ACTIVITY REPORT OF THE NATIONAL HEALTH INSURANCE COMPANY FOR 2016

CNAM
COMPANIA NATIONALA
DE ASIGURARI IN MEDICINA

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COMPANIA NAȚIONALĂ
DE ASIGURĂRI ÎN MEDICINĂ

Contents

Abbreviations

CHI	Compulsory Health Insurance
CHIF	Compulsory Health Insurance Fund
CHIS	Compulsory Health Insurance System
DRG	Hospital Payment System Based On Case Complexity (CASE-MIX)
EPHC	Emergency Pre-Hospital Healthcare
GD	Government Decision
HHC	Hospital Healthcare
HPMS	High Performance Medical Services
IS	Information System
MoH	Ministry of Health
MSI	Medico-Sanitary Institution
MSFI	Main State Fiscal Inspectorate
NHIC	National Health Insurance Company
PHC	Primary Healthcare
PMSI	Public Medico-Sanitary Institution
RM	Republic of Moldova
SOPHC	Specialized Out-Patient Healthcare
Strategy	NHIC Institutional Development Strategy For 2016 - 2020
TA	Territorial Agency
WHO	World Health Organization

Background

The current system of compulsory health insurance has a central place in the Republic of Moldova's health system. NHIC pays for healthcare services, finances the procurement of medicines and healthcare equipment for everyone holding a CMHI policy. NHIC signs contracts with medical institutions for the delivery of healthcare services in the CHIS. Upon purchasing services and signing contracts, NHIC takes into account the needs of insured persons and the objectives for the use of money by medical institutions. In order to ensure the objectivity of funding, the NHIC is not involved in the management of medical institutions

A solidary system of compulsory health insurance is applied in Moldova: all insured persons enjoy the same healthcare services, regardless of the size of their financial contributions, personal health risks or age.

The CHIS of Moldova is based on internationally approved principles:

- Increasing the population coverage by CHI;
- Expanding the CMHI package as much as possible, in order for the CHIS to provide the largest, most complex and modern healthcare package;
- The CHIS must be as profound as possible so that the person's own participation in total healthcare spending would be optimal and would not lead to poverty risks.

Ensuring the principle of solidarity and equality, the CHIS has been operational since 2002, when the Law no.1593 „On the size and terms of payment of CHI premiums" was approved.

The Role of NHIC

NHIC objectives are: organizing, developing and directing the CHI process with the application of procedures and mechanisms allowed for the formation of financial funds to cover the costs of treatment and prevention of diseases and conditions included in the CHI Program, the quality control and implementation of provided healthcare and the implementation of the Health Insurance regulatory framework.

NHIC carries out the following activities to achieve these objectives:

- implementing the CHI and other types of healthcare-related insurance;
- carrying out health care quality and volume control, as well as the control of the management of financial means coming from CHIF, within the contracted healthcare services range;

- organizing and financing actions and manifestations to promote a healthy lifestyle and environmental protection;
- organizing seminars, conferences and symposia on various topics in the field of health insurance;
- accomplishing other related tasks promoting basic NHIC objectives and not infringing current laws.

The mission of NHIC consists in offering the guarantee of financial protection to insured persons upon accessing quality healthcare services.

The vision of NHIC – the population of the country is confident in the quality of public services provided by NHIC employees, who ensure financial protection and guarantee the equal access to quality medical services. The NHIC is a key institution in the promotion and implementation of healthcare sector reforms in the Republic of Moldova. The CHI is the main source of financing for the healthcare system.

NHIC values:

- *pr*ofessional ethics and integrity - we are accomplishing our work with responsibility, efficiency, correctness and thoroughness;
- cooperation – we are creating an atmosphere of trust in internal teamwork and cooperation with our partners;
- openness – we are open and promptly respond to the needs of CHIS beneficiaries;
- development – we are creative and oriented towards the continuous development of organizational competences and services provided in order to promote and implement healthcare reforms.

The overall strategic goal of the NHIC is „Increasing the satisfaction of persons insured with CHI", 4 strategic topics being setup in this regard (Figure 1).

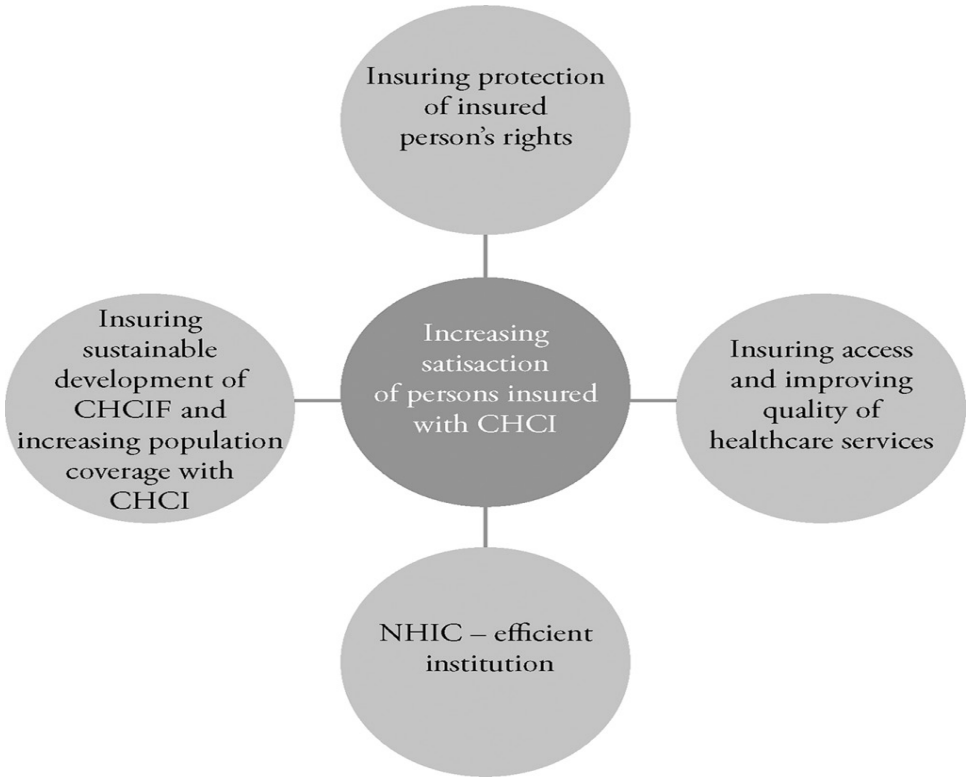


Figure 1. Overall strategic objectives of NHIC and relevant strategic topics

Strategic objectives:

- Improvement of NHIC services for beneficiaries;
- Diminishing direct payment;
- Improving medical services quality control;
- Streamlining contracting and payment methods;
- Streamlining allowances for subsidized medications;
- Increasing the number of people insured per target group in CHIS;
- Insuring the CHIF financial sustainability;
- Improving the organization of activity, cooperation and communication;
- Aligning the NHIC structure to Strategy provisions;
- Developing NHIC staff competences;
- Improving and creating new IS;
- Improving quality of data and analysis, strengthening strategic and operational planning.

NHIC Beneficiaries and partners and their expectations

NHIC interacts with several partner groups, which have points of convergence and divergence on the institution's activity segments and the CHIS. The relationship

between the insured person, the health service provider and the insurer requires the balancing of expectations and needs.

The insured persons require the guarantee of benefiting from the Health Insurance at the time of occurrence of the insurance risk and throughout the period of accessing medical services, guaranteeing the right to fair treatment and service in the healthcare system and the right to free choice of the provider, knowing the CHIS rights and benefits, the volume of compensated services and medicine included in the single program from sources that are safe and adapted to the level of consumer perception.

At the same time, the insured persons have expectations from healthcare service providers with reference to: facilitating the access to high-performance, primary, specialized, out-patient healthcare services and the elimination of bureaucratic barriers as well as informal payment.

Uninsured persons are awaiting more conditions to facilitate entry into the CHIS: the extension of deadlines to pay for the insurance premium, removing fines and penalties for the belated payment of contributions, paying the premium in instalments. At the same time, the population approves keeping the discounts applied upon paying CMHI premiums. As for the information, they have the same expectations as the insured persons.

In the CHIS, uninsured persons benefit from a prime importance service package, using the advantage of insured comfort and do not feel the necessity to fully integrate into the system.

The reticent trust towards state institutions also reverberates upon the CHIS and degenerates into mass prejudice according to which, for the access to a quality service, informal payment transactions apply even for CHI policy holders.

Healthcare services providers expect the accomplishment of a sustainable, flexible contracting process and the compensation of provided services stipulated by the contract. Some the providers would accept the challenge of increased competition, while most would avoid it.

The Ministry of Healthcare and the Government are counting on the: efficient management of the CHIS and the increase of the population's trust in the CHIS, abidance to the policies and normative framework of the healthcare system and respectively receiving support in the implementation of healthcare system reforms, the efficient monitoring and control of healthcare assistance and fund use, increasing transparency, including through the rapid and high quality reporting on fund execution.

NHIC History

1998

- Law no.1585-XIII of February 27, 1998 regarding the CHI – first legal act launching the reform of the healthcare financing system

2001

- NHIC Foundation;
- Creating the CHI coordination and implementation council.

2002

- Approval of the NHIC statute;
- Creating the Administrative Council – NHIC supreme management body;
- Approval of the Regulation on the creation and administration of the CHIF;
- Approving the model of the CHI policy;
- Creating 11 NHIC territorial agencies;
- Law no.1593-XV of December 26, 2002 on the size, means and terms of CHI premiums payment – second legal act by importance;
- Approving the template of the contract to provide healthcare in the CHI;
- Approving the first CHI Single Program, based on which, healthcare was provided to persons insured as part of the pilot project in the district of Hancesti.

2003

- Abrogation of Law no.267-XIV of February 3, 1999 on the minimum of free healthcare guaranteed by the state since, along with the CHIS implementation, the need for this law has expired;
- On July 1, a pilot-project was launched in Hancesti district;
- Creation and implementation of the „CHI" automated IS;
- First sum, amounting to 900,0 thousand lei is transferred from the state budget for current expenses to the single NHIC account;
- Covering the emergency healthcare at the pre-hospital level in case of major medical-surgical emergencies that endanger a person's life and primary healthcare provided with recommendation of investigations and treatment made to uninsured persons was allowed from the CHI reserve funds;
- The legal base to pay PMSI employers from CHIS funds was established;
- Approval of the template statute of the PMSI integrated into the CHIS.

2004

- Implementing CHIS across the entire territory of the RM;
- Including residents of the compulsory post-university education and pregnant women, parturient women and newly in the CHI as persons insured from the state budget;
- Transfer of the NHIC and PMSI from the account plan of the bookmaking register regarding the execution of expense estimations to the bookmaking account plan of the economic-financial activity of companies.

2005

- Establishing the criteria to contract healthcare service providers in the framework of the CMHI;
- Introducing performance indicators in the PH and EPHC;
- Including the notion of partially/integrally compensated medicine from the CHIF into the single CHI Program;
- Out-patient, daytime in-patient and home treatment as part of the PHC contracted by the NHIC.

2006

- Altering the means of calculating the sum of the transfer from the state budget into the CHIF to insure vulnerable categories of the population – a percentage quota from the total of basic expenses approved by the state budget no lower than 12,1%;
- Introducing to the CHI people who take care of a disabled child with first degree of severity or a person disabled since childhood with a first degree disability aged under 18 and mothers with seven children or more as persons insured from the means of the state budget.

2007

- CHIF Law is created based on programs and subprograms.

2008

- Applying the 50% discount on the size of the CHI premium, established as a fixed sum, for the first time;
- Creating the Bender TA aiming at covering RM citizens living in the districts on the left bank of the Nistru with compulsory healthcare assistance;

- Covering expenses for the treatment of uninsured persons affected by socially conditioned illnesses with a major impact on public healthcare as part of the HHC;
- Home medical healthcare contracted by the NHIC;
- Registering persons at the family doctor with possibility of free choice;
- Legally delimited PHC at a district level.

2009

- Following the modification of macroeconomic parameters and the effects of the economic and financial crisis on the accumulations in the CHIF, the CHIF law for 2009 was amended, by decreasing the CHI funds, for the first time, by 10,7% compared to the initial ones and approving a deficit of 250,8 thousand lei;
- Modification of the NHIC central apparatus structure through the creation of the Internal audit service, the Public relations service and the Evaluation and control department;
- Including persons from disadvantaged families that benefit from social aid according to the Law no.133-XVI of June 13th, 2008 on Social aid into the CMHI as insured from state budget funds.

2010

- Applying, for the first time, of the 75% discount to the size of the CHI prime established as a fixed sum for owners of land with an agricultural destination;
- Changing methods of contracting the PHC by adjusting „per capita" amounts in the age risk category;
- Uninsured persons receive the full package of emergency and primary healthcare services as well as SOPHC in the case of social-conditioned illnesses with a major impact on public health (HIV/AIDS);
- Prescription of partially/fully compensated medicine for all persons (insured and uninsured);
- Healthcare provided in hospice conditions are contracted by NHIC;
- Creating of the fund for the development and modernization of public healthcare providers;
- Changing the focus of priority towards the citizen to motivate the action to re-launch the NHIC corporate identity from September 10th, 2010.

2011

- The pilot project of the hospital payment system based on the complexity of the DRG cases (Case Mix) was carried out in 9 MSIs;
- Ensuring access of uninsured persons to SOPH in cases of tuberculosis through the amendments to the CHI Program, thus achieving one of the goals of the healthcare system, oriented towards the provision of financial protection and access of the population to essential medical services;
- Prescription of partially/fully subsidized medications to uninsured individuals limited to medicine from the psychotropic, anticonvulsant and oral anti-diabetic group (in the second half of 2011);
- NHIC has, in collaboration with the Health Insurance Fund of Estonia, initiated the project „Logistic support for the organization and development of the Republic of Moldova CHIS". The main objective of this project is the logistic support in developing and strengthening the CHIS;
- In the context of actions dedicated to a decade since the founding of the NHIC and nearly eight years since the implementation of the CHIS, the „Healthcare financing system in RM" jubilee conference was organized in cooperation with the WHO Office in Moldova.

2012

- The NHIC Institutional Development Strategy for the 2013-2017 period was approved by a NHIC Management Board Decision;
- 9 MSIs were part of hospital healthcare based on the new DRG (Case Mix) payment system;
- Changing the structure of the NHIC central apparatus by creating the Strategic development and human resources department;
- The first edition of Health Awards Gala - the most important medical event of the year, was organized on April 10, 2012 in partnership with the WHO to encourage the recognition and appreciation of doctors and other personalities who have achieved outstanding results in the field of healthcare;
- NHIC and the Electronic Governance Centre of Moldova have signed a cooperation agreement, with the NHIC E-Services Project as its objective. The e-CNAM electronic service will be available 24 hours a day on the government portal Government for citizens – www.servicii.gov.md and the www.cnam.md website. This service will save the time of

legal entities and institutions responsible for enabling or disabling the status of their employees and the 14 categories of persons insured by the Government;

- NHIC and the School of Public Health Management signed an agreement on cooperation in health policy analysis and development, public health interventions and support for the health system strengthening;
- NHIC and Eesti Haigekassa signed a cooperation agreement on the development and strengthening of cooperation in the health financing system;
- NHIC and the Centre for Healthcare Policies and Analyses signed a cooperation and collaboration agreement in the field of public health management, the first agreement of the NHIC with civil society representatives in the health sector.

2013

- The introduction of a free choice of hospitals of the same level in pilot areas;
- Development and introduction of payment for performance in the PHC in the amount of 15%;
- The inclusion of 188 new, costly, diagnosis and treatment services;
- Introducing, on the list of subsidized drugs, of new medicine for the treatment of endocrine diseases, asthma, insulin-dependent type I diabetes (insulin), epidermolysis bullosa, autoimmune and system diseases, ophthalmic diseases, myasthenia gravis and cystic fibrosis;
- Regulation of referrals to certain high performance investigations directly from the family doctor;
- The Government introduced the 15th category of insured citizens (foreign nationals, through the duration of their inclusion in an integration program carried out in the Republic of Moldova);
- Expanding the categories of citizens insured by the government (persons caring for persons with severe disabilities, persons registered with territorial agencies of the National Agency for Employment and all students, residents and doctoral students studying abroad).

2014

- Changing the structure of the central NHIC apparatus and NHIC territorial agencies;
- Launch of the „Green Line” telephone service;

- Development and approval of the Regulation on the control of pharmaceutical and health care providers registered in the CHIS exercised by the NHIC, with subsequent publication in the RM Official Gazette;
- Development and approval of the Methodology for the planning of state control over the business activity based on the analysis of NHIC risk criteria (GD no.380 of May 27, 2014);
- Implementation of the fine enforcement mechanism for decommissioning CHIF means;
- Developing and implementing results-based performance indicators in the PHC;
- Increasing the amount of the CMHI premium as percentage of the wage and other rewards at 8,0%, according to the fiscal policy;
- The introduction of collective and individual performance indicators and evaluating NHIC employee's performance.

2015

- Organization of a sociological study on the level of population satisfaction with the health services in the RM;
- Organization of the first foreign mission for the audit of health services;
- Development and implementation of the methodology for the audit of coding in the DRG system;
- Increasing the amount of the CMHI premium as percentage of the wage and other rewards at 9,0%, according to the fiscal policy;
- Updating and approving new system and operational procedures within NHIC;
- Developing and approving the Methodology for assessing collective performance and individual competence of NHIC employees.

2016

- Inclusion of new services in the CHI's Unique Program by covering the costs for: breast exoprostheses and implants, individual prostheses and supplies required for surgical and prosthetic rehabilitation of patients with malignant tumours of the head, neck and locomotor apparatus; prenatal screening tests of pregnant women in the risk group for the detection of congenital malformations; early intervention services for children from birth up to 3 years with special needs/developmental and increased risk;

- Modifying and expanding the list of compensated medicines to 134 common international names;
- Introduction of treatment with compensated medication in day-care, procedures and at home;
- Launching the information campaign on the active substance in medicines „The same active substance! Why pay more?";
- Drafting and approving the regulations for the free choice of the family doctor at any time during the year.

Strategic Topic: Ensuring the protection of person's rights

Objective no.1: Improvement of NHIC services for beneficiaries

In 2016, in order to achieve its mission, NHIC conducted a number of strategic and operational actions for information, service and insurance of CHIS beneficiaries.

Green Line telephone service (NHIC Call Centre)

In 2016, the number of calls made to the Green Line telephone service dropped by 2,5% compared to 2015 and represents 20 553 calls.

Out of these, 20 107 calls were informative/advisory and 446 complaints.

Most demand for the Green Line service was recorded in January - March, i.e. the period for payment of the CHI premium in the fixed amount and less requested in the warm time of the year. The lowest number of calls was recorded in July – 1 224 (Figure 2).

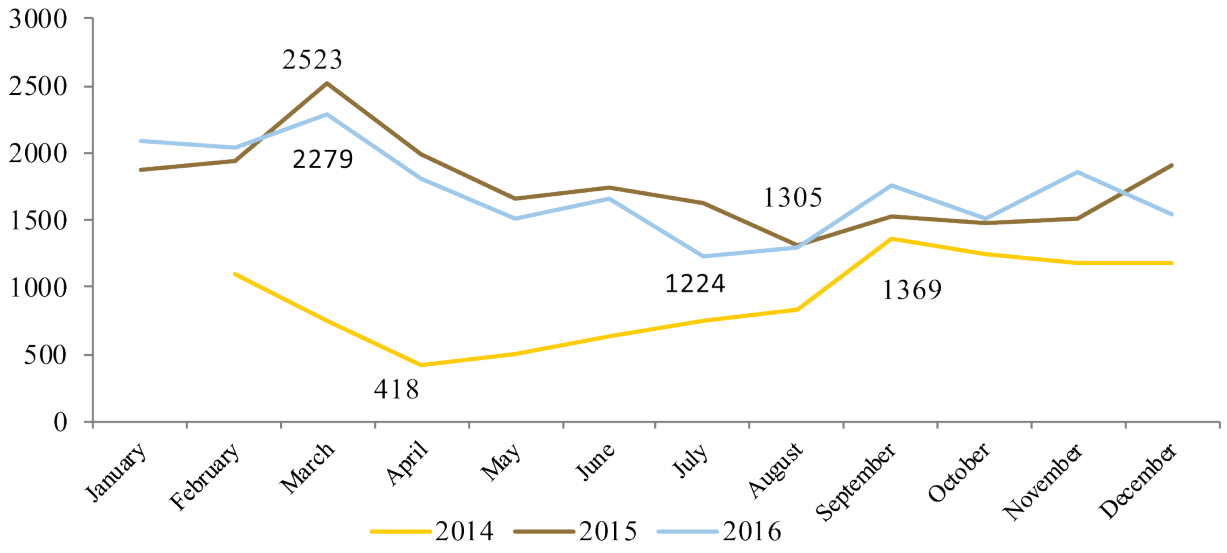


Figure 2. Dynamic of calls received by the Green Line telephone service (n.a.)

Of the total number of calls, 76% are calls regarding the person's insurance framework, 13% refer to medical services, and 6% regard the registration with the family doctor, while 5% refer to the prescription of subsidized medications.

Most complaints were regarding the provision of healthcare services under CHIS - 74%. Out of the total complaints in 2016 - 11% were calls about access to subsidized drugs, others referred to the insurance and the activity of NHIC representatives in the region and violation of the right to register with a family doctor (Figure 3).

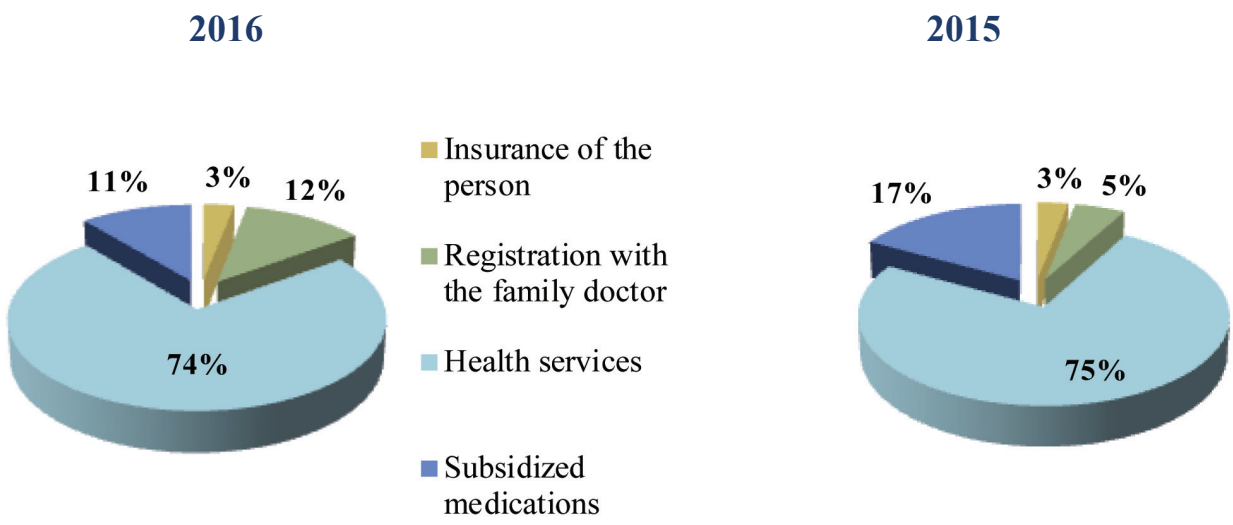


Figure 3. Structure of calls of complaint by categories (%)

The topic of complaints made on the telephone service mainly tackles the following aspects:

- conditioning the granting of medical services, requesting direct payment (daytime in-patient clinic, physiotherapy office, in-patient clinic, for referrals, etc.);
- lack of referral tickets to investigations, consultations;
- non-performance or late performance of medical aid on various reasons;
- disregard for medical ethics and deontology;
- impossibility to make a doctor's or investigations appointment (lack of transparency);
- presence or lack of a certain medicine in the compensated medicine list.

Examination and settlement of petitions received at NHIC

439 petitions were submitted to the NHIC and its TAs in 2015, including 44 petitions forwarded from hierarchically higher institutions.

Of the total number of petitions, 255 were examined by the central apparatus (58%) and 184 petitions by the TAs (42%) (105 by *TA Centru (Chisinau municipality, districts of Ialoveni, Hancesti, Dubasari),* 6 by TA Nord Vest *(Balti municipality, districts of Briceni, Edinet, Rascani, Glodeni, Sangerei)*, 11 by TA Nord-Est *(districts of Soroca, Drochia, Floresti, Donduseni, Ocnita)*, 34 by TA Vest *(districts of Ungheni, Nisporeni, Calarasi, Straseni, Falesti),* 2 by TA Est *(districts of Orhei, Rezina, Soldanesti, Telenesti, Criuleni),* 16 by TA Sud-Vest *(districts of Cahul, Cantemir, Leova, Taraclia, ATU Gagauzia),* 10 by TA Sud-Est *(districts of Causeni, Anenii Noi, Stefan Voda, Cimislia, Basarabeasca, left bank of the Dniester River).*

Issues addressed in the beneficiaries' petitions varied (Figure 4). A third of petitions received concerned requests for information on insurance and registering with CHIS (120 petititons) and services provided based on CHIP (3 petitions). 76 petitions concerned the registration or change of the family doctor.

Approximately 58 petitions in 2016 concerned access to health services/poor quality health care. Improper conduct of healthcare staff and 12 concerned undue/ informal payments for medicines and services.

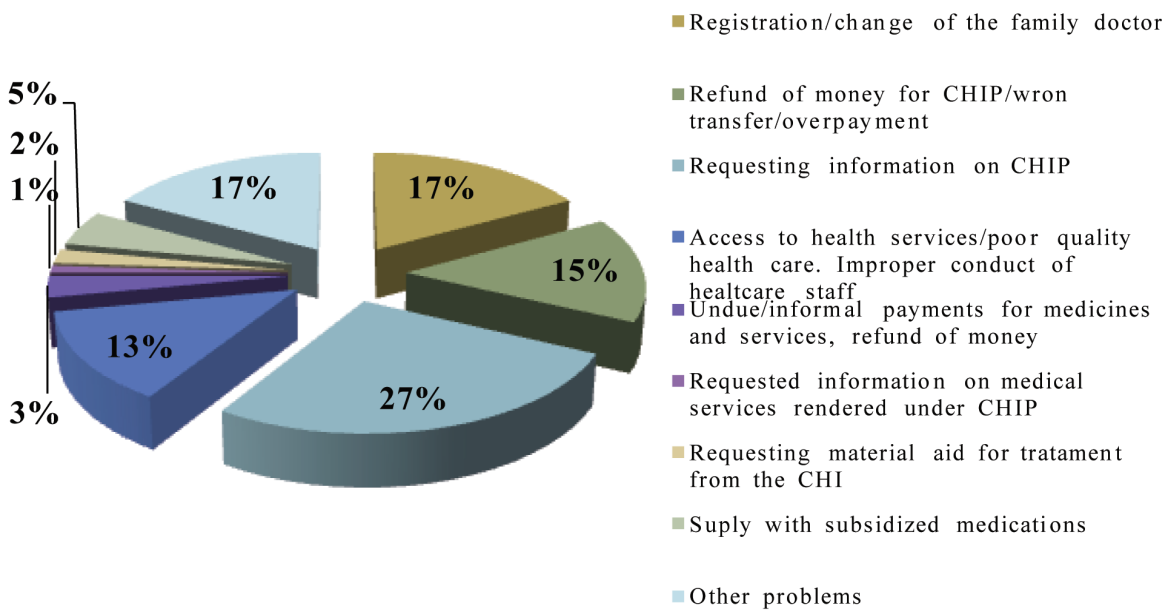


Figure 4. Distribution of petitions by topics (%)

The „other matters" category includes calls on determining the degree of disability, salaries of medical workers, situations of conflict in the collective and the MSI administration – problems that are not directly related to the NHIC jurisdiction.

In 2016, 87 petitions were registered through the «Online petitions» application, which represents 20% of the total number of petitions received by NHIC.

The number of petitions settled by NHIC in 2016 decreased by 146 petitions compared to 2015. The average time for resolving complaints received from CHIS beneficiaries was 8 days. This result was largely due to the efforts of NHIC employees and the measures taken to reorganize the company's activity.

Free choice of family doctor

During September-October 2016, over 90,2 thousand requests to change the family doctor were received, 30 thousand more compared to the same period of the previous year.

This is due to the fact that more and more beneficiaries of CHIS not only know their right to free choice of family doctor and primary health care institution but also use it.

Making use of this right is a proof of the fact that people choose better quality services and stimulate competition between institutions providing primary care.

Almost 69% of the population is currently registered in public healthcare institutions, about 3,1% are on the lists of family doctors in private institutions, and 2,2% - in the republican and departmental institutions (Figure 5).

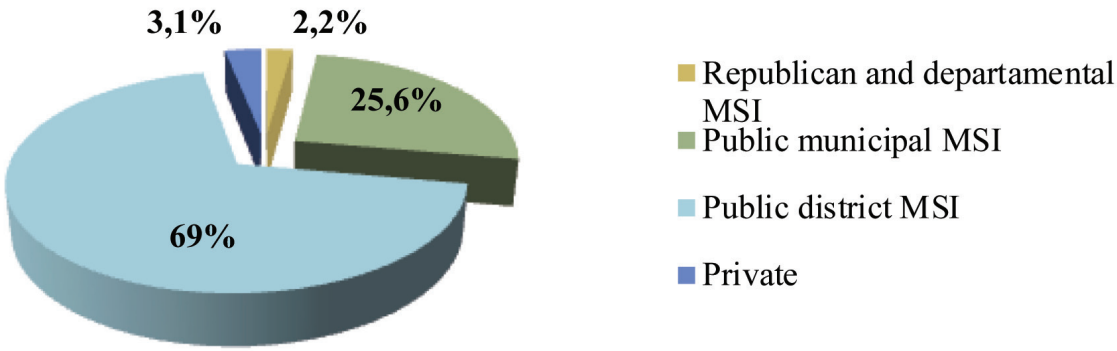
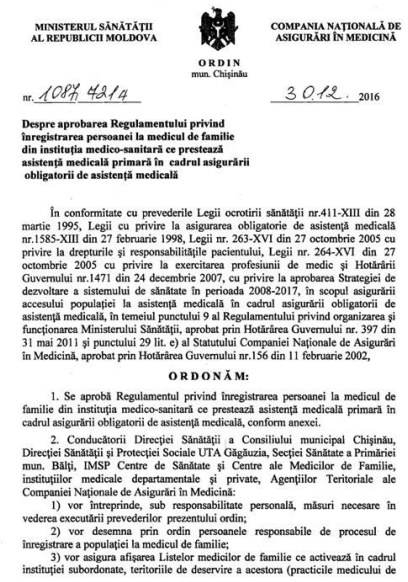


Figure 5. Distribution of the registered to the family doctor population by categories of institutions (%)

The phenomenon of migration to another family doctor and/or primary health care institution is more pronounced in the urban environment. Thus, 55% of the total number of requests to change the family doctor was submitted by people from urban areas and 45% by those in rural areas.

An important achievement in this field was the approval of the new Regulation on the registration of the person with the family doctor from the medical-sanitary institution providing the primary care in the CHI (Joint Order of MoH and NHIC no.1087/721-A from 30 December 2016). The regulation provides that people will be able to change their family doctor and primary health care institution throughout the year, six months after the last change/registration. At the same time, the new Regulation approved the methodology of changing the family doctor and MSI.



MINISTERUL SĂNĂTĂȚII AL REPUBLICII MOLDOVA

COMPANIA NAȚIONALĂ DE ASIGURĂRI ÎN MEDICINĂ

ORDIN
mun. Chișinău

nr. 1087 4214 30.12. 2016

Despre aprobarea Regulamentului privind înregistrarea persoanei la medicul de familie din instituția medico-sanitară ce prestează asistență medicală primară în cadrul asigurării obligatorii de asistență medicală

În conformitate cu prevederile Legii ocrotirii sănătății nr.411-XIII din 28 martie 1995, Legii cu privire la asigurarea obligatorie de asistență medicală nr.1585-XIII din 27 februarie 1998, Legii nr. 263-XVI din 27 octombrie 2005 cu privire la drepturile și responsabilitățile pacientului, Legii nr. 264-XVI din 27 octombrie 2005 cu privire la exercitarea profesiunii de medic și Hotărârii Guvernului nr.1471 din 24 decembrie 2007, cu privire la aprobarea Strategiei de dezvoltare a sistemului de sănătate în perioada 2008-2017, în scopul asigurării accesului populației la asistență medicală în cadrul asigurării obligatorii de asistență medicală, în temeiul punctului 9 al Regulamentului privind organizarea și funcționarea Ministerului Sănătății, aprobat prin Hotărârea Guvernului nr. 397 din 31 mai 2011 și punctului 29 lit. e) al Statutului Companiei Naționale de Asigurări în Medicină, aprobat prin Hotărârea Guvernului nr.156 din 11 februarie 2002,

ORDONĂM:

1. Se aprobă Regulamentul privind înregistrarea persoanei la medicul de familie din instituția medico-sanitară ce prestează asistență medicală primară în cadrul asigurării obligatorii de asistență medicală, conform anexei.

2. Conducătorii Direcției Sănătății a Consiliului municipal Chișinău, Direcției Sănătății și Protecției Sociale UTA Găgăuzia, Secției Sănătate a Primăriei mun. Bălți, IMSP Centre de Sănătate și Centre ale Medicilor de Familie, instituțiilor medicale departamentale și private, Agențiilor Teritoriale ale Companiei Naționale de Asigurări în Medicină:

1) vor întreprinde, sub responsabilitate personală, măsuri necesare în vederea executării prevederilor prezentului ordin;

2) vor desemna prin ordin persoanele responsabile de procesul de înregistrare a populației la medicul de familie;

3) vor asigura afișarea Listelor medicilor de familie ce activează în cadrul instituției subordonate, teritoriile de deservire a acestora (practicile medicului de

Services to economic operators and CHIS beneficiaries

There are 3 big categories of insured persons in the CHIS:

- employed insured persons;
- persons insured by the state;
- persons insured individually.

The status of the insured person for employees is assigned based on the information submitted by the employer, in the lists of insured persons (form 2-03/l). For persons insured by state the status of an insured person is assigned based on the information submitted by the institutions responsible for their records, in the lists of unemployed persons insured by the state (form 2-04/l). For people purchasing insurance on their own, the insurance status is assigned after payment of the CHI premium in the fixed amount for the current year.

Following the processing of the information submitted by the employers and the institutions responsible within the «CHI» Automated Information System, persons are assigned or suspended the status of insured person in the CHIS.

At the same time, the NHIC territorial agencies issue the CHI policies to the employer after processing the individual record lists and the lists of persons insured by the state or ensured individually, when they come to the office.

During 2016, territorial agencies processed 168 217 individual record lists and issued 112 334 policies.

Through the electronic channels ("e-NHIC" and "Electronic Declaration") 47 567 registered lists were obtained, which represents 28% of the total processed lists.

During 2016, 11 590 certificates were issued on the status of the person in the CHI system, arrears to funds, etc.

Development of collaborative relations with state institutions in order to ensure persons and their follow-up in the CHIS

During 2016 measures were taken to intensify the cooperation with the institutions responsible for presenting the nominal lists of persons belonging to the categories of persons insured by the state.

At the same time, to achieve functional tasks and ensuring accurate data, a number of meetings were held with representatives of the Ministry of Labour and Social Protection, the National Social Insurance Office, the State Tax Inspectorate, SE "CSIR" Registru, the Civil Status Service, etc.

On 16 April 2016 NHIC concluded with the National Agency for Employment the Additional Agreement to the Agreement on the Provision of Informational Services no.3/01/24-05 of October 15, 2013, through which the Territorial Agencies for Employment present through the electronic channels registered lists of unpaid persons insured by the Government from the officially registered unemployed category through electronic channels.

In 2016 the successful use of the Government Service of Electronic Payments "MPay" continued for people who purchase their policies individually through post offices, which allows online viewing of transactions made and assigns the status of insured person within much smaller timeframe. The electronic channels for the reporting of nominal lists of persons employed and insured by the state were widely promoted and used.

In order to support the reintegration of Moldovan citizens returning abroad, during 2016 NHIC organized various measures to inform them about the way of joining CHIS.

In order to elucidate the problems encountered by Moldovan citizens returning from abroad, the responsible persons from NHIC participated in various meetings organized by the Diaspora Relations Office. In the same context, the NHIC leadership organized a meeting at NHIC with the representatives of the Movement of Migrant Women in Moldova, where various proposals regarding

the organization of health care were discussed in the localities with limited access to medical services.

In order to implement the activities related to ensuring the access of the refugees and the beneficiaries of humanitarian protection to the local integration programs, during 2016 NHIC granted the status of insured person to 4 persons from the category "foreign beneficiaries of a form of protection included in an integration program".

Objective no.2: Diminishing direct payments

In order to continuously inform the population and popularize the CHIS several communication campaigns were organized regarding the rights and obligations of beneficiaries as part of the CHIS and reducing pocket payments.

Until 31 March 2016, there was carried out the communication campaign on rights and obligations launched within the CHIS in October 2015. It included combined media and non-media communication actions. During the campaign period NHIC developed and placed on its website 18 press releases on subjects related to rights and obligations within the CHIS: how to change the family doctor, accessing compensated medication and other types of medical services, paying the CHI premium in the deadline provided for by the legislation and the discounts applied, etc.

Audio and video spots on the CHI premiums discounts season were produced and during the period of January 18 - March 31, 2016, they were broadcasted in peak audience hours at a television station and radio station with national coverage, as well as in local electronic press.

At the same time, NHIC and TA employees informed the population about the rights and obligations within CHIS through the national and local press.

TA staff organized 351 meetings with the rural population, representatives of territorial tax inspectorates and territorial social insurance offices, trade union leaders, representatives of city halls and district councils, economic agents, holders of entrepreneur patents, founders of individual enterprises (total 10 536 beneficiaries). Also, 235 meetings were organized with the participation of 5 550 MSI medical workers contracted.

During the campaign, including informative meetings and flash mobs, about 90 000 informational materials were distributed through the post offices, the city halls and in public places: the "Compensated Medicines" flyer and the "Beneficiary's Guide to CHIS" brochure.

On 18 November 2016, NHIC, the Ministry of Health together with the Medicines and Medical Devices Agency launched the awareness campaign "The same active substance! Why pay more?" The purpose of the action was informing citizens about the fact that in pharmacies they can request the full range of medicines with the same active substance, from which to select the one at the most favourable price.

Strategic Topic: Insuring access and improving the quality of medical services

Objective no.1: Improving medical services quality control

Monitoring the volume, the quality of health care services and funds management from CHIF

In order to monitor the volume and the quality of healthcare services and ensure the management of funds from CHIF during 2016, 411 inspections were performed at suppliers of medical and pharmaceutical services, including complex controls and thematic checks, controls on revalidation of cases in the DRG system, review of petitions received and unannounced checks at the request of other bodies. Within the complex checks, the period of the year 2015 was evaluated, except the PHC, where the performance indicators for 2016 have also been assessed. 38 specialists within the NHIC have been involved in the control activity.

Thus, during 2016, 223 MSI were subject to control, i.e. 52,08% of all contracted MSI.

The amount related to healthcare services invalidated in 2016 was 8 958,8 thousand lei, compared to 9 110,4 thousand lei in 2015 (Table 1).

Table 1. Invalidated services by types of healthcare (thousand lei)

Types of medical services	Sums invalidated in 2015	Sums invalidated in 2016
Primary healthcare	906,5	1 157,0
Specialized out-patient healthcare	54,8	22,8
Hospital healthcare	6 878,4	6 928,3
Community and home based healthcare	43,2	40,6
High performance healthcare services	1 227,5	809,7
TOTAL	**9 110,4**	**8 958,8**

At the same time, in 2016, 119 thematic checks were performed, with assessment of data at the level of patient in IS DRG. The controls were carried out on the basis of the requests submitted by the providers of hospital care services, for which revalidation was requested in 2 438 cases, followed by revalidation of 1 359 (55,7%) cases.

Implementation of the mechanism of applying penalties for the wrong management of proceeds from CHIF

During the checks on the legality and efficiency of the MSI usage of funds coming from CHIF, financial deviations were detected regarding the use of funds from the CHIF for purposes other than accomplishing the provisions of the Single Program and the bilateral contract concluded with NHIC, as well as the use and use of CHIF means contrary to the provisions of legislative and normative acts, in the total amount of 8 216,0 thousand lei, to which penalties according to the provisions of art.14 of the Law no.1585 of 27.02.1998 "On compulsory health insurance" were calculated, in the amount of 2 348,0 thousand lei. At the same time, CHIF decommissioning as a result of groundless prescription of subsidized medications and issue of tickets for scheduled hospitalizations and SIP, totalling 290,9 thousand lei, was found.

The dynamic analysis of the decommissioned sum reveals an upward trend compared to the corresponding period of the previous year.

Thus, the amount of decommissioned funds identified following verifications was of 10 854,9 thousand lei, i.e. rising by 8% compared to amount of decommissioned means recorded in 2015, which constituted thousand 10 043,1 lei.

Through orders issued by inspection teams, legal requests were submitted to MSI obliging them to refund the disaffected sums from other sources of income, both to the institutions' settlement accounts directed to CHI sources for later use in providing services to persons insured by CMHI as well to the NHIC account as a result of the amendments made to Law no.1585 of February 27, 1998, „On compulsory health insurance".

In 2016, 4 512,5 thousand lei in disaffected means were refunded, including means restored to the MSI settlement accounts in the amount of 199,8 thousand lei and financial means transferred to the NHIC account in the amount of 3 525,1 thousand lei (Figure 6).

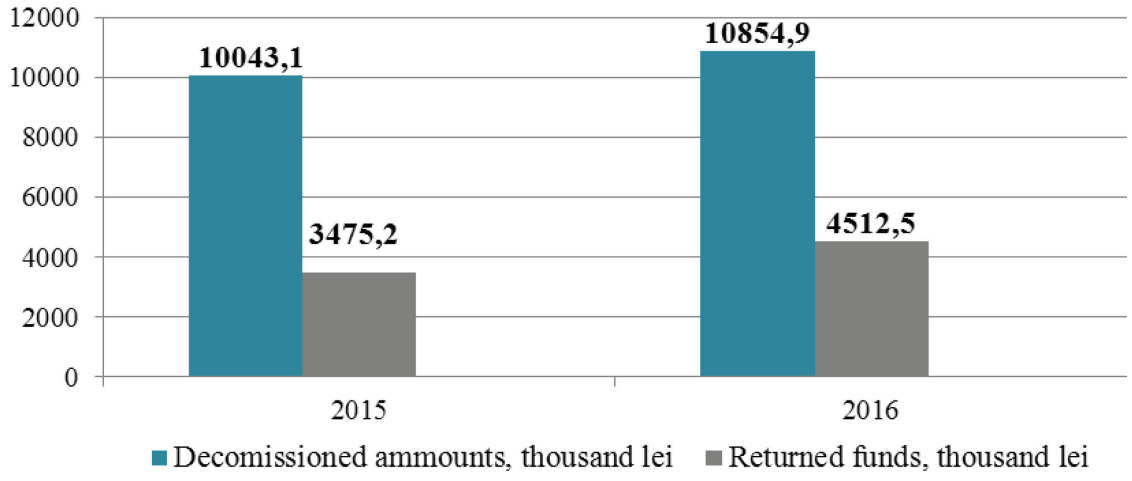


Figure 6. The ratio of decommissioned amounts/returned funds (thousand lei)

Also following the verifications, as a result of applying article 14 paragraph (5) of the Law no.1585 „On compulsory health insurance" of February 27, 1998, fines in the amount of 787,6 thousand lei were cashed.

At the same time, 10 protocols were concluded for the decommissioning of CHIF, fines in the total amount of 6,0 thousand lei being applied to the persons in charge.

Objective no. 2: Enhancing the efficiency of contracting and of payment methods

In 2016, 432 MSI were contracted for provision of health services under CHI, including: 21 republican facilities, 35 municipal, 10 departmental, 302 district level and 64 private.

During the contracting process the real formed flow of patients insured and the gradual achievement of equity in the distribution of financial resources were taken into account.

In order to increase the access of the population to quality medical services in 2016, the Single CHI Program included new medical services. Thus, FAOAM covers the costs of mammography exoprostheses and implants needed to rehabilitate patients with malignant tumours, individual prostheses and supplies required for surgical and prosthetic rehabilitation of patients with malignant tumours of the head, neck, and locomotor apparatus.

Among the new services can also be mentioned the prenatal screening tests of pregnant women in the risk group (in order to detect congenital malformations), early intervention services for children from birth up to 3 years with special needs/ developmental disorders and also an increased risk for their families. Children up

to 14 years as well as people with special needs will also benefit from anaesthesia as part of high-performance medical services.

Also, in order to increase access of the population to community-based health services and the development of alternative hospital services, medical treatment (intramuscular, intravenous procedures) is carried out at the day-care/treatment rooms and at home, at the indication of the family doctor and/or specialist physician. The medical institution provides single-use medical devices and medications.

Objective no.3: Streamlining allowances for subsidized medications

In 2016, the amount of 424 952,5 thousand lei from the CHIF funds, was allocated for compensated medicine. Compared to spending on subsidized medicine in 2015, the allocations for 2016 increased by 51,9%.

The increase in the volume of the CHIF allocations for subsidized medicine in 2016 was due to the following factors:

- changing and expanding the list of compensated medicine to 134 common international names;
- increasing the compensation rate of certain drugs on the list;
- the significant increase in the number of recipients of compensated drugs under certain categories of compensation;
- the on-going trend of continuing increases in price for compensated medicines whose cost is fully offset (100%).

The release of compensated drugs in 2016 was carried out by 260 pharmaceutical service providers contracted by NHIC.

Pharmacies contracted by NHIC provided compensated medicines based on 4 593 565 prescriptions, by 914 951 prescriptions more than in 2015.

At the same time, there was an increase in the average retail price for reimbursed prescription drugs and the average net reimbursement per prescription compared to the data recorded in 2015. Thus, the retail price for reimbursed medicines increased to 113,7 lei versus 106,4 lei in the previous year, and the average amount of compensation for a recipe constituted 90,8 lei, while in 2015 it constituted 78,9 lei (Figure 7).

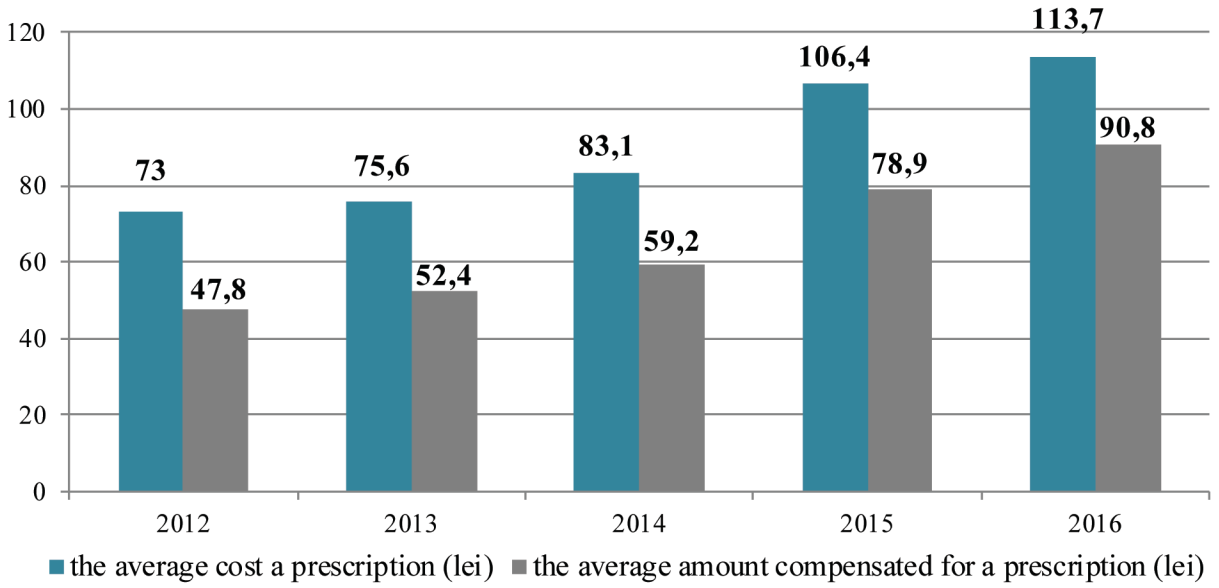


Figure 7. Trends in the average cost of a prescription and the compensated amount for one prescription (years 2012-2016) (lei)

In 2016, subsidized drugs covered by CHIF were prescribed to over 708 thousand people, by 118 thousand more than in 2015. Of the total number of beneficiaries, more than 223 thousand were children up to 18 years old.

In the structure of expenditures for compensated drugs, the highest share was given to the medicines administered in the treatment of cardiovascular diseases (35,5%) and the treatment of diabetes (27,9%).

During 2016, 18 733 persons were insured with injectable antidiabetic drugs (Insulinum Humanum), totalling 56 146,5 thousand lei. At the same time, the transfers from the state budget for the implementation of the national health care programs, the purpose of which is the compensation of the cost of injectable antidiabetic medicines, amounted to 52 816,4 thousand lei, which is by 3 330,1 thousand lei less than the compensated amount, the difference being covered by the CHIF.

It is worth mentioning that in 2016 the share of fully compensated medicines (100%) by CHIF accounted for 53,7% of the total expenditures for compensated drugs. These expenditures amounted to 223 854,0 thousand lei and increased by 32 391,6 thousand lei or by 16,9% as compared to 2015.

Strategic Topic: Ensuring CHIF sustainable development and increasing the population coverage with CHI

Objective no.1: Increasing the number of people insured per target group in the NHIF system

The level of insurance in 2016 increased by 0,2 percentage points and reached 85,8% (Figure 8). Thus, the number of persons insured in CHIS as of the end of 2016 amounted to 2 575,5 people.

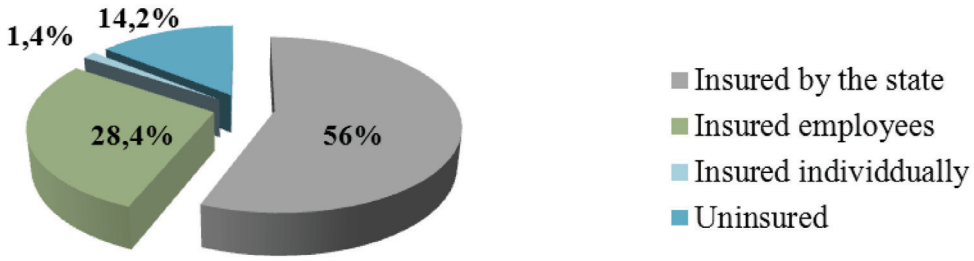


Figure 8. Structure of population by categories (%)

Compared to 2015, the number of persons insured by the state increased by 0,3 percentage points and of employed persons by 0,1 percentage points. Individually insured persons registered a decrease by 0,2 percentage points, so the number of persons insured individually in 2016 is 40 113 (Figure 9). In total, the share of uninsured persons decreased by 0,2 percentage points.

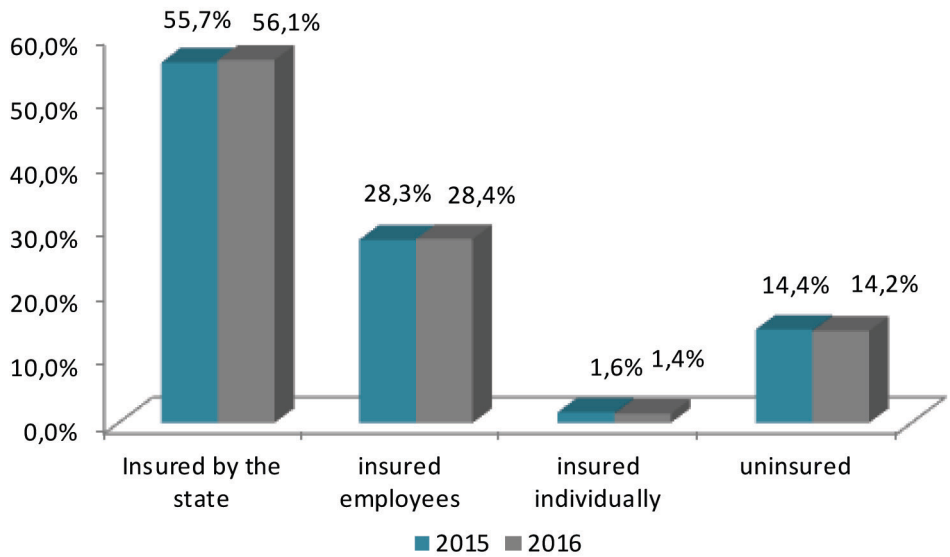


Figure 9. Structure Dynamics by Category (%)

Objective no.2: Insuring financial sustainability of CHIF

By the law on mandatory health insurance funds for 2016 no.157 from 01.07.2016, the CHIF funds were approved in the amount of 5 838 515,5 lei. Subsequently, on the basis of the corrections made by the Law no.238 from 03.10.2016, the amount of the CHIF revenues and expenditures was modified and approved in the amount of 5 779 289,2 lei.

As for CHIF execution in 2016, incomes amounted to 5 764 158,3 lei and expenditure – 5 673 446,2 lei, i.e. a deficit of 90 712,1 lei. Thus, compared to the beginning of the year, the CHIF balances increased and on December 31, 2016 amounted to 243 856,9 lei. According to the legislation in force, the balance of funds in CHIF bank accounts that were undistributed at the funding of the respective funds deficit, were used during the budget year to cover temporary cash discrepancies.

CHIF Income

The CHIF's revenues are derived from taxpayer premiums paid by taxpayers, transfers from the state budget and other income (pecuniary fines and penalties, bank interest, etc.) (Figure 10). The CHI premium represents a fixed amount or a percentage contribution to salary and other rewards, which the taxpayer is obliged to pay to CHIF for taking the risk of disease.

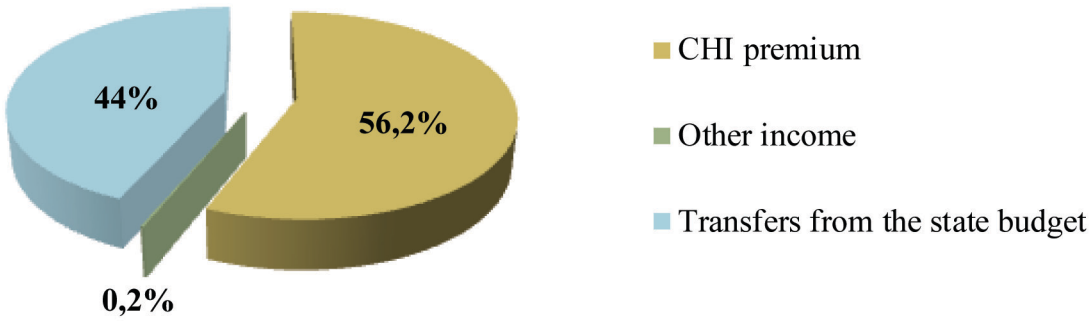


Figure 10. Structure of CHI funds by types of revenue (per cent)

In 2016, CHIF incomes amounted to 5 764 158,3 lei, i.e. 99,7 per cent of the annual provisions. More than half of CHIF proceeds – 3 251 446,0 lei or 56,4% are own revenues and other income and 2 512 712,3 lei or 43,6% totalled transfers from the state budget (Table 2).

The accumulation of the CHIF revenues below the approved level is a consequence of the decrease in 2016 of the salary fund from which the CHI

premiums are calculated and the number of persons individually insured. Thus, the receipts from the premiums in the form of a percentage contribution to salary and other rewards constituted 3 152 995,4 lei or at 99,6% in relation to the annual provisions and the accumulations of fixed premiums – 87 183,7 lei or 93,5% of the provisions.

Compared to 2015, the amount of accumulated income increased by 701 211,8 lei or 13,8%.

Table 2. The CHIF revenues for 2016 (thousand lei)

Indicator name	Approved	Specified	Executed	Deviations (+,-) executed vs. specified	Ratio (in %) executed vs. specified
Revenues, total	**5 838 515,5**	**5 779 298,2**	**5 764 158,3**	**+15 139,9**	**99,7**
including:					
The CHI premiums, in the form of a percentage contribution to salary and other rewards	3 166 667,9	3 166 667,9	3 152 995,4	-13 672,5	99,6
Fixed amount CHI premiums paid by individuals with residence in the Republic of Moldova	93 288,0	93 288,0	87 183,7	-6 104,3	93,5
Other revenues	6 630,0	6 630,0	11 266,9	+4 636,9	169,9
including:					
interest	x	x	4 880,5	x	x
other revenues	x		4 155,2	x	x
Fines and sanctions	x	x	2 231,2	x	x
Transfers from the state budget for the medical insurance of categories of people insured by the Government	2 419 185,0	2 369 185,0	2 369 185,0	0,0	100,0
Transfers from the state budget for the compensation of the missed income according to art. 3 of the Law no. 39-XVI of 02.03.2006	738,5	738,5	738,5	0,0	100,0
Transfers from the state budget for implementing national healthcare programs	62 033,7	52 816,4	52 816,4	0,0	100,0
Transfers from the state budget for implementing the project "Modernizing the health sector"	89 972,4	89 972,4	89 972,4	0,0	100,0
Internal grants	-	-	-	-	-
External grants	-	-	-	-	-

The CHI premiums in the form of percentage contribution to salary and other payments

The CHIF Law approved the size of the CHI premium for 2016 in percentage in relation to the salary and other rewards, in accordance with the budgetary and fiscal policy, as amounting to 9 per cent.

The percentage of the CHI premium for the period of 2009-2013 was maintained at a level of 7% and gradually increased by 1 per cent in 2014 and 2015 and kept at 9% in 2016. The need for a gradual increase in the percentage share is related to the need to cover the increase in consumer prices and the need to increase the volume and quality of medical services provided to the population, including through PMSI capacity building, using contemporary medical equipment and technologies.

These insurance premiums were collected in a sum of 3 152 995,4 lei, which is by 13 672,5 thousand lei less or 99,6% compared to the annual provisions. As a share, this income type ranks first and accounts for 54,7% of the total CHIF accumulations in 2016.

Compared to the previous year, the earnings from the CHI premium as a percentage increased by 388 737,1 lei or 14,1% due to the increase of labour remuneration fund at the country level.

Fixed amount CHI premiums paid by individuals residing in the Republic of Moldova

The size of the CHI premium in fixed amount is calculated by applying the percentage size of the insurance premium to the average annual salary for that year based on forecasted macroeconomic indicators.

For 2016, according to the Law on CHIF for 2016, by derogation from the above-mentioned provisions, the size of the CHI premium was calculated as a fixed amount of 4 056 lei being maintained at the level of 2014.

In 2016, discounts of 50% and 75% were applied to the payment of the fixed amount within the deadline set by the legislation. Thus, individuals who assure themselves have benefited from a 50% discount and landowners with agricultural purposes, regardless of whether they leased or not the land under a contract, have benefited from a discount in the size of 75%.

The practice of applying these incentives over the course of several years has proven successful by increasing coverage of population with CHI and contributing to the financial protection of low-income population groups.

In 2016, accumulations of the CHI premiums in fixed amount constituted 87 183,7 lei, or 6,5 per cent less than the annual provisions. This decrease was due to the decrease in the number of people obliged to purchase the insurance individually.

Compared to 2015, the number of people insured individually decreased by 7 671 people or 16 per cent. One of the reasons for such decrease is the legal provision according to which people not staying in the country for more than

183 days during the calendar year are not required to pay a fixed sum for the compulsory medical insurance premium.

At the same time, the predominant part of the individuals who insured themselves individually in 2016 or about 88% of them benefited from discounts on the payment of the premium. Thus, 24 774 people or 60,9% benefited from a discount of 50%, and 10 846 people or 26,7% - a discount of 75%.

The share of the CHI premiums in fixed amount in the total revenues accrued to CHIF amounted to 1,5%, decreasing compared to 2015 by 0,3 percentage points.

Other revenues

In total, financial means accumulated in this chapter amounted to 11 266,9 lei, by 4 636,9 lei or by 69,9% more than the annual provisions.

The structure of this revenue category includes:

- interest earned on cash balances in the bank accounts of CHIF – 4 880,5 lei;
- penalties and sanctions for contraventions applied by CHIF – 1 337,6 lei;
- fines imposed by the State Tax Service bodies according to the Fiscal Code collected in the CHIF budget - 893,6 lei;
- other revenues earned by CHIF – 4 155,2 lei (Figure 11).

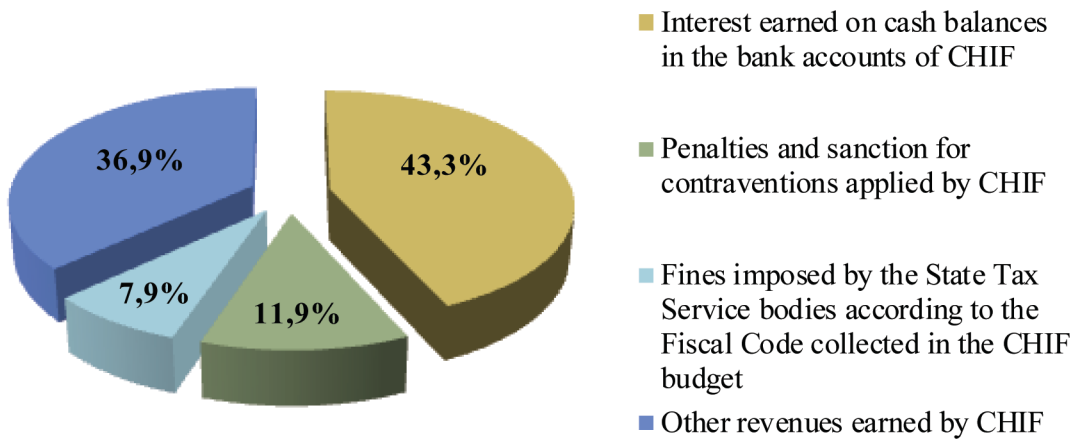


Figure 11. The Structure "Other revenues" accumulated in CHIF by sources, 2016 (%)

The substantial increase in "Other revenues" is largely due to the considerable increase, as compared to the previous year, of the accrued interest earned on cash balances to the CHIF bank accounts, serviced on a contractual basis by the State Treasury, by 1 921,0 lei or 64,5% and applying of fines and sanctions for minor offenses by 505,4 thousand lei or 60,7%.

Compared to 2015 the chapter "Other revenues" registered an increase of 589,2 thousand MDL or 5,5%.

Transfers from the state budget

Fifteen categories of people are insured by the Government, including children under 18, pensioners, people with severe, accentuated and medium disabilities, unemployed people registered with territorial agencies for employment, persons from disadvantaged families receiving social assistance, etc.

During 2016, 2 369 185,0 lei were transferred from the state budget for the medical insurance of the categories of persons insured by the Government, the transfers being entirely allocated according to the stipulated provisions. At the same time, compared to 2015 an increase of 11,4% (243 287,7 thousand lei) was recorded.

As one of the largest sources of income from the accumulation of the CHI premium by percentage share, this type of income accounts for 41,1 per cent of all CHIF accumulations and occupies the second position.

At the same time, throughout the last years there is a constant trend of diminishing the share of transfers for the medical insurance of the categories of persons insured by the Government in the CHIF revenues. Thus, if in 2012 the share of the transfers constituted 52,8% of the revenues, in 2016 it decreased by 11,7 percentage points (Figure 12).

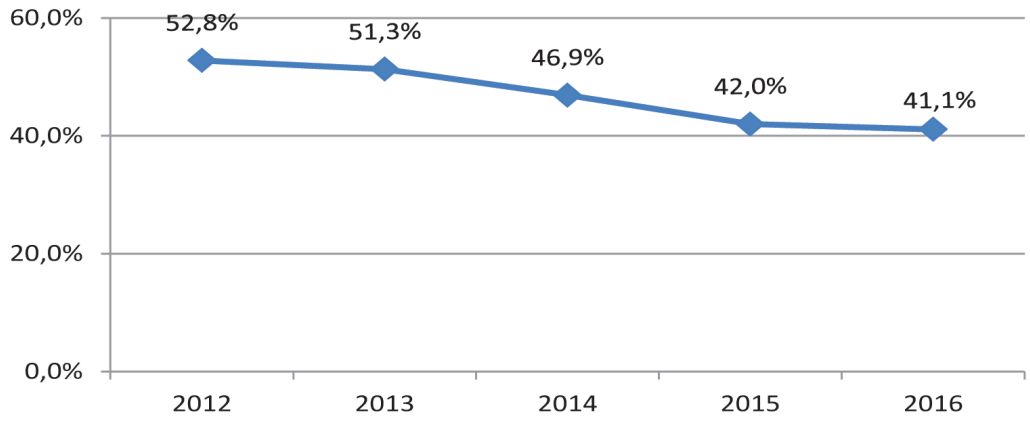


Figure 12. Share of transfers for health insurance of categories of persons insured by the Government in the CHIF's incomes in dynamics (2012-2016) (%)

Transfers from the state budget aimed at compensating for lost revenues, according to article 3 of the Law no.39 from 2 March 2006 for compensation by the Government of the CHI premiums for agricultural landowners located along the highway Ribnita-Dubasari amounted to 738,5 thousand lei, which is at the level of the planned amount. At the same time, an increase of 25,2% (148,5 thousand lei) is registered in comparison with the respective transfers made in 2015.

Transfers from the state budget aimed at implementation of national health care programs, intended for the purchase of anti-diabetic injectable drug (insulin) amounted to 52 816,4 thousand lei, i.e. the same as the approved level.

The transfers to the state budget for the implementation of "Health sector modernization" project amounted to 89 972,4 thousand lei, corresponding to the approved amount.

CHIF Expenditures

Irrespective of the source of payment, the funds are accumulated in the single NHIC account and later distributed according to legal requirements to the following funds (according to Annex 1 to the 2016 CHIF Law):

- fund for payment of current health services (basic fund);
- CHI reserve fund;
- fund for preventive measures (to prevent the risk of disease);
- fund for the development and modernization of public healthcare providers;
- CHIS administration fund.

The CHIF are structured by programs and subprograms, according to Annex no.2 to the CHIF law for 2016.

The „Public Health and Health Services" program includes the following subprograms:

- CHIF Management;
- Primary healthcare, including subsidized medications;
- Specialized out-patient healthcare;
- Community and home healthcare;
- Emergency pre-hospital healthcare;
- Hospital healthcare;
- Advanced Medical Services;
- Management of the CHI reserve fund;
- National and special health protection programs;
- Development and modernization of healthcare facilities.

The overall expenditure from the CHIF on all subprograms amounted to 5 673 446,2 thousand lei, 108 852,0 thousand lei less or with a level of execution of 98,2% of annual provisions, which is by 520 975,5 thousand lei or 10,1% more than in 2015 (Table 3).

Table 3. Use of the CHIF means for 2016 (thousand lei)

Indicator name	Approved	Specified	Executed	Deviations (+,-) executed vs. specified	Ratio (in %) executed vs. specified
Expenditures, total	**5 838 515,5**	**5 779 298,2**	**5 673 446,2**	**- 105 852,0**	**98,2**
including:					
fund for payment of current health services (basic fund)	5 611 092,4	5 611 092,4	5 570 241,8	- 40 850,6	99,3
CHI reserve fund	41 720,1	41 720,1	15 139,7	- 26 580,4	36,3
fund for preventive measures (to prevent the risk of disease)	56 865,1	17 647,8	2 510,1	- 15 137,7	14,2
fund for the development and modernization of public healthcare providers	50 000,0	30 000,0	12 800,3	- 17 199,7	42,7
CHIS administration fund	78 837,9	78 837,9	72 754,3	- 6 083,6	92,3

Expenditure from the fund for payment of current health services (basic fund)

According to par.9 GD no.594 of 14.05.2002 "On approval of the Regulation on setting up and administration of compulsory health insurance funds", not less than 94% of the CHIF revenues shall be allocated for the payment of current health services. The funds accumulated in the basic fund are used for payment of expenditure required for the management of the single CHI program.

Individuals in CHIS benefit from the full range of medical services included in the CHI's Single Program. At the same time, pre-hospital and primary care are also provided to uninsured persons, and in the case of socially-conditioned diseases, such as tuberculosis, oncological diseases, psychiatric diseases, HIV/AIDS, infectious diseases, the uninsured also benefit from specialized outpatient and hospital medical care.

Of the CHIF's total expenditures in 2016, the fund for the payment of current medical services (basic fund) accounted for 98,2% of the expenditures.

In order to pay the current medical services, in 2016, from the AOAM's basic fund, funds amounting to 5 570 241,8 lei were directed, which constituted 99,3% of the annual provisions or by 40 850,6 thousand lei less (Table 4).

Table 4. Structure of expenditures from the fund for payment of current health services (basic fund) (thousand lei)

Name of the subprogram	Approved	Specified	Executed	Deviations (+,-) executed vs. specified	Ratio (in %) executed vs. specified
Emergency pre-hospital healthcare	456 633,8	456 633,8	456 613,8	-20,0	100,0
Primary healthcare	1 808 929,2	1 734 929,2	1 729 199,1	-5 730,1	99,7
including: subsidized medications	*502 500,0*	*428 500,0*	*424 952,5*	*-3 547,5*	*99,2*
Specialized outpatient healthcare	390 893,9	390 893,9	389 217,2	-1 676,7	99,6
Hospital healthcare	2 769 454,2	2 855 454,2	2 827 659,5	-27 794,7	99,0
Advanced health services	176 349,3	164 349,3	158 855,0	-5 494,3	96,7
Community and home based health services	8 832,0	8 832,0	8 697,2	-134,8	98,5
Other types of health services	-	-	-	-	-
TOTAL	**5 611 092,4**	**5 611 092,4**	**5 570 241,8**	**-40 850,6**	**99,3**

The execution of the basic fund below the planned level is explained, on the one hand, by the failure of MSI to meet the volume of medical services provided in the contracts concluded with NHIC and, on the other, by invalidating the medical services following the checks carried out. In that case, the value of the invalidated services was deducted from the sums to be transferred to the providers concerned or was returned to the CHIF.

Compared to 2015, the basic fund's expenses increased by 670 663,8 lei or 13,7%.

The analysis of the structure of expenditures on sub-programs financed from the basic fund in 2016 shows that more than half of the financial means destined for the payment of current medical services or 50,8% were allocated for the realization of the subprogram "Hospital Medical Assistance" and 31% for the subprogram "Primary Medical Assistance", including compensated medicines (Figure 13).

The other 18,2% of the basic fund were used to cover the costs of emergency medical services, outpatient care, high-performance services and community-based medical care and at home.

In the basic fund expenditures, carried out in 2016, the highest increase compared to the previous year was registered by the cost of hospital care – 17,8%, followed by primary care - by 13,4%.

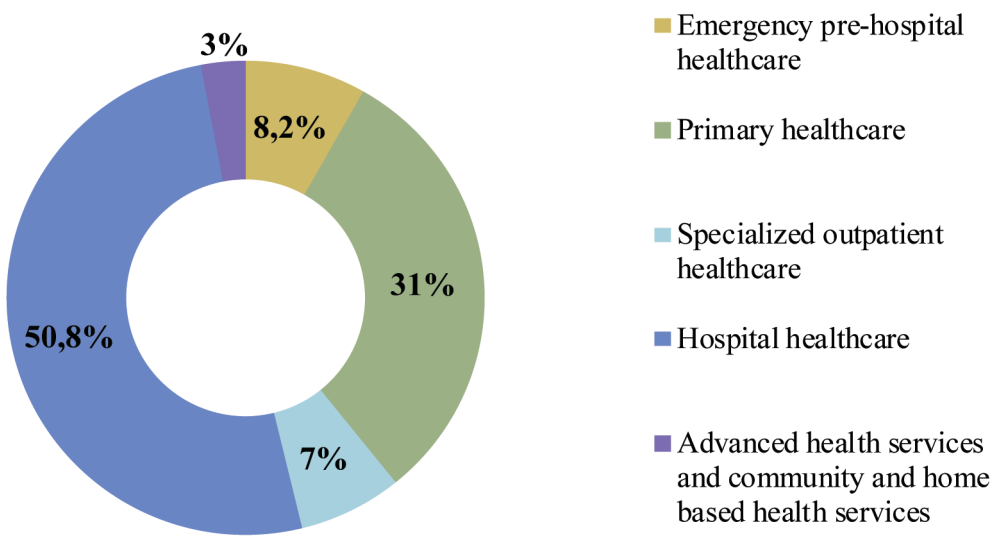


Figure 13. Structure of expenditures by subprograms financed from the basic fund, 2016 (%)

EPHC

Pre-hospital EPHC ensured the provision of the respective healthcare assistance to the population, regardless of the presence of a CHI policy, throughout the territory of service, with non-stop service and organizing, when necessity, the departure of the team outside the territory of service.

Upon contracting medical services, a number of persons were taken into account that was identical to those registered in the MSI providing PHC services located on the territory of service of MSI providing EPHC.

Throughout 2016 the EPHC service has handled 953 753 requests (Figure 14).

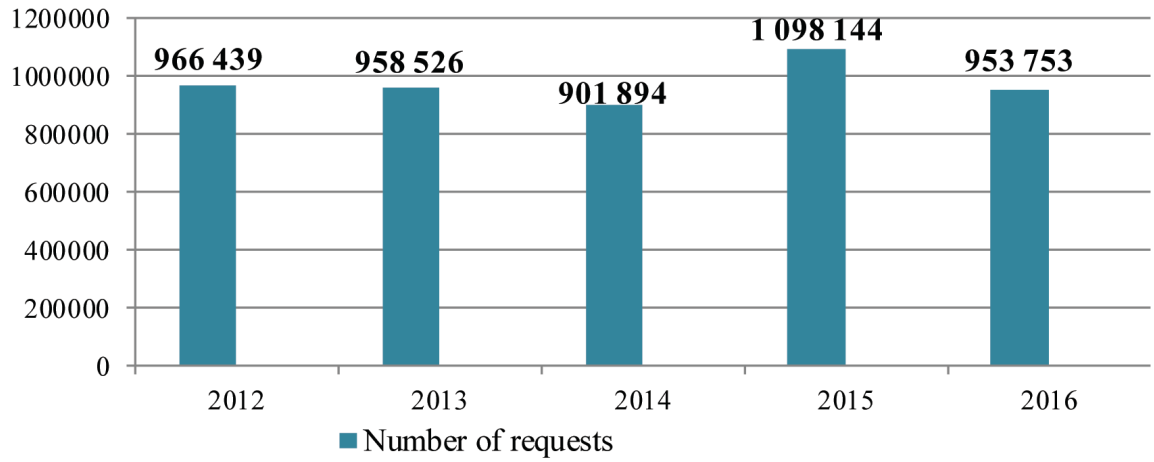


Figure 14. Number of requests handled by EPHC (n.a.)

The EPHC service activity covered population needs, while the quality of services provided was at a satisfactory level, as confirmed by the increasing accessibility of the population to emergency services, but also the decrease in the margin of error between the EPHC service diagnosis and the diagnosis established in the hospital's hospitalization ward.

PHC

PHC was provided by family doctors for diseases and conditions stipulated in the CHI single Program.

The following methods of payment were used in PHC:

- payment „per capita" (85%);
- bonuses for performance indicators (15%).
- payment via global budget for Youth-friendly health centres;
- payment via global budget for Community mental health centres.

When planning the volume of health services for contracting in the PHC in 2016, the total number of persons (insured and uninsured) recorded in the „Register of persons on record in SMIs that provide PHC in CHIS" was taken into consideration. PHC facilities were contracted based on the „per capita" principle, with differentiation of the tariff by three age groups:

a) age 0 to 4, 11 months, 29 days;
b) age 5 to 49, 11 months 29 days;
c) age 50 and over.

For the provision of PHC, the NHIC contracted 280 SMIs, including 2 republican, 20 municipal, 239 district, 5 departmental and 14 private.

Throughout 2016 NHIC monitored the activity of PHC providers and found that the insured persons made 9,7 mln visits to family doctors.

Also, family doctors made 525,6 thousand visits to uninsured persons (Figure 15).

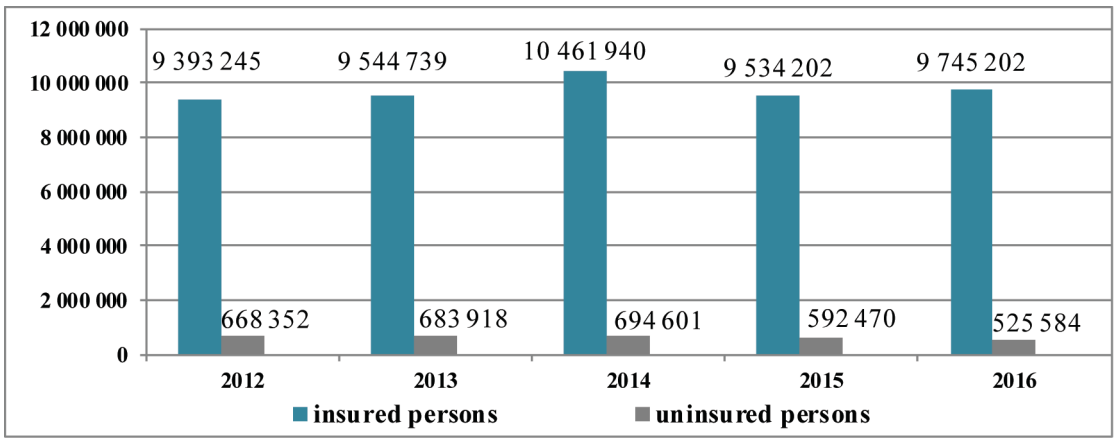


Figure 15. Number of visits to the family doctor (a.no.)

At the same time, in 2016, 38 Youth Friendly Centres and 39 Community Mental Health Centres were contracted for PHC. The contracting of these centres is thus carried out according to the „global budget" principles, which are subdivisions of Family Doctor's Centres. Contracting these centres contributes essentially to reducing the incidence of STIs/HIV, unwanted pregnancy and abortion levels, drug use, alcohol abuse, and psycho-emotional disorders among youth.

During 2016, NHIC monitored the number of visits provided at these centres and found that the insured persons made 95 642 visits to Youth Friendly Centres and 239 501 to Community Mental Health Centres (Table 5).

Table 5. Number of visits paid during 2012-2016 (n.a.)

Year	2012	2013	2014	2015	2016
Youth Friendly Centres	65 495	62 781	100 670	92 212	95 642
Community Mental Health Centres	16 417	19 301	39 482	129 152	239 501

SOPH

SOPH was provided for the purpose of diagnosis and treatment tactics upon referral by the family doctor, other medical specialists, to the direct address of insured persons in case of emergency and for the diseases specified in the "List of affections which, after confirmation as a new case, allow for the direct visit to the profile specialist working in outpatient healthcare".

For the provision of SOPH in 2016, NHIC contracted 116 MSI, including 17 republican institutions, 21 municipal institutions, 63 district institutions, 5 departmental and 11 private institutions.

During 2016, NHIC monitored the number of visits made by specialized doctors and found that during the insured persons have been provided with medical services in the course of 6 565 622 consultative visits, including 699 292 visits in dental healthcare (Table 6).

Table 6. Number of consultative visits provided throughout 2012-2016 (n.a.)

Year	2012	2013	2014	2015	2016
Total visits	**6 912 223**	**7 026 399**	**6 971 337**	**6 584 084**	**6 565 622**
Including dental care visits	678 578	662 309	716 784	705 190	699 292

Since 2011, NHIC has also been covering expenses for food, public transport to/from home for the insured people suffering from tuberculosis. Thus, in 2016, 11 723 522 lei were allocated, compared to 9 830 162 lei in 2015 or by 1 893 360 lei more.

HHC

In order to make contracting and payment methods more efficient in hospital care in 2016, treated chronic cases have been delimitated. Acute treated cases are of short duration and are provided under programs such as:

- General program;
- Special program "Surgery treatment for cataract";
- Special program "Hip and knee prosthetics";
- Special program „Interventional cardiology";
- Special program „Vascular prosthetics";
- Special program "Endovascular Surgery";
- Special program "Heart Surgery";
- Special program „Neurosurgery of spine fractures".

The treated chronic cases are the cases by profiles: geriatrics, rehabilitation and palliative care. Cases rendered in the category of rehabilitation are provided in republican medical institutions and are classified as follows:

- pediatric care;
- neurological care;
- cardiologic;
- orthopedics.

Funding of expensive consumables used to treat acute cases provided under special programs in 2016 were paid separately and constituted 53 842 034 lei, compared to 27 978 977 lei in 2015 (Table 7).

Table 7. Number of treated cases under the special programs and the amounts paid by NHIC throughout the years 2015-2016 (n.a.)

Year	2015	2016
Special program "Surgery treatment for cataract";	1 797	3 177
Special program "Hip and knee prosthetics	803	867
Special program „Interventional cardiology";	1 138	2 289
Special program „Vascular prosthetics";	125	346
Special program "Endovascular Surgery	202	301
Special program "Heart Surgery	1 011	1 367
Special program „Neurosurgery of spine fractures	5	178

Since 2014, according to the Single Program provisions, NHIC has been covering expenses related to treatment by transplanting organs, tissues and cells.

In 2016 specialized medical and sanitary institutions performed under NHIC funding 9 liver transplants (2015 - 4) and 22 kidney transplants (2015 - 13) in the amount of 8 050 000 lei (2015 - 3 900 000 lei). The number of corneal transplants constituted 47 in total amount of 1 331 651 lei.

Hospital expenses cover the costs of providing dialysis services. In 2016 the amount of 96 705 523 lei was allocated from CHIF, compared to 69 711 153 lei in 2015 or by 26 994 370 lei more.

In 2016, for the provision of HHC, 75 MSIs were contracted by NHIC, including 15 republican, 10 municipal, 35 district, 7 departmental and 8 private.

HPMS

Advanced medical services are contracted based on „per service" principle.

For the provision of these services, 43 MSI (8 republican, 5 municipal, 1 district, 1 departmental and 29 private) were contracted.

By monitoring the activity of the contracted HPMS providers, a continuous growth may be observed, both in the number of high performance investigations provided as well as in their spectrum. Thus, in 2016 the number of investigations provided was of 515 880 compared to 568 287 in 2015 or by 52 407 less (Figure 16).

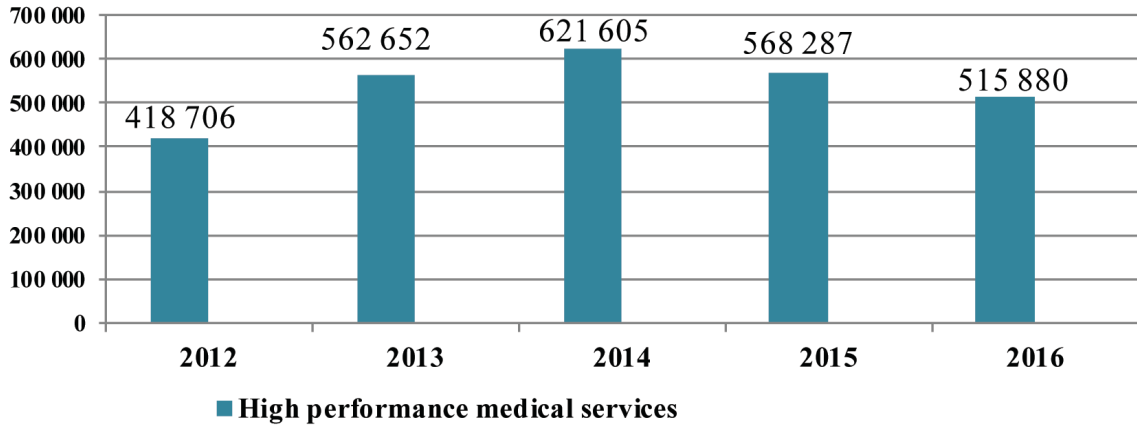


Figure 16. Number of high performance medical services provided in 2012-2016 (n.a.)

Table 8. Number of high performance medical services provided in 2012-2016 (n.a.)

Description of services	2012	2013	2014	2015	2016
Nuclear magnetic resonance	9 866	16 596	19 566	19 346	18 202
Computed Tomography	37 751	43 710	44 559	37 045	32 890
Scyntigraphies	8 217	8 035	8 083	7 139	7 549
Angiographies	2 961	3 587	4 591	3 402	3 375
Genetic Investigations (determination of RNA, DNA of pathogenic agents in biological material)	37 978	46 802	49 682	48 500	42 622
Aortography	304	400	868	975	883
Coronary angiography	1 739	142	265	360	368

Community, palliative and home healthcare services

Home healthcare services are provided to insured persons by authorized institutions based on an agreement with NHIC in case of advanced chronic diseases (consequences of cerebral stroke, terminal diseases, fractures of the femoral neck, etc.) and/or following major surgery, as recommended by the family doctor and profile specialist doctor from hospital and outpatient departments. The financial coverage of these services has helped to increase the access of elderly, vulnerable and disabled people to such kind of social-medical assistance recommended by the WHO.

In 2016, 84 616 visits were paid at home health care, compared to 83 869 visits in 2015 or by 747 more.

Expenditure from the fund of preventive measures (to prevent the risks of getting the disease)

In 2016, from the preventive measures fund, expenses in the amount of 2 510,1 thousand lei were incurred, with 15 137,7 thousand lei less than the approved amount or at the level of 14,2%. Compared to 2015, the expenditures in this fund recorded a decrease by 10 407,7 thousand lei.

During 2016 the following actions were carried out from the preventive measures fund:

- Measures aimed at reducing the risk of disease, which consisted in the procurement of 11,5 thousand doses of rabies vaccine, used to prevent

rabies up to and for a period of time after exposure to the rabies virus. For this purpose funds were allocated in the amount of 1 656,0 thousand lei.

- Financing of demonstrations and activities aiming at promoting a healthy lifestyle:
  - Celebrations of the "World Health Day" – 0,6 thousand lei;

The funds were used for organizing the "Defeat Diabetes" flash-mob at the "Ştefan cel Mare" Public Garden and the distribution of informational print-outs, elaborated by NHIC, on the importance of preventive measures and the effective treatment of diabetes. The purpose of the event, organized in partnership with the WHO, MoH, National Centre of Public Health, was to increase the awareness and information of the population about diabetes and its consequences.

- Covering the information materials development and design services for the Public Information and Public Awareness Campaign "Say YES to YOUR HEALTH!" – 3,2 thousand lei.

The need to do so proceeds from alarming statistics on the increase in the number of people suffering from non-communicable diseases caused by the prevalence of risk factors in the society such as smoking, alcohol abuse, lack of physical activity, low fruit and vegetable consumption, overweight etc., but also low addresses after consultation and treatment of people with high blood pressure, high blood cholesterol, high basal glycaemia, at increased risk for cardiovascular disease.

- Covering the information materials printing services for the seminars under the Healthy Lifestyle Promotion Campaign in the amount of 850,3 thousand lei.

600 thousand brochures "The Healthy Family Guide" and 3 thousand posters with the Campaign messages were produced and printed from the above-mentioned funds, to be distributed in primary public MSIs, ambulatory, hospitals and other public institutions. The aim of the information materials, the content of which was coordinated with the National Public Health Centre's specialists is informing and raising the awareness about the risk factors, as well as diminishing the environmental factors with a negative impact on health.

One of the main reasons for the implementation of the fund of prevention measures below the provisions is the non-establishment of the Coordinating Council, which has to be formed of the representatives of the MoH and NHIC, responsible for establishing and approving the annual plans for financing the priorities from the fund of prevention measures, according to p.6.2.1 of the Annex 1 to GD no.1032 of December 20, 2013 on the approval of the National Public Health Strategy for 2014-2020.

Another factor would be the delayed start of public procurement procedures, as well as the cancellation of public auctions for the purchase of goods to be funded under the preventive measures fund, and in some cases the failure of the Supplier to comply with the provisions of the contract due to force majeure.

Another reason is the non-adoption of the Regulation on other prophylactics and prevention of disease risks, accepted for project funding from the prevention measures fund, according to paragraph 6, p.15 of the Regulation on the establishment and administration of compulsory health insurance funds, approved by GD no.594 of May 14, 2002.

Expenditure from the CHI reserve fund

The funding resources accumulated in the CHI reserve fund, intended for the realization of the "CHI reserve fund management" Subprogram, are used for the following purposes:

- Covering additional costs related to diseases and urgent interventions whose annual rate exceeds the average taken on the basis of the calculation of the Single Program in that year.
- Compensation for the difference between the actual expenses related to the payment of current medical services and the accumulated contributions (the expected revenues) to the basic fund.

In 2016, the sub-program "The CHI reserve fund management "was executed in the amount of 15 139,7 thousand lei or 36,3% compared to the annual provisions (Table 9). The funding resources were allocated to compensate the difference between the actual expenses related to the payment of current medical services and the contributions (the expected income) accumulated in the basic fund, being directed to employ resident doctors for provision of health care to the population.

Table 9. Structure of expenses from the CHI reserve fund in 2016 (n.a.)

Name of indicator	Approved	Specified	Executed	Deviations (+, -) executed against specified	The ratio (in%) executed against specified
Expenses, total	**41 720,1**	**41 720,1**	**15 139,7**	**- 26 580,4**	**36,3**
including:					
Emergency pre-hospital healthcare			79,7		
Primary healthcare			2 421,8		
Specialized Out-patient Healthcare			395,4		
Hospital healthcare			11 896,6		
High performance medical services			346,2		

Compared to 2015, expenditures made from the reserve fund increased by 199,9 thousand lei or 1,3%.

The low level of capitalization of the proceeds from the CHI reserve fund are explained by the fact that they are used strictly according to the destinations stipulated in the Regulation on the setting up and administration of compulsory health insurance funds, approved by the GD no.594 of 14.05.2002 upon occurrence of corresponding events.

Expenses from the fund to develop and modernize public healthcare providers activity

According to the Regulation on setting up and administrating compulsory health insurance funds (GD no.594 of 14.05.2002, with further amendments), the funds accumulated in the fund to develop and modernize public healthcare providers activity are destined for the increase in the quality of care, efficiency and effectiveness of institutions, being mainly used to cover expenses related to:

- purchase of modern health care equipment and transport;
- implementation of new heating technologies, medical waste processing and water supply;
- modernization and optimization of buildings and infrastructure;
- implementation of information systems and technologies.

Allocation of funding resources from the respective fund is made after organizing competitions for the selection of investment projects submitted by the public medical-sanitary institutions. Criteria for the selection of investment

projects of the PMSI are determined by their correspondence with the purposes of using the funding resources accumulated in the development fund.

According to the CHIF law for 2016, financial resources were approved for the financing of investment projects from the development fund, in the amount of 30 000,0 thousand lei.

Expenditures in the amount of 12 800,3 thousand lei were made from the development fund, 17 199,7 thousand less or 42,7% compared to provisions, with all proceeds directed to pay for the funding contracts concluded in previous years.

The financial resources of the development fund were directed according to the purposes of use in the following way: for the purchase of fixed assets – 1 835,4 thousand lei (3 investment projects); for the modernization and optimization of the infrastructure – 5 895,5 thousand lei (6 investment projects); for the capital construction of the PMSI – 5 069,4 thousand lei (6 investment projects).

During the period from November 14 to December 2, 2016, as a result of the selection of investment projects, fifteen projects were selected that will be financed from the NHIC development fund in 2017, for which over 15 million lei will be allocated.

Expenditure from the CHIS administration fund

According to the legislation in force, the funds accumulated in the CHIS administration fund, meant to achieve the subprogram "Management of the compulsory health insurance funds", are used for:

- issuing insurance policies;
- printing prescriptions for compensated medicines and policies;
- maintenance and development of the information system and organizational infrastructure;
- conducting public awareness campaigns on CHIS;
- performing quality control of medical services and relevant expertise;
- remuneration of the staff of NHIC and territorial agencies;
- operational expenses;
- household and office expenses;
- procurement of the fixed assets, of the necessary equipment with performing damping breaks;
- coverage of travel expenses;
- staff training;
- other activities related to the NHIC management.

For the expenses of the CHIS administration fund, according to the norms established by legislation, the distribution of up to 2,0% of the revenues collected in the NHIC's single account is foreseen. At the same time, over several years, including the last five years, the share of these expenditures did not exceed 1,4% (2015) of accumulated revenues.

In 2016, the administration fund's expenditures accounted for 1,26% of the amount of revenue received by the CHIF, thus reducing the level by 0,14 percentage points compared to the level recorded in 2015 (Figure 17).

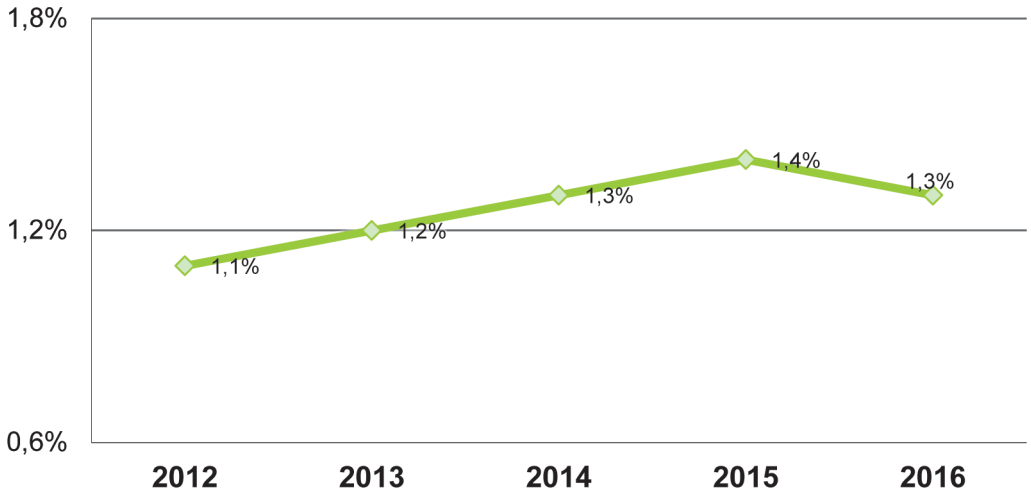


Figure 17. Share of expenditure from the CHIS administration fund in total CHIF expenditures in 2012-2016 dynamics (%)

In 2016, the CHIS's expenses from management fund were incurred in the amount of 72 754,3 thousand lei or 92,3%, which is 6 0883,6 thousand lei less than the annual provisions. Compared to the previous year, the expenditures from the administration fund increased by 2 038,4 thousand lei or by 2,9%.

Strategic Topic: NHIC – An Efficient Institution

Objective 1: Improving the organization of activity, cooperation and communication

Developing the financial and control management system within NHIC

In order to implement an appropriate internal control, in 2016, NHIC continued to strengthen financial management and control system initiated in 2010. A number of measures were taken to this end, such as:

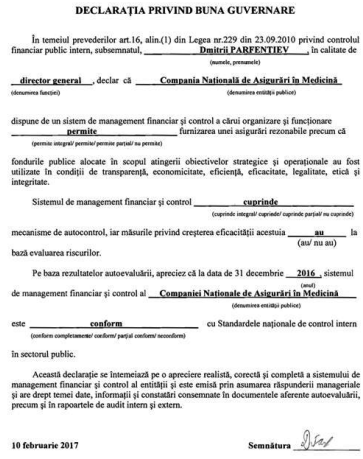
1. establishing the Working Group responsible for strengthening the financial management and control system within NHIC;

2. review and approval of the new systemic and operational procedures within NHIC;

3. organizing a training session on "Strengthening and self-assessment of the financial management and control system within the entity through the examination of the National Standards of Internal Control" for the operational managers of NHIC

4. filling in the Risk Register for 2016 on strategic and operational objectives by the structural divisions of NHIC, according to the activity schedules of the NHIC structural divisions for 2016.

At the same time, in the context of the provisions of par.(1) Article 16 of the Law on Public Internal Financial Control no.229 of 23.09.2010, on 12 February 2016 NHIC approved the Declaration on Good Governance for 2016.



DECLARAȚIA PRIVIND BUNA GUVERNARE

În temeiul prevederilor art.16, alin.(1) din Legea nr.229 din 23.09.2010 privind controlul financiar public intern, subsemnatul, **Dmitrii PARFENTIEV**, în calitate de (numele, prenumele)

director general, declar că **Compania Națională de Asigurări în Medicină** (denumirea funcției) (denumirea entității publice)

dispune de un sistem de management financiar și control a cărui organizare și funcționare **permite** furnizarea unei asigurări rezonabile precum că (permite integral/ permite/ permite parțial/ nu permite)

fondurile publice alocate în scopul atingerii obiectivelor strategice și operaționale au fost utilizate în condiții de transparență, economicitate, eficiență, eficacitate, legalitate, etică și integritate.

Sistemul de management financiar și control **cuprinde** (cuprinde integral/ cuprinde/ cuprinde parțial/ nu cuprinde)

mecanisme de autocontrol, iar măsurile privind creșterea eficacității acestuia **au** la (au/ nu au)

bază evaluarea riscurilor.

Pe baza rezultatelor autoevalulării, apreciez că la data de 31 decembrie **2016**, sistemul (anul)

de management financiar și control al **Companiei Naționale de Asigurări în Medicină** (denumirea entității publice)

este **conform** cu Standardele naționale de control intern (conform complet/necomplet/ conform/ parțial conform/ neconform)

în sectorul public.

Această declarație se întemeiază pe o apreciere realistă, corectă și completă a sistemului de management financiar și control al entității și este emisă prin asumarea răspunderii manageriale și are drept temei date, informații și constatări consemnate în documentele aferente autoevalurării, precum și în rapoartele de audit intern și extern.

10 februarie 2017 **Semnătura**

Objective 2: Aligning the structure of NHIC to Strategy provisions

Assessing the functions of NHIC structural divisions and strengthening the NHIC structure

In 2016, the distribution method of the specialists from the departments/ beneficiaries liaison sections of NHIC's TAs, as well as the Staff Regulation of the administrative and technical staff of NHIC was evaluated and analysed. Proposals for the allocation of specialists within the Departments/sections, the distribution of specialists in TA districts, as well as modifications in the Staff Regulation were submitted to the NHIC management for approval.

Review of operational and system procedures

During the reference period the system and operational procedures within NHIC were identified, updated and approved in a total of 49 documents. In order to comply with them, all new approved procedures have been brought to the attention of all NHIC employees.

Objective 3: Developing NHIC staff competences

Optimizing the human resources management system

Human resources management is a factor that determines the efficiency and effectiveness of NHIC activities and has the mission to contribute to the achievement of strategic objectives by promoting and implementing effective human resource management.

In 2016, at the proposal of the heads of the structural divisions and management of NHIC, updates were introduced to the Staff Regulations; the Division Regulations and job descriptions were revised. Thus, 57 documents were approved and modified by the NHIC orders.

Together with the heads of the structural divisions, 29 people were selected and hired, as well as all the necessary measures were taken to organize and coordinate the socio-professional integration process of the new employees. Thus, a training session was organized for debutants to familiarize them with the normative acts in force regulating their rights and obligations, job discipline, job description, etc.

As of December 31, 2016, 340 persons were employed at NHIC, (143 – at the central office and 197 – at the territorial agencies) (Figure 18).

Of the total number of employees 218 were women (64,1%) and 122 – men (35,9%). The average age of the NHIC employees was 44 years (the youngest employee was 24 years old and the oldest was 69 years old).

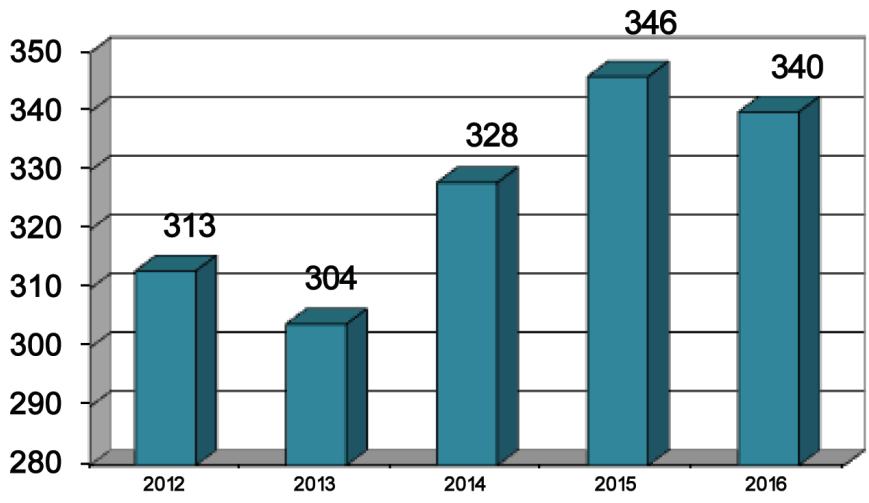


Figure 18. Total number of the core staff during 2012-2016 (n.a.)

For conscientious work, significant results and high level of performance achieved in the CHI field, as well as on the occasion of the NHIC 15th anniversary, 13 employees received Recognition Diplomas.

In order to achieve and maintain high level of performance of NHIC employees, during 2016, measures to increase the potential of the staff have been taken. For this purpose, according to the Internal Training Programs, 12 workshops were organized for NHIC employees, on various topics, such as:

- the organizational culture of NHIC;
- time management;
- effective communication;
- stress management;
- harmonization of legislation in the field of CHI;
- the importance of financial management and control within the entity;
- the prescription and release of compensated drugs;
- the use of corporate e-mail, etc.

The following objectives were pursued within the continuous internal training process:

- improving the skills/capacities of the employees, the level of achievement of the strategic objectives;
- institutional development of NHIC; improving procedures and work systems;
- adapting the knowledge and skills of employees to legal, organizational, technological, functional and other changes;
- improving the quality of the services provided to the CHIS beneficiaries;
- increasing motivation of employees, creation/development of a motivational organizational culture.

According to the agreement signed by the State University of Medicine and Pharmacy "Nicolae Testemitanu" and NHIC, 13 employees were trained in the field of "Strategic Management" and "Management of Health Services".

In the reference year, 10 NHIC employees carried out working visits abroad (Spain, Denmark, Estonia, Croatia, Malaysia, etc.) on the following matters:

- health financing;
- strengthening health systems to prevent increased tuberculosis;
- support in the development and consolidation of CHIS in Moldova;
- hospital reform in Moldova;
- the funding mechanism for disease reduction services, etc.

As of December 31, 2016, one employee was conducting his Master's studies at the School of Public Health Management within the State University of Medicine and Pharmacy "Nicolae Testemitanu".

In order to regulate the employment relations and other social relations between the NHIC administration and the employees working at NHIC, the new Internal Regulation was elaborated and approved. The chapters included in the approved document are following:

- employment and dismissal of employees;
- occupational safety and health at NHIC;
- respecting the principle of non-discrimination, elimination of sexual harassment and any form of injury to dignity at work;
- rights, obligations and liability of the employer and employees;
- labour discipline within NHIC;
- working conditions and recreation.

At the same time, with the purpose of regulating the professional conduct of NHIC employees in the process of exercising functional attributions, the Ethical Code of NHIC Employees (NHIC Order no.476-A of 07.09.2016) was elaborated and approved. It derives from the values of the company and constitutes an operational guide ensuring professional conduct for all employees.

In the reference period NHIC elaborated:

- 461 orders regarding the employment, resignation, transfer, granting of the material aid, modification of the individual labour contract;
- 851 orders regarding the granting of annual, unpaid, additional paid leave;
- 14 orders for travel in the interest of the service;
- 117 additional agreements;
- 28 individual labour contracts.

During the same period 17 statistical reports were completed and presented to the National Bureau of Statistics and the National Centre for Health Management.

In September 2016, the process of conducting the employee satisfaction survey and the activity of the NHIC's structural divisions started and a Report was drawn up, summarizing the most important results obtained from the generalization of the NHIC Employee Satisfaction Survey in 2016 The data were collected on the basis of the Questionnaire, containing 26 questions, structured in the following compartments: the importance of needs and their satisfaction, incentive wage, working environment, communication and leadership style, workplace dissatisfaction.

Strengthening the collaboration of NHIC with international institutions specialized in health and alignment of CHIS to good international practices in the field of CHI

As a part of the "Modernization of the Health Sector in the Republic of Moldova" project implementation, missions and meetings were organized targeting at analysing the indicators of the Action Plan in the framework of the project, reviewing the payment scheme for results in primary care (P4R); the performance-based incentive scheme for hospital care was developed, the list of performance indicators proposed by international experts for the development of the P4P scheme in hospital care was analysed.

In order to implement the project "Reducing the burden of non-communicable diseases" NHIC organized meetings with project coordinators.

For a start of a new cooperation project with the Estonian Health Insurance Fund (Eesti Haigekassa), a meeting of the Supervision Committee for the Cooperation Agreement between the Institutions was organized establishing the priority areas for cooperation with the counterpart institution in Estonia and launching a new cooperation project for a period of 2 years (October 2016 - October 2018).

NHIC in partnership with the WHO has coordinated and organized missions on: improving the quality of healthcare, increasing access to medicines, strengthening the hospital sector, strategic procurement of medical services. The NHIC representatives also participated in the workshop organized by the WHO on "Strengthening Capacities in Aligning the EU Pharmaceutical Principles".

In order to align CHIS with the European best practices, the NHIC specialists participated in the courses "Health Financing and Universal Coverage with Medical Services" and "Reduction of Non-Communicable Diseases", both organized in Spain, Barcelona.

Objective 4: Improving and creating new IS

IS „Help desk"

In 2015, the IS "Help desk" was developed, allowing for the recording and automated management of requests for technical assistance from users on problems in the functioning of information infrastructure. In 2016, the operating system, application server, and database were installed and configured. SI functionality has been tested and adjusted to user requirements.

Objective 5: Improving the quality of data and analysis, strengthening the strategic and operational planning

Optimizing the system for reporting, analysis and monitoring the implementation of the operational plan and the Strategy

By NHIC Order no.06-A of 14.01.2016 the NHIC Activity Plan for 2016 regarding the implementation of the NHIC institutional development strategy for the 2016-2020 was approved and by the NHIC Order no.07-A of 14.01.2016 the Activity schedules of the NHIC structural divisions for 2016 were approved, documents setting out indicators, strategic and operational actions planned for implementation during the year.

At the same time, at the end of the quarter, each structural division of NHIC developed and submitted its report on implementation of the Activity Plan. As a result, the Consolidated Report on the implementation of the activity programs of the NHIC's structural divisions for the respective semester was elaborated and submitted to the NHIC management.

At the same time, during 2016, a number of working sessions were held: meetings to summarize the activity of the NHIC territorial agencies for 2015 (March 22 - April 1, 2016), meeting to report the results on execution of the NHIC Activity Plan on the implementation of the Strategy in the first 9 months of 2016 and the Strategy review meeting (October 21, 2016).

The monitoring of the reporting, analysis and monitoring of the execution of the operational plan and Strategy is carried out during the whole year, with quarterly reports being made and presented to the NHIC management:

1) by the letter no. 03/26-130 of 18.04.2016, the Report on results of execution of the NHIC Activity Plan for 2016 on the implementation of NHIC institutional development strategy for 2016-2020, the first quarter of 2016;

2) by the letter no. 03/26-182 of 14.07.2016, the Report on results of execution of the NHIC Activity Plan for 2016 on the implementation of NHIC institutional development strategy for 2016-2020, the second quarter of 2016;

3) by the letter no. 03/26-227 of 20.10.2016, the Report on results of execution of the NHIC Activity Plan for 2016 on the implementation of NHIC institutional development strategy for 2016-2020, the third quarter of 2016;

4) by the letter no. 03/23-18 din 31.01.2017, the Report on results of execution of the NHIC Activity Plan for 2016 on the implementation of NHIC institutional development strategy for 2016-2020, for 2016.

Ensuring the conduct of the audit activity

In 2016 according to the annual activity plan, the internal audit department conducted 6 audit missions of operational processes and missions to assess certain components of financial management and control. The audit missions carried out during 2016 are the following:

- assessment of the internal control environment within NHIC through the approach of the organizational structure;
- assessment of the management process of the funds accumulated in the preventive measures fund;
- the process of identifying and assessing weaknesses within the system of evaluation and reporting of financial management and control;
- assessment of the planning, contracting, monitoring and payment process of pharmaceutical institutions for the provision of compensated and expensive medicines;
- assessment of performance and risk management within NHIC and TA;
- assessment of the labour remuneration process through the existing internal control system.

As a result of the audit missions, strong and sensitive points have been identified, affecting more or less the effectiveness of the audited processes and based on them recommendations were made, the implementation of which requires improvement of the existing situation.

Thus, in 2016, 78 audit recommendations were to be implemented. Out of the total recommendations submitted, 40 recommendations were fully implemented, 29 partially implemented, 8 not implemented and 1 excluded due to legislation amendments.

Objective 6: Optimizing the development of the regulatory framework

Strengthening the process of drafting and endorsing draft regulatory acts

In order to strengthen the process of development and approval of draft regulatory acts, a methodological workshop was organized for the NHIC employees on strengthening the process of drafting and approving regulatory acts.

During 2016 measures were taken to improve the legislative and regulatory framework in the field, and the following draft regulatory acts were approved:

- Law no.142 of 17.06.2016 amending article 16 of the Law no.1585-XIII of 27.02.1998 “On compulsory medical insurance”, which provides

for the exclusion from art.16 of paragraphs (5) and (6), provisions regulating the maximum share of the expenditures foreseen for the salaries of the employees of public sanitary institutions belonging to CHIS, the principles and criteria for determining the multiplication coefficient, as well as regulations related to the tariff for the first category of qualification for the employees of the public sanitary institutions belonging to CHIS;

- Law no.211 of 29.07.2016 amending and supplementing some legislative acts, aiming at completion of the Article 10 of the Law on compulsory health insurance and articles (2) and (3) of the Law on the size, way and terms of payment of the mandatory health insurance premiums, no.1593-XV of 26.12.2002, with a new category of payment of the fixed insurance premium, namely mediators;
- Law no.238 of 03.10.2016 on the amendment of the Law on the compulsory health insurance funds for 2016 no.157 of July 1, 2016, by which the amount of the CHIF revenues and expenditures was revised;
- GD no.61 of 05.02.2016 regarding the modification of p.9 of the Regulation on the establishment and administration of the mandatory health insurance funds, which provides for the revision of the percentage allocation of the total accumulated financial resources in NHIC accounts at CHIF.

Priorities and Objectives for 2017

For the next year, NHIC has set the following priorities:

- enhancing the quality of services provided to beneficiaries in territorial agencies;
- continuing the development of electronic channels for provision of services to CHIS beneficiaries;
- developing and implementing an IS for the management of relations with the CHIS beneficiaries, using data exchange on the interoperability platform, integration with the governmental IS for electronic payments (MPay), developing electronic channels in order to provide services to the CHIS beneficiaries;
- intensifying collaboration with state institutions in order to provide NHIC with the information required for a successful execution of its duties;
- organizing communication campaigns on beneficiaries'rights and obligations within CHIS and diminishing pocket payments;
- improving the mechanism of monitoring the contracts concluded with the pharmaceutical service providers;
- developing tools to minimize prescription errors for compensated drugs;
- strengthening MSI control with an emphasis on the process of prescribing compensated drugs;
- improving the methods of monitoring the contracted services financed from the resources of the preventive measures fund;
- establishing and implementing the mechanism for defending the rights of insured persons in the court;
- developing and piloting of DRG costing methodology.