

**TERMS of REFERENCE**  
**for**  
**Financial Officer in DRG team**

**AF-SSHP item 1.1.2**

**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.

**Scope of Work**

Consultant will be hired to provide support to the Component 1 for the Improvement of health financing with the following main responsibilities:

1. Support to project activities related to further implementation and development of the output based payment system for hospital acute care based on Diagnosis Related Groups (DRG);

2. Support for further training of the staff of the central institutions (MOH, HIF, IPH) related to DRGs, as well as support to hospital management in capacity building through designing and conducting financial management trainings in line with healthcare financing reform as well as on-site visits;
3. Support to the MoH and HIF in transforming hospital financial data reported to HIF together with data on the number and type of products and services delivered into a set of activity based costs in accordance with healthcare services included in the DRG system as well as non-DRG services (non-acute treatments, rehabilitation, psychiatric care, ambulatory services, emergency services, long term and palliative care, non-patient services etc.);
4. Participation in the development of economic analyses (cost effectiveness analysis, cost-benefit analysis, etc.) and economic evaluations in health care;
5. Participation in the development of a strategy and strategic plan to define new ways of contracting and payment system to health care providers;
6. Review and analysis of the current contracting system and modalities of HIF payment to health care providers at all levels of health care as well as supporting the development of payment procedures and hospital contracts and contracting procedures of budget funds in accordance with health financing reform;
7. Providing support in development of Serbian DRG cost weights together with development of a costing methodology and its application for determination of prices of specific services, and conducting a costing exercise to calculate DRG cost weights adapted to the Serbian context as well as assigning monetary value to the DRG base price, and supporting the gradual shift of hospital care financing from inputs to DRGs;
8. Supporting the development of comprehensive guidelines for cost allocation on secondary and tertiary level of healthcare, ensuring that all hospital costs are allocated across the full range of products and services (patient and non-patient) delivered by a hospital, all cost of human and material resources consumed in the delivery of hospital services or matched to the fiscal period in which those all services are delivered and clinical and wage expenses held in departmental cost are distributed to the relevant healthcare service categories and final cost structure;
9. Supporting the process of revision and further development of the Price list of services on the secondary and tertiary levels of healthcare to reflect realistic funding needs as well as budgetary restrictions;
10. Providing support in revising and further developing and adapting the e-invoicing system of the HIF and related regulatory and legislative framework in order to support the parallel functioning of both DRG based financing and the currently established linear historical financing;
11. Performing comparative analyses and benchmarking of the parallel functioning of both DRG based financing and the currently established linear historical financing;
12. Performing any other appropriate tasks determined by Coordinator of Component I, PCU Coordinator and/or officials of the Ministry of Health;

### **Duration of the assignment**

This is a full-time position. Duration of this assignment is 12 months. Subject to satisfactory performance consultant may be employed for a longer period of time.

### **Qualifications and requirements**

- University degree in the field of economics;
- Minimum four (4) years of professional experience;
- Good command of written and spoken English and Serbian language;
- Previous experience in working in health sector would be an asset;
- Knowledge of DRG payment system would be an asset;
- Previous experience in projects financed by IFIs would be an advantage;

### **Reporting requirements**

- Consultant is obliged to report to the Coordinator of Component I (improvement of health financing), PCU Coordinator/Deputy PCU Coordinator and Ministry of Health officials in the schedule and format agreed;
- Monthly reports to specify the work performed each month including the actual number of days spent and brief description of the tasks performed. This report will be a base for payment and it needs to be submitted at the end of each month.
- Ad hoc reports when required