

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	ECUADOR/CAN - Andean Group
▪ TC Name:	Design of a national policy on quality in health
▪ TC Number:	EC-T1422
▪ Team Leader/Members:	Julia Johannsen, Team Leader (SCL/SPH); Xiomara Margarita Aleman, Alternate Team Leader (SCL/SPH); Juan Carlos Brito Vera (CAN/CEC); Juan Carlos Dugand Ocampo, and Carolina Escudero (VPC/FMP); and Isabel Delfs Ilieva, Euisu Hwang, and Mihwa Park (SCL/SPH)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	23 May 2019
▪ Beneficiary:	Ministry of Public Health and Agency for Quality Assurance in Health Services and Prepaid Medicine
▪ Executing Agency:	Inter-American Development Bank (IDB)
▪ IDB funding requested:	US\$400,000.00
▪ Local counterpart funding:	N/A
▪ Disbursement period:	30 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	Social Protection and Health Division (SCL/SPH)
▪ Unit of Disbursement Responsibility:	Country Office of Ecuador (CAN/CEC)
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality

### II. Objective and Justification

- 2.1 Support the joint leadership in quality of the Ministry of Public Health (MSP) and the Agency for Quality Assurance in Health Services and Prepaid Medicine (ACESS), through the elaboration of a national policy on quality in health, continued quality improvement in health services offered by MSP, and the implementation of a collaboration plan between ACESS, the National Health Superintendence of Colombia and the Health Insurance Review and Assessment Service (HIRA) of South Korea.
- 2.2 The evidence of the quality of social services in Ecuador is scarce but clear. In health, one way of assessing the quality of ambulatory services is through the percentage of evitable hospitalizations. In Ecuador, on average, 17.3% of hospitalizations (INEC, 2015) refer to health conditions that should be resolved by interventions in ambulatory care, as compared to 14.3% in Latin America (Guanais et al., 2012).
- 2.3 In the social sector, service quality is understood in two dimensions: structural and process quality. Applied to health, the structural dimension refers to the presence (or absence) of resources and conditions that facilitate the interaction between staff and patients and effective treatment procedures. These include aspects of infrastructure, security and hygiene, characteristics of the clinical, administrative and management staff, and characteristics of the health network management.
- 2.4 The process dimension refers to every-day elements that affect the effectiveness and efficiency of the treatment of patients or disease prevention. They include aspects such as the adherence to clinical protocols and the type, frequency and quality of the interactions between clinical staff and patients.

- 2.5 In Ecuador's health sector, a common characteristic of the institutions in charge of service quality, apart from being underfinanced and understaffed, is their focus on quality assurance and control rather than the continuous improvement of service quality. While the former focuses on structural quality, the latter explicitly focuses on the quality and efficiency of clinical and administrative processes. While the structural dimension of service quality represents a necessary but insufficient condition for higher effectiveness and efficiency in health care, it is the process dimension of quality that determines the final results and sector performance in terms of health outcomes and their cost effectiveness.
- 2.6 The elaboration and approval of a respective normative framework on structural and process quality standards and implementation procedures are as important as the awareness and capacity building among sector actors and health staff and the institutionalization of continuous quality improvement schemes in the process dimension of clinical and administrative services.
- 2.7 This project will support the respective health sector authorities in both areas and thereby strengthen the joint leadership in quality of the Ministry of Public Health (MSP) and the Agency for Quality Assurance in Health Services and Prepaid Medicine (ACCESS).
- 2.8 The experience of the South Korean Health Insurance Review and Assessment (HIRA) system provides a valuable example for successful quality assessment and management in health. Following the National Health Insurance Act of 2000 that designated HIRA as the institution responsible for quality assessment in health, the progressive implementation of a rigorous assessment system effectively confronted the challenges of the South Korean health system in terms of the potential over-use of unnecessary services leading to waste of medical resources, the under-use of services that are unprofitable to medical providers, and high variations in service quality among medical institutions and practitioners. The project includes technical assistance, exchange and collaboration activities that will enable Ecuador's MSP and ACCESS to learn from the South Korean experience.

### **III. Description of Activities and Outputs**

- 3.1 **Component I: Normative and operational quality improvement in health.**  
The component finances the consulting services required to elaborate a national policy on quality in health, and to train trainers (experts) on continuous quality improvement related to chronic diseases, including a collaborative project focused on improving clinical results of patients with diabetes. In addition, it includes the travel expenses for exchange and collaboration on the implementation of quality management strategies between Colombia and Ecuador and project administration costs.
- 3.2 **Component II: Efficiency increase and quality management in health.**  
The component finances the consulting services required to analyze opportunities of quality and productivity increase and patient satisfaction in Ecuador's national public health system that will represent useful inputs for the elaboration of the national policy on quality in health under component I, and the travel expenses for exchange and collaboration on the implementation of quality management strategies in health between Ecuador and South Korea.

#### IV. Budget

##### Indicative Budget (US\$)

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Normative and operational quality improvement in health	US\$250,000.00	US\$0.00	US\$250,000.00
Efficiency increase and quality management in health.	US\$150,000.00	US\$0.00	US\$150,000.00
<b>Total</b>	<b>US\$400,000.00</b>	<b>US\$0.00</b>	<b>US\$400,000.00</b>

#### V. Executing Agency and Execution Structure

- 5.1 As requested by the Government, the Bank will execute this operation.
- 5.2 Due to the current macroeconomic and fiscal contraction in Ecuador, the Government has substantially restricted the fiscal budget and strongly prioritizes the assignment of scarce resources to the most urgent and pressing expenditures, using a set of newly created administrative-financial regulations. Consequently, many technical cooperation (TC) projects could not receive the required priority certificate on behalf of the National Planning Secretary, which is a condition for requesting fiscal budget in a given year. Without fiscal counterpart finance to cover the costs of the 14% value-added tax (VAT), IDB-financed projects cannot be executed. In the past, our social sector miniseries had to (partially) cancel TC resources for this reason. IDB-executed operations do not need to pay VAT. In addition, the change of the execution scheme of externally financed IDB projects within the Ministry of Public Health and the ongoing transition period and pending implementation of technical and management teams with expertise on IDB's fiduciary policies would delay the execution of the project, as is currently happening with the health component of the loan EC-L1227.

#### VI. Project Risks and Issues

- 6.1 The rotation of MSP authorities could decrease the urgency and priority placed on the outputs and expected results of this TC. The lack of follow-up supervision, internal incentive structures and/or control schemes to implement the new policy on health quality could prevent that the final objectives of this TC will be met.

#### VII. Environmental and Social Classification

- 7.1 The ESG classification for this operation is "C".