oftalmologic	3
17	P. Gyneacologic	2
18	Antiemetic	1
19	Contraceptiv	1
20	T. Respirator	1
21	V. and Minerals	1
	Total	106

Figure no.9. Items contracted by pharmaceutical groups (Medicines)

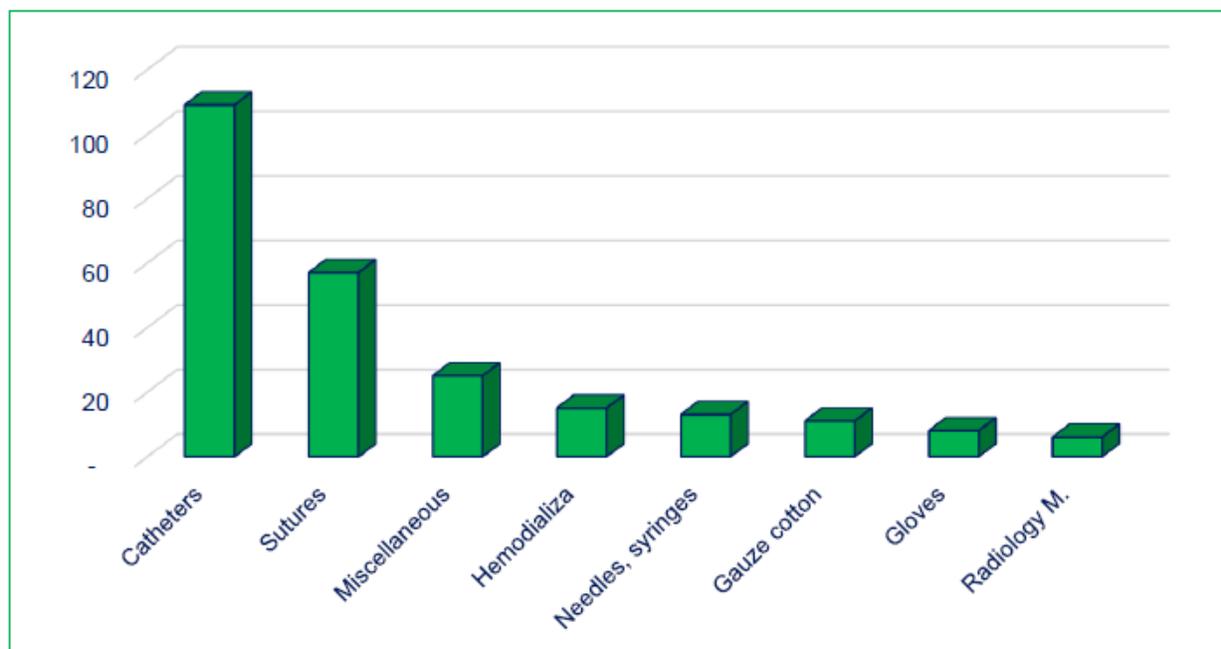


Anti-infective
Anesthetics
Fluids
Cardiovascular
Gastrointestinal
Hormones
Analgesic
Psychotherapeutic
Haemodialysis
Immunosuppressant
Antiallergic
Anticonvulsants
Antianemics
Dermatologic
Diuretic
P. Ophthalmologic
P. Gynecologic
Antiemetic
Contraceptive

Table no.14. Items contracted by pharmaceutical groups (Consumables)

No.	Description	Amount
1	Catheters	109
2	Sutures	57
3	Miscellaneous	25
4	Hemodializa	15
5	Needles, syringes	13
6	Gauze cotton	11
7	Gloves	8
8	Radiology M.	6

Figure no.10. Items contracted by pharmaceutical groups (Consumables)



### 3.5. Challenges

The process of supplying the Health Institutions with medicines and consumables has been followed with difficulties and problems of different nature. The main challenges were:

- Identification and termination of contracts, the cost of which has exceeded the contract limits;
- Difficulties in securing market prices for essential listing products, especially for consumables;
- Extension of procedures for entering into new contracts;
- Lack of contracts for many items due to lack of bids in tendering and re-tendering procedures (mainly Cytostatics and other EML products, where demand for items was low); and
- Delays in the delivery of products by Economic Operators.

All the above mentioned challenges, DFS, Fund has provided the Health Institutions with necessary drugs and material (either through donations for non-contracted products or through emergency contracting).

## 4. Providing health services

### 4.1. Contribute to health legislation, plans and strategies

During 2018 the Department of Health Services within the Fund has not been consolidated. Although the Internal Regulations of the Fund have provided for the Department, the Division has consisted of only one officer with duties and responsibilities in the job description framework.

Based on the 2018 plan, despite the fact that many activities have been planned, their fulfilment has not been achieved due to lack of legal basis, lack of human capacities, etc.

Of the activities that may be listed and that are important to the Fund, the Division has made professional contributions to committees, working groups to draft the legal basis, plans and strategies.

Within the “Kosovo Council for Clinical Guidelines and Protocols”, the Department / Division has contributed to the design, review and recommendation for approval of Clinical Guidelines, such as:

- Management of severe pre-eclampsia and eclampsia;
- Prevention and management of primary postpartum haemorrhage;
- Screening and treatment of precancerous cervical lesions;
- Management of arterial hypertension;
- Asthma Management;
- HIV test guide;
- Non-pharmacological management of diabetes; and
- Neonatal transport.

The department / division has also made its contribution in the framework of the "Working Group on Visits for Mothers and Children".

As part of other activities, the Department / Division has contributed to coordinate activities within and outside the Health Insurance Fund: for the Division for Treatment outside Public Health Institutions, for the identification of codes under ICD10, in the list of Dg. of patients who are sent to treatment outside public health institutions.

Within the Law on Health Insurance, the list of free services has been translated and adapted the document: “Basic Health Services Package for Primary Health Care”.

During this period, there has been ongoing coordination with the Monitoring and Evaluation Division of the Ministry of Health in fulfilling its obligations regarding the completion of forms and reporting on Fund Indicators.

Also, in the context of health status assessment, performance indicators were identified in health institutions, as well as quality and patient safety indicators.

#### **4.2. Medical treatment program outside PHI**

Medical Treatment Program outside public health institutions (MTPOPFI) is a program established to provide health services in conditions where public health institutions cannot provide such services. These services are provided whether in hospitals Private health institutions at home or abroad.

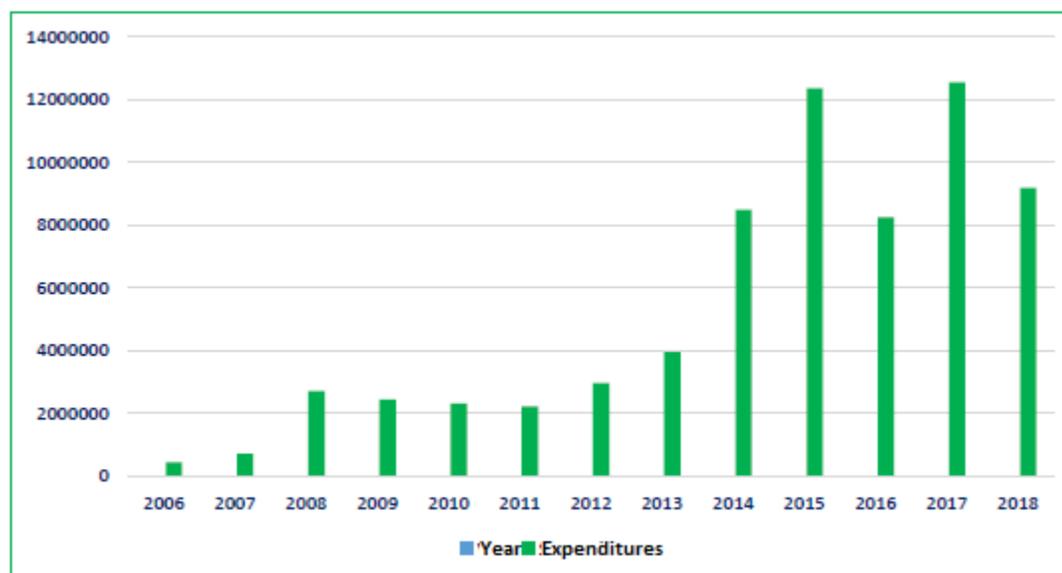
The operation of this program is regulated by an administrative instruction which provides for the procedures for benefiting from this program and the program administration bodies. As presented in the following table and figure, it can be seen that the amount of funds spent by this program varies from year to year but overall the costs have increased significantly compared to the first years of operation of this

program. If you compare the budget spending from year to year compared to the average, it is noticed that in 2018 the spending increased by 174% compared to the average for the 13 year period.

Table no.15. MTPOPHI expenditure outlook for the period 2006 - 2018

Year	Expenditures	% of annual increase	% of increase compared to the average for the 13 years period
2006	447,862	100%	8%
2007	713,943	159%	14%
2008	2,710,528	380%	51%
2009	2,450,430	90%	46%
2010	2,317,500	95%	44%
2011	2,232,187	96%	42%
2012	2,965,811	133%	56%
2013	3,947,872	133%	75%
2014	8,486,405	215%	161%
2015	12,371,520	146%	234%
2016	8,265,504	67%	157%
2017	12,555,852	152%	238%
2018	9,192,553	73%	174%

Figure no.11. MTPOPHI expenditure outlook for the period 2006 - 2018



#### 4.3. Budget and expenditures for 2018

Initial budget approved by the Budget Law for the MTOPI program for 2018 was € 6 million, but by Government decisions this amount was increased by € 3.5 million, increasing the budget to € 9.5 million. 9.2 mil €, or 97% of them were spent.

If we compare the expenses of 2018 with those of 2017 we see that they are lower by € 3,363,299. The reduction of expenditures did not result from the decrease of medical treatment abroad, but as a result of the increase of obligations for this category of expenditures. From € 3,795,481 as liabilities at the end of 2017, they increased to € 7,170,229 at the end of 2018.

The budget allocated for 2019 for 6 mil € does not cover the remaining liabilities at the end of 2018. During 2018, a total of 1432 persons applied for this program, out of which 1,395 were approved, or 98% of cases. Of the number of applications in 43% were urgent cases while 57% regular cases.

Such a situation puts a heavy burden on this program given the high demands of patients to support their treatment.

Table no.16. Subjects reviewed and approved for 2018 compared to 2017

Description	Year 2017	Year 2018	Difference	Difference in %
Applications	1,989	1,432	(557)	-28%
Approvals	1,741	1,395	(346)	-20%
Urgent cases	1,037	611	(426)	-41%
Regular cases	952	821	(131)	-14%

Figure no.12. Subjects reviewed and approved for 2018 compared to 2017

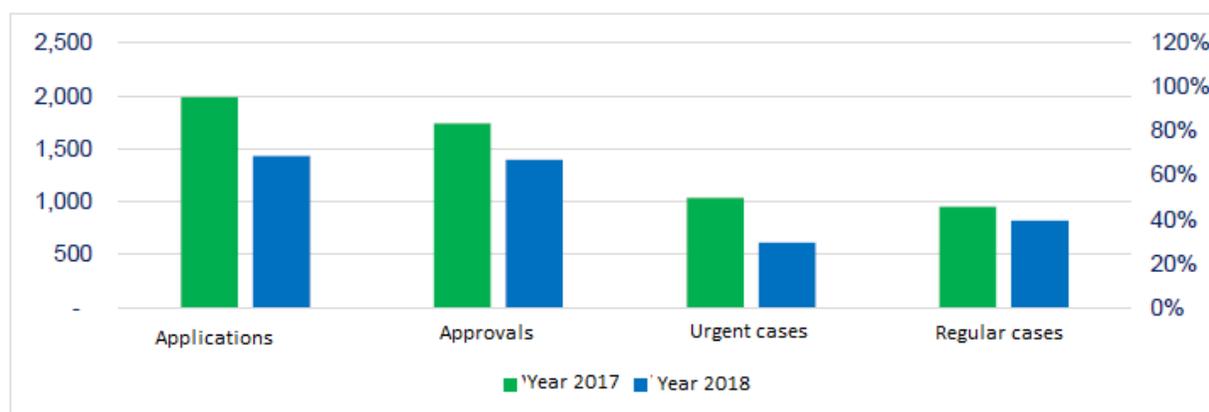
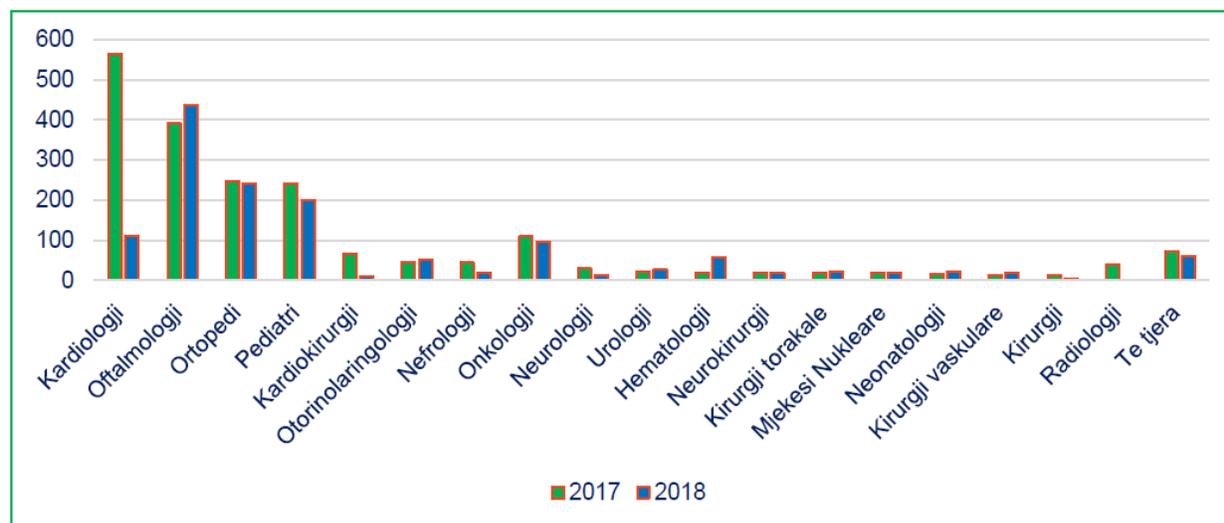


Table no.17. Applications for medical treatments abroad referenced by clinics

No.	Description	2017	2018
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1	Cardiology	564	111
2	Ophthalmology	391	437
3	Orthopaedic	248	240
4	Podiatry	241	200
5	Cardio surgery	66	9
6	Otorhinolaryngology	46	52
7	Nephrology	44	20
8	Oncology	109	97
13	Neurology	29	13
14	Urology	22	27
15	Haematology	20	58
16	Neurosurgery	19	18
17	Thorax surgery	18	22
18	Nuclear medicine	18	19
19	Neonatology	16	23
20	Vascular surgery	13	19
21	Surgery	12	5
22	Radiology	41	2
23	Other	72	60
	<b>Total</b>	<b>1,989</b>	<b>1,432</b>

Figure no. 13. Applications for medical treatments abroad referenced by clinics



Cardiology
Ophthalmology
Orthopaedic
Podiatry
Cardio surgery
Otorhinolaryngology
Nephrology
Oncology
Neurology
Urology
Haematology
Neurosurgery
Thorax surgery
Nuclear medicine
Neonatology
Vascular surgery
Surgery
Radiology
Other

#### 4.4. Distribution of Expenditures from the MTOPI Program

As can be seen from the table of around € 9.2 million spent on the treatment of patients outside, 61% were treated in Turkish Hospitals, 14% in private institutions in Kosovo and 10% in Germany. Part of the patients have been treated in other countries but participation their percentage is relatively lower. For more details we can refer to the following table.

Table no.18. Country-based medical treatments for 2018

No.	Country	Cases treated	Value	Average expenditure by case	% of expenditure by country
1	Turkey	267	5,573,723	20,875	60.63%
2	Kosova	485	1,272,259	2,623	13.84%
3	Germany	60	934,411	15,574	10.16%
4	Albania	76	500,511	6,586	5.44%
5	Macedonia	149	451,127	3,028	4.91%
6	Italy	10	243,972	24,397	2.65%
7	Croatia	10	66,757	6,676	0.73%
8	America	3	64,673	21,558	0.70%
9	Austria	5	60,153	12,031	0.65%
10	Saudi Arabia	1	13,000	13,000	0.14%
11	England	1	6,102	6,102	0.07%
12	Czech	1	5,865	5,865	0.06%
	Total	1,068	9,192,553	11,526	100%

Figure no.14. The ratio between medical treatments at home and abroad for 2018

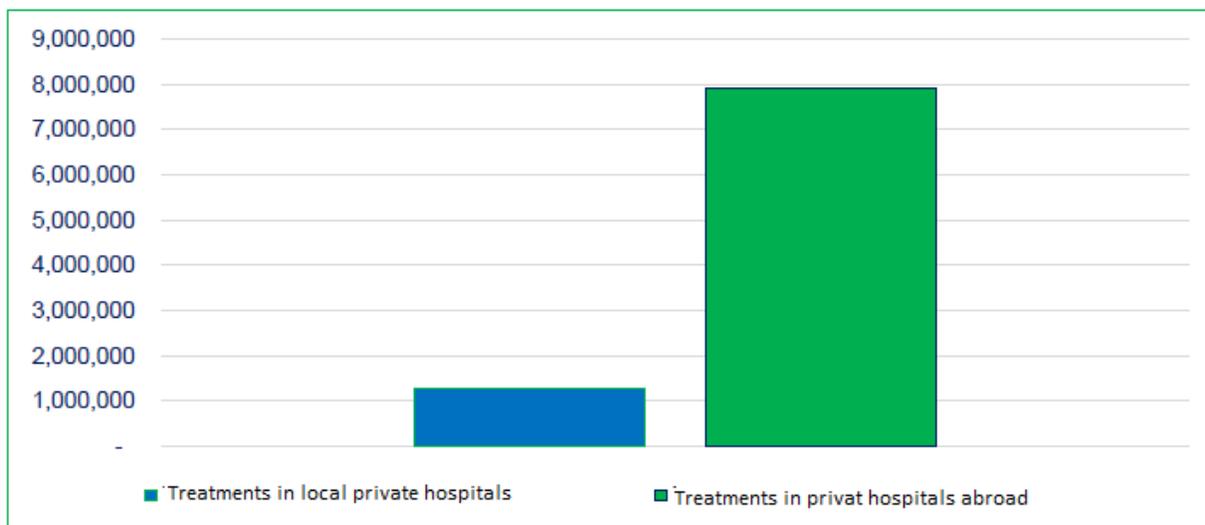
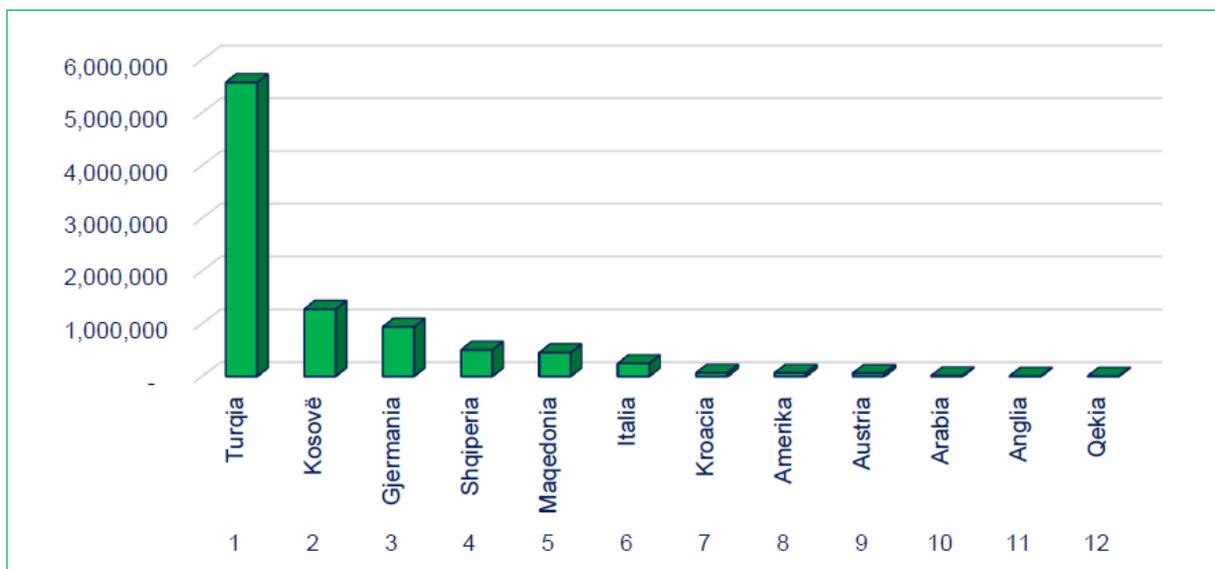


Figure no.15. Medical treatments by countries for the year 2018



The report presents (tables and graphs) the data spent by the MTOPI Program by health institutions in the beneficiary countries. In the following we present detailed data by hospitals.

Table no.19. Medical treatments in private hospitals in Kosovo for 2018

No. Description	Value
1 A H Kosova shpk	292,536
2 NSh qendra laser.e syrit kubati	204,598
3 Klinika gjermane e syrit shpk	193,125
4 Spitali evropjan ortopedik royal medical llc	124,262
5 Akat	113,200
6 Aksoy group shpk millennium hospital	112,333
7 Eye hospital shpk	105,730
8 Internacional medicine hospital	50,260
9 Italian medical group llc	45,029
10 Sinorg pharmaceutical	43,010
11 Orthomdecia shpk	36,350
12 Ortoprotech shpk	28,728
13 Elab kosova shpk	15,395
14 Cardio center shpk	14,000
15 Kshm qdt rezonanca	8,600
16 Kavaja company shpk	4,135
17 Rezonanca ushm shpk	2,700
18 Prolab shpk	2,611
19 CT scanner atk	1,925
20 Otrila ntsh	1,750
21 As travel club	391
22 Returns	-128,409
Total	1,272,259

Table no.20. Medical treatments in hospitals in Turkey for 2018

No. Description	Value
1 Özel gaziomanpasa hastanesi	2,010,000
2 Mlp saglik hiz.a.s ulus subesi	875,560
3 Eren saglik hizmetleri san.ve tic.a.s.	636,680
4 Medical park	506,880
5 Istanbul memorial saglik yatirimlari a.s.	317,130
6 Ameri.hast.sag.hizm.ve tic a.s	259,045
7 Koc university hospital	143,248
8 Okan university hospital	126,730
9 Acibadem saglik hizmetleri ve	104,991
10 Anad.eg.so.ya.va.sa.te.ik.isle	52,679
11 Medipol mega	49,862
12 Baskent university healthcare group	45,083
13 Nisantasi hastanesi	35,000
14 Medicana camlica hospitals	30,300
15 Amerik.hasta.sag.hiz.ve tic as	30,000
16 Instinye universitesi saglik uygulama ve aratrima merkezi	30,000
17 Liv hospital ankara	30,000
18 Özel academic hospital	30,000
19 Universite istinye hastanesi	30,000
20 Kivanc medikal org.ve saglik hizmetkeri a.s.	29,500
21 Cilek agaci anaokulu	28,000
22 Moment egitim arastirma saglik hizmetleri ve ticaret a.s.	28,000
23 Medical park hospital fatih	24,500
24 Losante cocuk ve yetiskin hastanesi	17,297
25 Medistate hospital	17,000
26 Goz vakfi	16,820
27 Ems.sag.hiz.ve isl.tu.otel.a.s	12,658
28 Dunyagoz hastanesi san ve tic as	11,931
29 Duny agoz	10,170
30 Other	34,660
Total	5,573,724

Table no.21. Medical treatments in hospitals in Germany for 2018

No. Description	Value
1 Asklepi.klini.sankt.augus.gmbh	153,947
2 Klinikum der universitat	137,025
3 Universitätsklinik.heidelberg	56,902
4 Universitätsklinikum dusseldor	37,000
5 Ini-international neuroscience institute gmbh hannover	30,000
6 Universitäts klinikum jena	30,000
7 Universitätsklinikum wurzburg	30,000
8 University hospital frankfurt	30,000
9 Berufsgenossenschaftliche unfallklinik frankfurt am main	26,676
10 Universitätsklinikum munster	26,600
11 Ors gmbh	26,393
12 Kostenvoranschlag	25,800
13 Universitätsklinikum regensbur	21,980
14 Klinikum dortmund ggmbh	21,560
15 Klinikum frankfurt hochst	21,000
16 University medical center hamburg-eppendorf	21,000
17 Universitätsklinikum erlangen	20,895
18 Helios klinikum hildesheim	20,150
19 Universitätsklinikum koln	17,500
20 Klinikum oldenburg aor	17,475
21 Charite univesitatsmedizin berlin	17,234
22 Uniklinik koln	16,450
23 Helios klinikum munchen west	11,434
24 Klinikum rechts der isar	11,200
25 Knappschaftsklinikum saar gmbh	10,565
26 Bruderkrankenhaus st.josef paderborn	9,807
27 Mk muhlenkriskliniken	9,450
28 Universtatsklinikum freiburg	8,605
29 Hdz nrw	8,100
30 Klinikum leverkusen gmbh	8,020
31 Landes krankenhaus	7,624
32 Other	44,020
Total	934,411

Table no. 22. Medical treatments in hospitals in Albania for 2018

No. Description	Value
1 Univers alb	354,835
2 Hygeia hospital tirana	40,845
3 International turkish hospital -medinistanbul shpk	30,000
4 Klinika gjermane syrit	29,300
5 O.e.s distrimed sh.p.k.	17,500
6 Qendra shqiptare e syve	10,920
7 Orjeta tonuzi	9,030
8 Kalama shpk	5,281
9 Klinika e syrit internacional	2,800
Total	500,511

Table no. 23. Medical treatments in Macedonian hospitals for 2018

No. Description	Value
1 Acibadem sistina clinical hosp	240,902
2 Jzu univ.klin.za radioter.onk	63,166
3 Pzu european eye hospital	50,100
4 Zan mitrev	34,440
5 St.erazmo	20,352
6 Jzu univerzitetska klinika za mehatologija	13,261
7 Jzu uk za traumatolog.ort	11,500
8 Pzu sistina oftalmologija	8,850
9 Audiobm mk doo skopje	5,915
10 Re medika	1,540
11 Medica istanbul	665
12 Javna zdravstvena ustanova očni bolesti	436
Total	451,127

Table no. 24 Medical treatments in hospitals in Italy for 2018

No. Description	Value
1 Ospedale pediater.bambino gesu	158,000
2 Humanitas hospital	30,000
3 Burlo	24,317
4 Azienda ospedaliera univer int	18,925
5 Azienda ospedal.universi.meyer	6,500
6 Casa di cura sileno e anna rizzola spa via gorizia	6,160
7 Giovanni xxiii	70
Total	243,972

Table no.25. Medical treatments in other hospitals for 2018

No. Description	Value
1 Global hearing inc	30,000
2 St.mary's medical center	30,000
3 Klinikum wels grieskirchen gmbh	26,288
4 Klinika za dječje bolesti	22,435
5 Kepler universitatsklinikum gmbh	16,540
6 Arithera specijalna bolnica	14,000
7 Air charter international arabia ltd	13,000
8 Allgemeines krankenhaus der st	11,725
9 Kliniski bolnicki centar zagreb	10,505
10 Svjetlost klinika	7,367
11 Great ormond street hos.for children.gosh nhs fou.trust	6,102
12 Motol university hospital	5,865
13 Krankenanstalt rudolfstiftung	5,600
14 Medicinski center za stitnjacu	4,900
15 Boston children s hospital-childrens hos.inter.acc.	4,673
16 Sinteza	3,900
17 Specijalna bolnica akromion	2,950
18 Poliklinika medikol	700
Total	243,972

## **5. Information technology systems**

### **5.1. Objectives of the Information Technology Department**

The Department of Information Technology Services is responsible for the creation of information technology (IT) policies, procedures and planning, for procurement and IT contracts, for the provision of hardware and software infrastructure and telecommunications for all information systems within the Fund. The department's objective has been to provide comprehensive services that facilitate cost-effective information technology and telecommunications solutions that can operate independently.

For this reason, in October 2018, two (2) external IT experts were hired through the Kosovo Health Project: Information Systems Operations Specialist and Health Information Services Specialist, and in November 2019 with the same project has also been hired as an Expert in the Management of Health Information Systems Specialist.

This report reflects the ongoing evolution of the IT mission and activities carried out by the department for the period January - December 2018, but with particular emphasis on the period October - December 2018 when external experts were hired.

#### **Information Technology Department Vision:**

- Tomorrow's technology, to be distributed today.

#### **Mission of Information Technology Department:**

- Providing reliable information technology with telecommunication leadership and services that provide proven and cost effective solutions for all internal employees but also for external stakeholders.

### **5.2. Activities throughout the year**

Each year, DTI develops an Information Technology Work Plan including an Infrastructure and Systems Architecture Plan. The work plan is used to help plan future technology efforts and presents in a structured way all objectives and activities defined for the IT field.

#### **Data Services:**

- Automatic record keeping procedures have been established for drug supply contracts and an automatic system of notification of contracts; and
- Notes were provided by the Information Society Agency on systems that were stored on their servers, such as the Fund's website notes and off-site treatment application.

#### **Information Systems Services:**

- In cooperation with World Bank experts, tender documents have been reviewed and certain modalities have been proposed for the Health Insurance Fund Information System;
- Web application for reporting by primary, secondary and tertiary level units of medical centres (Job Report, Active Framework Report on Performance and Expenditure Report) has been developed for the purpose of estimating the costs of procedures in the general health system . This will enable them to be performed preparatory actions, as a continuation of the work in drafting the Draft Pricing List of the Basic List of Health Services, calculating the real cost of each service. This is a key tool in performance appraisal, in the operationalization of the activity of the Fund, an instrument which

precedes the possibility of establishing the basic elements for analysing the work of the Health Institutions and establishing the basis for Contracting between the Fund and the health institutions;

- Problems identified in the Off-site Treatment application have been identified and a temporary solution has been found together with the contracting company, and long-term solutions will work in the first half of 2019;
- Server The Server for Document Management System Platform implementation and hosting is prepared and configured. The platform was taken as available and offered in various options, but the free version is currently being downloaded. Through this platform has become a document storage organization and managed access to these documents. This has enabled the scanned documents from the Human Resources Office to be stored under this organization;
- IT equipment (computers and VOIP phones) purchased through the World Bank project has been accepted and distributed to the Fund staff. These devices have affected the daily work of staff;
- Researched on possible software solutions for the HR Division to facilitate the management of the Fund's staff and soon the software system will be implemented;
- The implementation of the Digital Archive has begun where the files will be stored electronically and then easier to manage and procedures for how to access this archive have been developed;
- Research has begun on implementing an auxiliary desk system that will enable the identification and management of requests or problems presented by staff or even external parties to the various systems; and
- Analysis of the Fund's intranet, which will allow easier access to the fund's systems, but also to various documents

#### **General Services:**

- In cooperation with the human resources office, the recruitment process for the IT officer was carried out in December;
- The process of verification and the need for developing procedures related to IT jobs and activities has started and in the first part of 2019 the necessary documents such as regulations, policies and operating procedures in the field of IT will be drafted. of; and
- Throughout this report, the IT team provided technical support to the Fund's staff by providing technical solutions, equipment maintenance, and local network maintenance.

### **6. Kosovo Health Project**

#### **6.1. Support the definition and implementation of the benefit package**

The Kosovo Health Project has provided support in defining and implementing the Health Insurance Benefit Package. The package includes health care services that will be reimbursed by the Fund. Initially the focus will be on off-hospital drugs provided through private pharmacies. This sub-component will include technical assistance to assist in the consultation with key stakeholders and key beneficiaries, as well as support in the preparation of technical reports, policies and bylaws, and in the decision-making process that will assist in the adoption of package. This will also include technical support for the Fund in the management of the outpatient drug benefit scheme. during the initial stages of implementation.

The World Bank, through the Kosovo Health Project, has hired five (5) experts covering Legislation, Finance and IT.

**Legal Specialist** - The Legal Specialist is hired on November 01, 2018 and until the 31<sup>st</sup> December 2018 has submitted to the Fund Director these legislative documents that enable the Fund to operate but do not directly contribute to the approval of the list of basic health services. They are:

- List of bylaws for full functioning of the Fund;
- Draft the code of ethics of the staff of the Fund; and
- Draft regulation on disciplinary procedures for the Fund staff.

Further, according to the report from the Health Project, the consultant was recommended to continue with his / her contribution to the amendment / amendment of the legal acts.

**Challenges** - The MOH planned to address the challenges through an amendment to the Health Insurance Law (Articles 14 and 15) during the Assembly session (October-December 2018). The working group has worked on the revision of the Law on Health Insurance, but so far, at the time of reporting, the revised Law on Health Insurance has not yet been processed.

## **6.2. Support in the design, development and utilization of HIFIS**

The Kosovo Health Project has provided support in the design, development and deployment of the Health Insurance Fund Information System (HIFIS), including adequate software, focusing on modules that are essential for the implementation of the out-of-hospital drug scheme will be offered through private pharmacies (modules will include patient databases, prescription register, payment system, management functions, budget, financial management and human resources).

**Health Information Systems Management Specialist** - The objective of this activity is to provide technical assistance to the Fund Director in setting up and managing the Fund Information Systems Management Department.

In this regard the consultant together with the team of other IT consultants:

- Is engaged in the finalization of bidding documents together with the World Bank Unit and Team;
- Hold meetings with the relevant departments of the Fund to familiarize them with standard department operating procedures such as: archive, off-site treatment, human resources, finances, payments, in order to provide process automation solutions;
- Provided support so that all IT equipment is installed, configured and fully operational;
- Supported the team of specialists in the implementation of the document management system within the Fund such as document storage and archiving, which is in the implementation phase and is expected to be fully operational by the beginning of 2019;
- Collaborated closely with the MIS department and team of specialists in analyzing, designing, developing and implementing the application for the purpose of estimating the costs of procedures in the health system;
- Communicated and collaborated closely with the Information Society Agency on the range of IP addresses, configuration and domain entry of the Fund's computers and other equipment; and
- In collaboration with the implementing company, but also with the IT consulting team, has ensured the integration of the Fund's website with the web-based patient registration application for treatment abroad.

**Health Information Operations Systems Specialist** - This activity is intended to provide technical assistance to the Fund Director in support of the Information Systems Division, where the specialist was

responsible for the maintenance, configuration and safe operation of computer systems and servers, ensuring stable operation performance, resources and security, in order to meet the needs of users and the functioning of applications.

During the three-month period the consultant along with the other team:

- Contributed to the finalization of the Tender Document for the Fund's information system;
- Finalized the supply of IT equipment to the Fund, a process started earlier;
- Implemented VOIP equipment, but also other equipment for Fund users;
- Monitored and maintained hardware resources on a daily basis;
- Proposed and designed the structure of the file organization and the management of the Fund's documents;
- Participated in the process of recruiting an IT officer to the Fund; and
- Installed and configured computers, but also maintained internal and external network in other institutions

**Information Systems Services Specialist** - This activity was intended to provide technical assistance to the Fund Director in support of the Information Systems Division, where the specialist was responsible for the maintenance, configuration and safe operation of computer systems and servers, ensuring stable operation, performance, resources and security, in order to meet the needs of users for the operation of applications.

During the three-month period the consultant along with the other team:

- Contributed to the finalization of the Tender Document for the Fund's information system;
- Participated in the process of finalizing the IT equipment supply for the Fund;
- Analysed, designed, develop and implement the application for the purpose of estimating the costs of procedures in the health system;
- Has identified various web site bugs and addressed them to the implementing company providing possible solutions; and
- Started analysing work processes for some departments and divisions in order to provide solutions and automate processes.

### **6.3. Capacity Development for the Fund as a Purchaser of health Services**

The Kosovo Health Project has contributed to building the Fund's capacity as a purchaser of healthcare services. This includes technical assistance to the Fund in the preparation of budget and financial documents, the development of the monitoring function of the health financing, defining management processes related to the purchase of health goods and services. In addition, this sub-component will also support the creation of adequate working conditions (inventory and office equipment, training, twinning and study visit arrangements, technical support, etc.).

During this period, the Kosovo Health Project provided support in preparing the following documents:

- Initial Monitoring Report 6: Evaluation Report - Fund Management Mentoring - key achievement status and key activity recommendation;
- Periodic Monitoring Report 7: Mentoring the Fund's management - key achievement status and recommendation for key activity;

- Periodic Monitoring Report 8: Fund Management Mentoring - Consultant under Terms of Reference Submits Final Draft of Health Services Their Costs by Budget Expenditures 2018;
- Periodic Monitoring Report 9: at the request of the Fund Director this report presents an assessment of the Fund's human capacities as well as a recommendation on the employment strategy including profiles and costs for the full functioning of the Fund; and
- The consultant, after working with the technical committee for defining the basic package of health services, submits the draft of the basic package of health services with the estimated cost ceiling based on the spending of the 2018 budget, which may be the basis for further price calibration. and the volume of health services after the functionalization of the Fund

**Health Insurance Training and Quality of Services** - A total of 30 members of the Fund's administrative staff were trained on Health Insurance and Quality of Services. During this period with the aim of advancing capacity building of Seven training courses have been designed and delivered by the Fund's administrative staff, such as:

- Module I - "Health insurance and quality of care", held on 25 - 30 March 2018. The training was attended by 26 employees of the Fund and other relevant stakeholders;
- Module II - "Health Financing", held on 06 - 13 April, 2018. The training was attended by 17 employees of the Fund and other key stakeholders;
- Module III - "Cost-effectiveness analysis", held on 07 - 10 May 2018. 20 employees of the Fund and other relevant stakeholders participated in the training; and
- Module IV - "Case-mix application in health systems" was held between May 28, 2018 - June 1, 2018. The training was attended by 24 employees of the Fund and other relevant stakeholders.

After fulfilling its fiscal obligations in Kosovo, the consulting company continues to work on finalizing the planned Modules program:

- Module V - "Health Care Quality Management" was held on September 15-19, 2018. The training was attended by 29 employees of the Fund and other key stakeholders;
- Module VI - "Benefit and Service Package Design" was held between May 28, 2018 - June 1, 2018. 28 employees of the Fund and other relevant stakeholders participated in the training; and
- Module VII - "Methods for Scientific Research in Health Policy" was held from 5 - 9 November 2018. The training was attended by 24 employees of the Fund and other relevant stakeholders.

Based on the performance of the candidates in the seven modules some candidates received certificates for final module completion and others for module participation.

**Financial Management Specialist** - This was a new request from the Fund where a Financial Management Specialist is expected to analyze the current situation regarding financial management in the health sector and provide advice on the necessary financial management reforms for the implementation of health insurance law, and support is provided in the operationalization of financial management in the Fund. During 2018 the following documents have been drafted:

- Assessment report of financial management staff in the field of health insurance;
- Draft training plan for 2019 ”.

Expected to be delivered in January 2019:

- Detailed analysis of the situation and action plan for financial management in the health sector and the Fund;
- Employment strategy for financial staff; and
- Proposals for review and drafting of relevant bylaws for effective Fund and Financial Management. Inventory and Equipment - Kosovo Health Project at the Fund's request, as planned procurement, has provided inventory and equipment for new Fund offices, such as
  - 20 computers "Tower PC with monitors;
  - 10 HP laser printers;
  - 2 "Canon" printers; and
  - 30 fixed desk phones.

**Objective 1.**

Ensuring effective governance, transparency and accountability in the HIF.

**Activities**

- Prepare a record of possible risks as well as manage them effectively;
- Efficient budget management in line with budget allocations the year 2019;
- Audits and implementation of internal and external audit recommendations;
- Effective management and fair and accurate reporting of outstanding liabilities;
- Effective management and fair and accurate reporting of non-financial assets;
- Drafting of the Annual Financial Statements; and
- Annual Report for the year 2018.

**Objective 2.**

Preparation of five (5) year strategic plan and annual work plan for 2020.

**Activities**

- Preparation of five (5) year strategic plan including vision, mission, values and strategic goals; and
- Preparation of a register of possible risks and their effective management.

Objective 3.

Identification of the needs for amending / amending the laws and bylaws as well as internal administrative procedures.

Activities

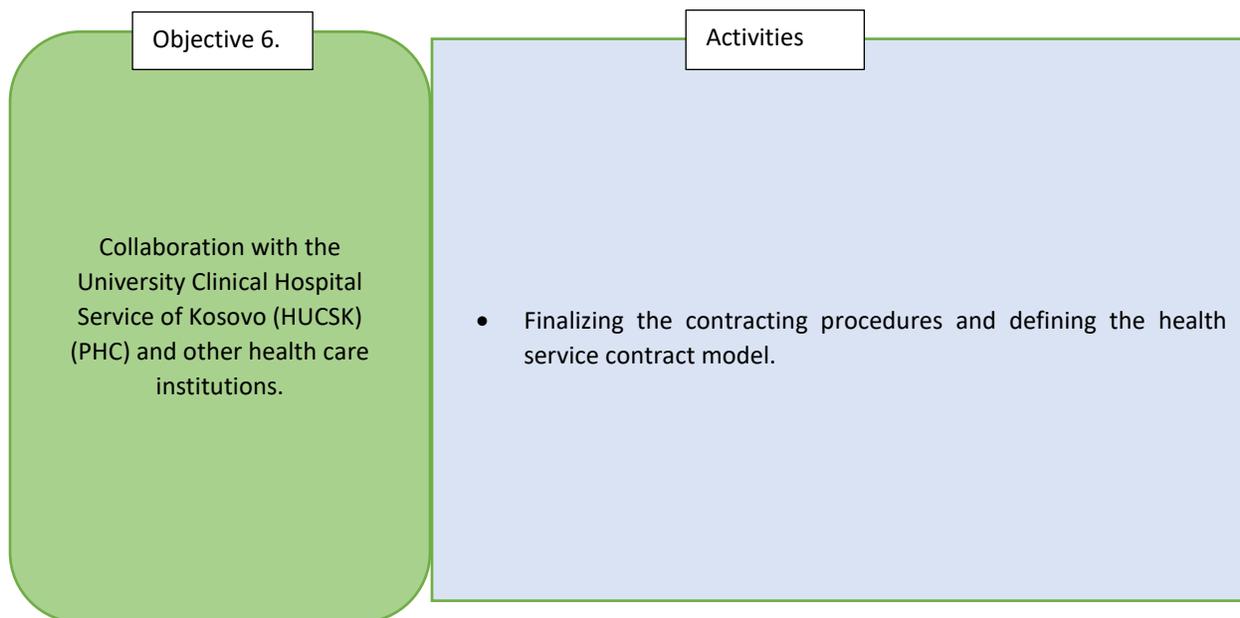
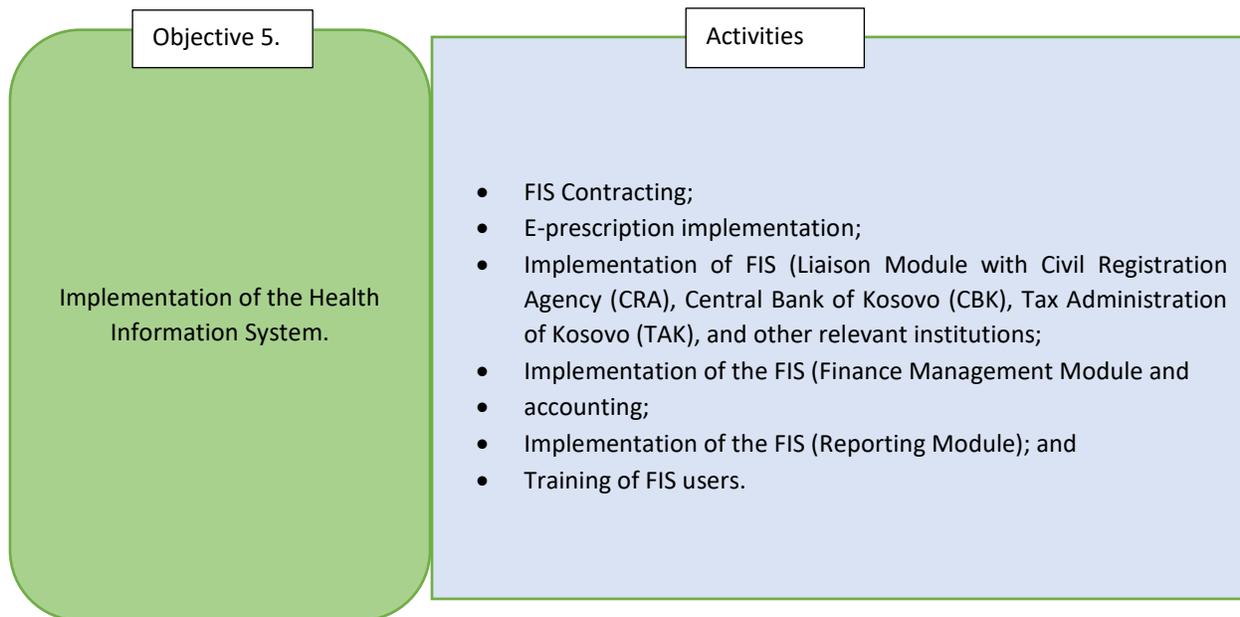
- Contributing to the amendment of existing Legislation;
- Issue new regulations that are necessary for completion of the secondary legislation of the Health Insurance Fund (HIF);
- Establishing internal administrative procedures, including manuals for guiding employees to work; and
- Preparations for bilateral agreements with other countries.

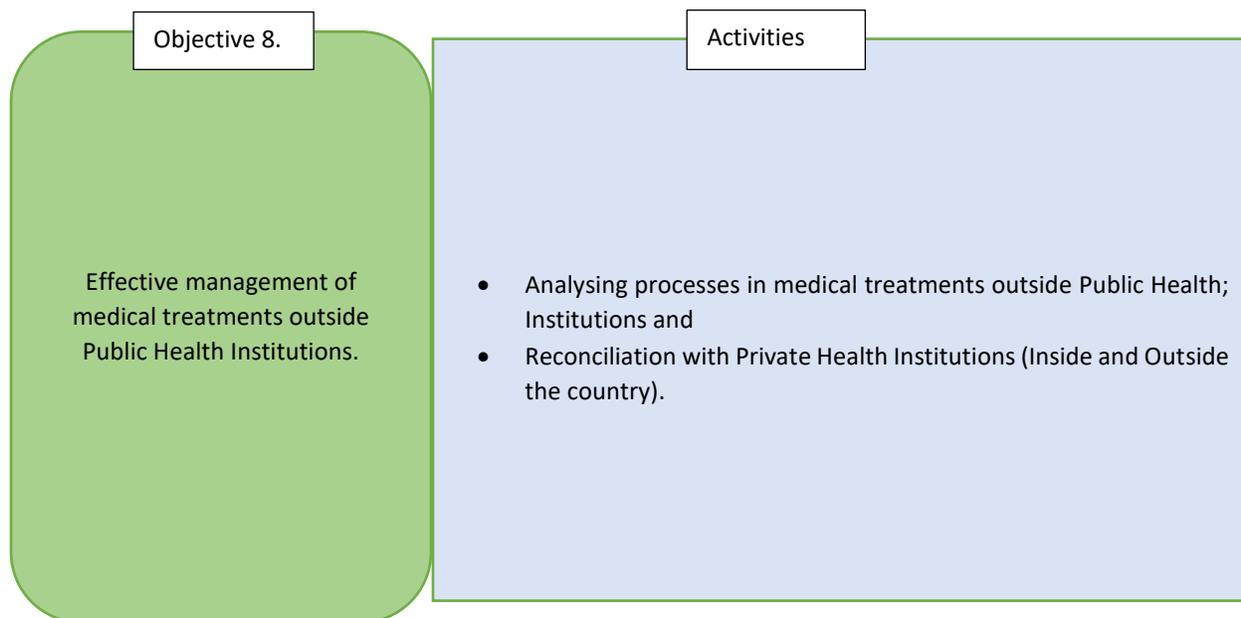
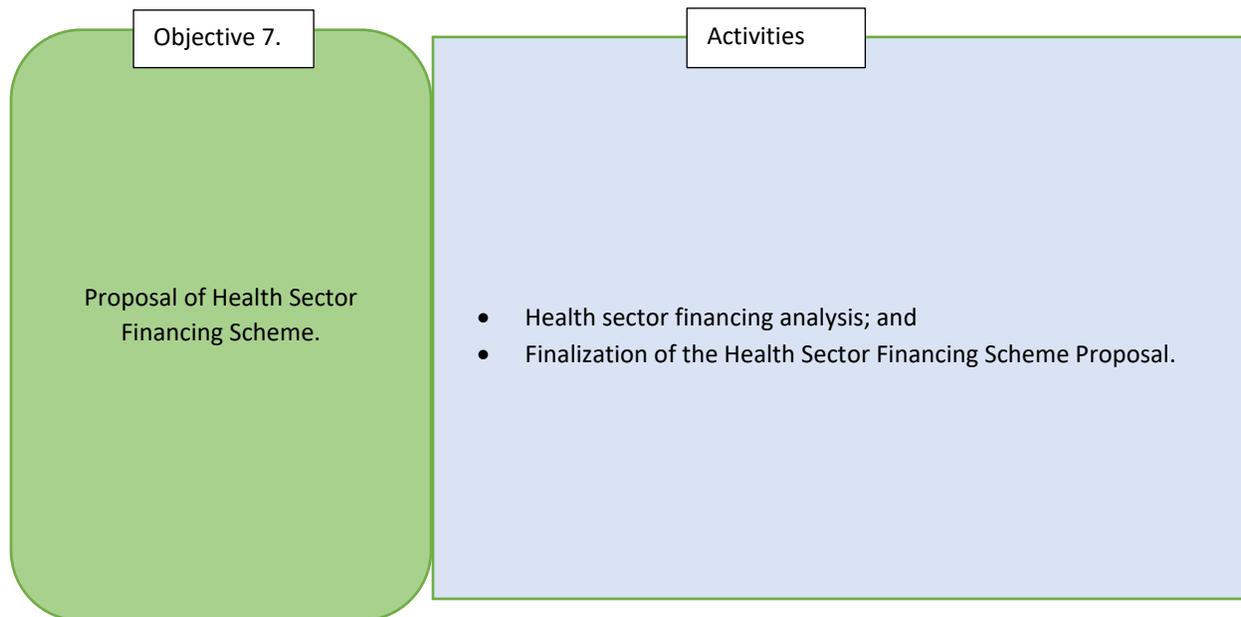
Objective 4.

Systems development and implementation.

Activities

- Interconnection of HIS Systems - Fund Information System;
- Installation and configuration of hardware;
- Managing, updating, maintaining and migrating servers and other equipment; and
- Planning, development and maintenance of internal systems;





Objective 9.

Increase cooperation with other local institutions as well international partners.

Activities

- Concluding agreements of understanding with TAK, CRA and CBK;
- Collaboration with Chambers of Health Professionals;
- Concluding agreements of understanding with the same Institutions of countries of the region for exchange of experiences;
- Partnership with one of the EU Member State Funds; and
- Collaboration with donors (Donations to provide assistance either through financial means, activities coverage or training organization).

Objective 10.

Capacity building of human resources and continuing professional education.

Activities

- Regional offices;
- Recruitment of staff (48 positions) to fill vacancies, necessary for the functioning of the Institution; and
- Provide training for new staff and professional staff.

<p style="text-align: center;"><b>Objective 11.</b></p> <p>Fulfilment of prerequisites for contracting services as well commencement of collection of premiums according to law no. 04 / L -249 on Health Insurance.</p>	<p style="text-align: center;"><b>Activities</b></p> <ul style="list-style-type: none"> <li>• Creating a list of basic health care services along with the relevant financial statement for the fiscal year;</li> <li>• Creating a list of services guaranteed by Article 7 of the Law on Health insurance;</li> <li>• Creating negative pricing lists for each care service health for the fiscal year;</li> <li>• Determination of co-payments and other levels of co-financing for exempt categories; and</li> <li>• Provisioning with security cards, or other means of identification for the insured, including at least 75% of public sector employees and private, as well as 75% of individuals of the exempt categories.</li> </ul>
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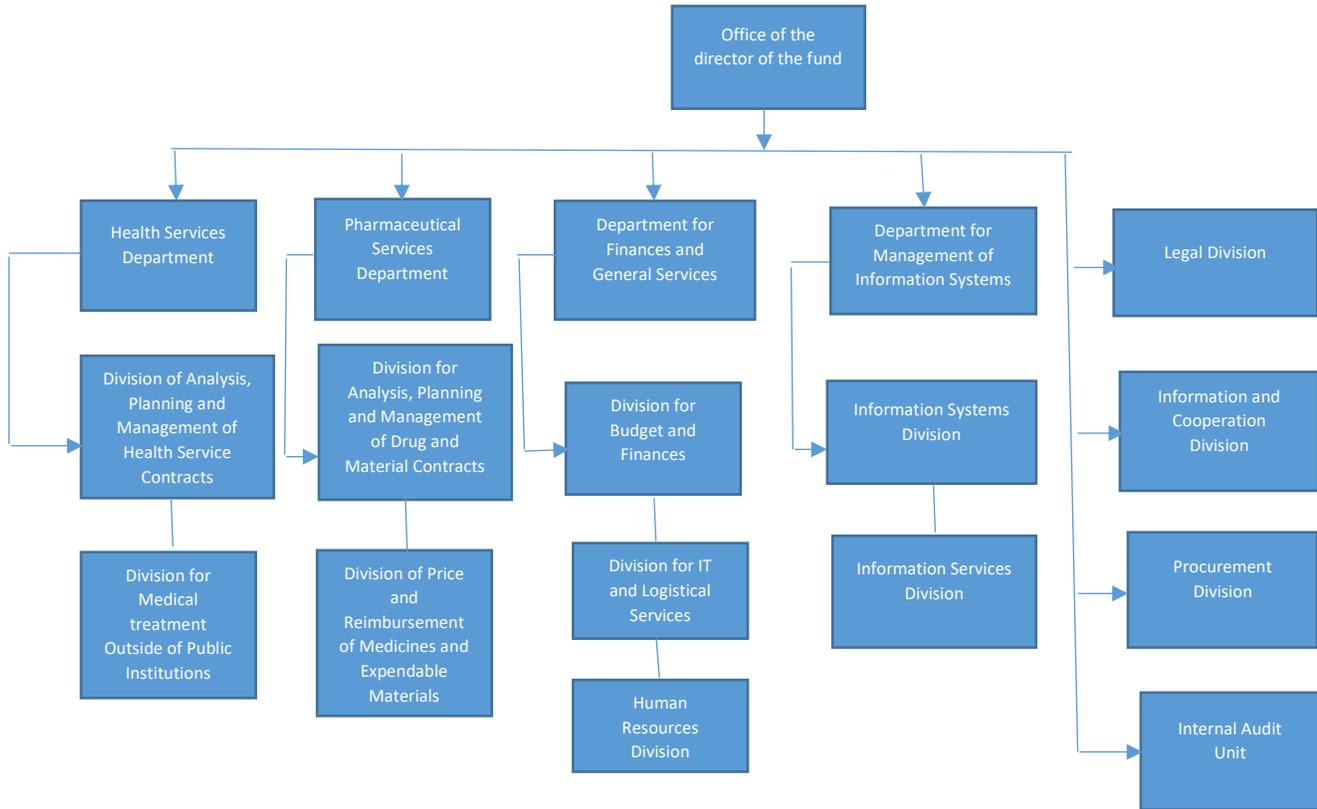
<p style="text-align: center;"><b>Objective 12.</b></p> <p>Preparation and finalization of the list of outpatient drugs (at prices) to be paid by the HIF.</p>	<p style="text-align: center;"><b>Activities</b></p> <ul style="list-style-type: none"> <li>• Initiate the procedure for establishing the legal basis for contracting pharmacies;</li> <li>• Finalizing the list of out-of-hospital medicines at prices to be paid by the HIF;</li> <li>• Concluding agreements of understanding with municipalities on the use of E-prescriptions by MFMCs; and</li> <li>• Entering into contracts with pharmacies for the drugs to be paid by the HIF.</li> </ul>
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Objective 13.	Activities
<p>Informing the public through information campaigns and increasing public confidence.</p>	<ul style="list-style-type: none"><li>• Information needs analysis, including target groups, methodology used, etc.;</li><li>• Preparation of needed materials (brochures, seminars, spots, web site announcements, etc.); and</li><li>• Organizing information campaigns.</li></ul>

Objective 14.	Activities
<p>Securing the location / starting the construction of the Health Insurance Fund facility.</p>	<ul style="list-style-type: none"><li>• Assignment of parcel, preparation of conceptual project as well as obtaining construction permit;</li><li>• Bidding procedures and contract award; and</li><li>• Start building the facility.</li></ul>

**Organizational structure**

The Organizational Structure of the Health Insurance Fund consists of the Office of the Director of the Fund, four (4) Departments, as well as four other divisions that report directly to the Director of the Fund. Within the Department of Information Systems Management there are two divisions, the Information Systems Division and the Information Services Division.





Republic of Kosovo  
Health Insurance Fund  
Prishtina, 2019