

MONGOLIA

HEALTH SECTOR FACT SHEET

Since 1993, Asian Development Bank (ADB) has been one of the largest multilateral development partners helping Mongolia reform its health care system. Mongolia's health system was based on an outdated Soviet model that was dominated by an extensive network of hospitals that emphasized facility-based curative care. As part of the transition from a centrally planned to a market economy, Mongolia began building a sustainable and efficient health care system focusing on client needs and high-quality services. To date, ADB assistance to Mongolia's health sector totals \$132.55 million consisting of five loans of \$84.9 million, seven grants of \$37 million, and 15 technical assistance (TA) projects of \$10.65 million.



PRIMARY HEALTH CARE, HEALTH SERVICES, AND SECTOR GOVERNANCE

ADB's health assistance to Mongolia aimed at developing primary health care (PHC) and an effective referral system, rationalizing hospital services, and improving sector governance. A key achievement included developing family group practice as a means of cultivating a PHC-based health system. To ensure access of all citizens to an essential package of health services at the PHC level, ADB helped the government to restructure soum hospitals into soum health centers (SHCs) in rural areas and develop the family health centers (FHCs) in urban areas. Development of the PHC system prioritized prevention, outreach, and home services. ADB supported institutional and financial reforms, including referral systems and gate-keeping, service packages, operational standards and incentive packages for staff. ADB has also

provided financial and technical support in developing and upgrading clinical guidelines and pathways, advocacy and public information, and postgraduate and in-service training—extensive training that involved 89% of PHC-level professionals. Following ADB's pilot project in 1999, the government established 238 FHCs nationwide and in Ulaanbaatar by the end of 2015. ADB invested in 110 new facilities for SHCs/FHCs, upgraded another 109 SHCs/FHCs, and equipped 492 FHCs/SHCs with essential medical and nonmedical equipment. ADB helped Mongolia rationalize health facilities and improve governance through reforming the hospital licensing and accreditation system, rationalizing hospital services, and improving hospital management and governance. ADB also supported

developing a comprehensive referral system by upgrading 12 provincial (*aimag*) general hospitals and constructing a multifunctional district hospital in Ulaanbaatar. ADB has been helping the government introduce public hospital autonomy, improve regulation of private hospitals, implement a hospital development policy and strategic plan for Ulaanbaatar (including legal, regulatory, and institutional reforms; capacity-building needs; and potential financing resources) and develop a hospital capital planning system.



HEALTH CARE FINANCING AND HEALTH INSURANCE

In 1994, Mongolia implemented a compulsory national health insurance scheme that aimed at rationalizing health care services, increasing non-tax financing, and increasing financial protection of people. In 1995, ADB's first health TA helped the government build national capacity for improving the policy framework and implementation of the health insurance scheme. The subsequent TA projects

continued to refine important aspects of the health insurance system, including its governance, provider payment mechanisms, purchasing and contracting capacity, and management and organizational development. The health insurance legal and regulatory frameworks have been improved to increase accountability. ADB's projects helped the government clarify organizational structure, responsibilities, management

systems and processes required to establish a single-purchaser health care system. In addition to the existing line item budgets, new payment methods such as a capitation for PHC, and case-based payments using a diagnosis-related group system for hospital services based on costs were introduced. The introduction of output-based budgeting principles aimed at improving quality of health service.

HUMAN RESOURCES DEVELOPMENT AND PRIVATE SECTOR PARTICIPATION

Human resources development and private sector participation were among the key priorities of ADB assistance in Mongolia, which focused on incentive systems, under- and postgraduate and residency training programs, strategies and systems, and national health care training institutions.

ADB's support allowed the government to develop and continuously improve public-private partnership legal and regulatory frameworks, and pilot and expand the PHC system's public-private partnership modality. These arrangements enabled family group practice to provide services in private

FHCs and be paid from the national budget using performance-based contracts. ADB's support to private sector participations also included outsourcing of nonmedical and support services, including medical waste management.

DRUG SAFETY AND INFORMATION TECHNOLOGY

To increase access to safer drugs nationwide, ADB helped the government update the national medicines policy and strengthen its pharmaceutical regulatory functions. This included upgrading the General Agency for Specialized Inspection's drug control laboratory to international standards (including the provision of equipment,

processes, capacity building, and information technology services), upgrading the national pharmaceutical standards of good manufacturing processes, and helping national manufacturers to meet these standards. ADB assistance also focused on strengthening pharmaceutical safety governance, improving public information

on drug safety and helping the government rationalize procurement of pharmaceuticals. ADB helped the government close the digital divide and reduce the poverty of information in rural areas of Mongolia. ADB also supported the government's efforts to develop and introduce information and communication technology systems that supported health statistics and reporting, medical consultations, and referral mechanisms. These include a geographical information system that allowed isolated soum health workers to receive professional consultations from upper-level health care specialists; and Health-Info software that allowed collection and processing of national health data to produce statistical reports. ADB has provided financial and technical support for implementing the National e-Health Strategy and establishing a telemedicine network connecting the Ulaanbaatar city tertiary hospitals with all *aimag* general hospitals.





MATERNAL AND CHILD HEALTH, NUTRITION AND HEALTH FOR THE POOR

In collaboration with other multilateral and bilateral donors, and international organizations, ADB helped the government with grant funding from the Japan Fund for Poverty Reduction (JFPR) to reduce maternal and child mortality and improve children nutritional status. JFPR grant-based and TA projects responded to reproductive health needs by reaching underserved mothers to ensure universal access to

reproductive health services. To improve the nutritional status of children, ADB supplied micronutrients to children and pregnant women; provided formal nutrition information, communication, and education to increase the skills of health workers and school children and parents; and supported the local community and private sector through piloting their balanced food and nutrient initiatives for children.

To mitigate the effect of a financial crisis and protect the health of the poor, ADB provided grant funding from JFPR to assure access to free health services and essential medicines and minimized the burden of out-of-pocket expenses under the Medicaid project. The project used a proxy-means testing methodology to better target the poor and contributed to further inclusiveness in government health and social programs.

HIV/AIDS PREVENTION AND PATIENT SAFETY

ADB support in prevention of HIV/AIDS and human trafficking was embedded in its extensive investment in infrastructure and road construction, which increased cross-border movement and in-country migration. TA projects provided HIV prevention services in three infrastructure sectors—roads, mining, and urban—on a pilot basis to develop a model intervention package.

The TA also developed the institutional mechanisms and capacity for systematic integration of HIV/AIDS prevention programs into infrastructure projects. To ensure hospital worker and patient safety, ADB upgraded the national blood transfusion center to meet international standards and improved blood safety in *aimag* general hospitals. ADB also upgraded microbiology laboratories

and surveillance systems in hospitals to improve prevention of hospital acquired infections. Currently, ADB is upgrading the central medical waste facility in Ulaanbaatar and improving hospital infection prevention and control in Ulaanbaatar, Erdenet, Darkhan and *aimag* general hospitals.

DONOR COORDINATION AND COLLABORATION

ADB has developed strong partnerships and collaborations with multilateral and bilateral donor organizations working in Mongolia. Those with the Embassy of Japan, the Japan International Cooperation Agency, the UN agencies, World Health Organization, World Bank and other organizations serve as a solid basis for developing the country's health care system.

MONGOLIA: ADB Operations in Health

(as of 31 December 2016)

Project Approval No.	Project Name	Net Amount	Milestone Dates		
		(\$ million)	Approved	Closed	
Loans					
1	1568	Health Sector Development Project (policy-based loan)	4.0	4 Nov 97	18 Jun 01
2	1569	Health Sector Development Project (investment loan)	11.9	5 Nov 97	18 Dec 03
3	1998	Second Health Sector Development Project	14.0	5 Jun 03	9 Nov 10
4	2932	Fourth Health Sector Development Project - Additional Financing	25.0	5 Nov 12	31 Dec 18
5	2963	Fifth Health Sector Development Project	30.0	10 Dec 12	31 Dec 18
Subtotal			84.9		
Grants					
1	9053	Information and Communication Technology for Improving Rural Health Services	1.0	2 Aug 04	28 Jul 09
2	9063	Reducing Maternal Mortality	1.0	10 Feb 05	14 Jan 11
3	9115	Access to Health Services for Disadvantaged Groups in Ulaanbaatar	2.0	19 Dec 07	30 Aug 13
4	0086	Third Health Sector Development Project	14.0	19 Nov 07	30 Jun 14
5	9131	Reducing Persistent Chronic Malnutrition in Children in Mongolia	2.0	16 Mar 09	13 Mar 14
6	9136	Protecting the Health Status of the Poor during Financial Crisis	3.0	30 Jul 09	30 Apr 14
7	0236	Fourth Health Sector Development Project	14.0	29 Nov 10	31 Dec 18
Subtotal			37.0		
Technical Assistance					
1	2279	Strengthening the Health Insurance	0.5	29 Dec 94	30 Jun 96
2	2414	Health Sector Development	0.6	3 Oct 95	31 May 98
3	2731	Health Sector Resource Development	0.1	23 Dec 96	30 Jun 98
4	2907	Support for Decentralized Health services	0.6	4 Nov 97	30 Jun 03
5	3750	Second Health Services Development Project	0.6	1 Apr 02	01 Jul 02
6	4123	Health Sector Reform	0.65	5 Jun 03	30 Nov 06
7	4364	Awareness and Prevention of HIV/AIDS and Human Trafficking	0.35	22 Jul 04	21 Mar 10
8	7175	HIV/AIDS Prevention in ADB Infrastructure Projects and Mining Sector	1.0	19 Nov 08	30 Jun 13
9	0041-REG	Prevention and Control of Avian Influenza in Asia and the Pacific Project	0.35	14 Mar 06	31 Jun 12
10	7309	Fourth Health Services Development Project	0.6	14 Jul 09	10 Dec 10
11	7882	Fifth Health Services Development Project	0.7	5 Sep 11	1 Aug 12
12	8466	Strengthening the Social Health Insurance	1.5	25 Sep 13	30 Apr 17
13	8967	Improving Access to Affordable Medicines in Public Hospitals	1.0	29 Sep 15	31 Oct 18
14	8970	Insuring Access to Health Services for Disadvantaged Groups	1.0	2 Oct 15	31 Jul 17
15	9037	Strengthening the Hospital Autonomy	1.1	9 Dec 15	31 Oct 18
Subtotal			10.65		
TOTAL			132.55		



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pubsmarketing@adb.org