USAID Health Reform Support

FY 2022 Q1 Quarterly Performance Report

October 1, 2021 – December 31, 2021

Award No: 72012118C00001

Prepared for USAID/Ukraine
C/O American Embassy
4 Igor Sikorsky St.,
Kyiv, Ukraine 04112
USAID Contracting Officer’s Representative:
Paola Pavlenko

Prepared by
Deloitte Consulting, LLP
1919 N Lynn St, Arlington, VA 22209, USA
**Table of Contents**

I. ACRONYMS AND ABBREVIATIONS ........................................ 2

II. CONTEXT UPDATE ..................................................... 3

III. EXECUTIVE SUMMARY ............................................... 4

IV. KEY NARRATIVE ACHIEVEMENT ................................... 6

V. CROSS-CUTTING THEME: ANTI-CORRUPTION .................... 16

VI. CROSS-CUTTING THEME: FOCAL REGIONS ....................... 18

VII. PROGRESS AGAINST TARGETS .................................... 20

VIII. PERFORMANCE MONITORING, EVALUATION AND LEARNING 22

IX. LESSONS LEARNED ................................................ 23

X. ENVIRONMENTAL MONITORING ..................................... 24

XI. PROGRESS ON LINKS TO OTHER ACTIVITIES ................... 24

XII. PROGRESS ON LINKS TO HOST GOVERNMENT .................. 25

XIII. PROGRESS ON INCLUSIVE DEVELOPMENT ...................... 26

XIV. FINANCIAL INFORMATION ........................................ 26

XV. SUB-AWARD DETAILS .............................................. 27

XVI. ACTIVITY ADMINISTRATION ...................................... 27

XVII. ATTACHMENTS .................................................... 32
# I. ACRONYMS AND ABBREVIATIONS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDB</td>
<td>eHealth Central Database</td>
</tr>
<tr>
<td>CLA</td>
<td>Collaborating, Learning, and Adapting</td>
</tr>
<tr>
<td>CO</td>
<td>Contracting Officer</td>
</tr>
<tr>
<td>COR</td>
<td>Contracting Officer’s Representative</td>
</tr>
<tr>
<td>COVID-19</td>
<td>Novel Coronavirus Disease of 2019</td>
</tr>
<tr>
<td>CPD</td>
<td>Continuing Professional Development</td>
</tr>
<tr>
<td>CPH</td>
<td>Center for Public Health</td>
</tr>
<tr>
<td>CSO</td>
<td>Civil society organization</td>
</tr>
<tr>
<td>DCOP</td>
<td>Deputy Chief of Party</td>
</tr>
<tr>
<td>DIS</td>
<td>Development Information Solution</td>
</tr>
<tr>
<td>DQA</td>
<td>Data quality assessment</td>
</tr>
<tr>
<td>eHealth</td>
<td>Electronic Health</td>
</tr>
<tr>
<td>EMMP</td>
<td>Environmental Mitigation and Monitoring Plan</td>
</tr>
<tr>
<td>FAA</td>
<td>Fixed Amount Awards</td>
</tr>
<tr>
<td>GOU</td>
<td>Government of Ukraine</td>
</tr>
<tr>
<td>GUC</td>
<td>Grants Under Contract</td>
</tr>
<tr>
<td>HCF</td>
<td>Health Care Facility</td>
</tr>
<tr>
<td>HDDP</td>
<td>Hospital District Development Plan</td>
</tr>
<tr>
<td>HR</td>
<td>Human Resources</td>
</tr>
<tr>
<td>HRH</td>
<td>Human Resources for Health</td>
</tr>
<tr>
<td>HRS</td>
<td>USAID Health Reform Support project, co-funded by UK Aid</td>
</tr>
<tr>
<td>IT</td>
<td>Information technology</td>
</tr>
<tr>
<td>KP</td>
<td>Key Personnel</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>MDT</td>
<td>Ministry of Digital Transformation</td>
</tr>
<tr>
<td>MEL</td>
<td>Monitoring, Evaluation, and Learning</td>
</tr>
<tr>
<td>MELP</td>
<td>Monitoring, Evaluation, and Learning Plan</td>
</tr>
<tr>
<td>MIS</td>
<td>Medical Information System</td>
</tr>
<tr>
<td>MOH</td>
<td>Ministry of Health</td>
</tr>
<tr>
<td>MPA</td>
<td>Master of Public Administration</td>
</tr>
<tr>
<td>MTOT</td>
<td>Ministry of Reintegration of Temporarily Occupied</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Government Organization</td>
</tr>
<tr>
<td>NHSU</td>
<td>National Health Service of Ukraine</td>
</tr>
<tr>
<td>OOP</td>
<td>Out-of-Pocket</td>
</tr>
<tr>
<td>PBF</td>
<td>Performance-Based Financing</td>
</tr>
<tr>
<td>PHC</td>
<td>Primary Health Care</td>
</tr>
<tr>
<td>PMG</td>
<td>Program of Medical Guarantees</td>
</tr>
<tr>
<td>PSE</td>
<td>Private Sector Engagement</td>
</tr>
<tr>
<td>PY</td>
<td>Project Year</td>
</tr>
<tr>
<td>Q</td>
<td>Quarter</td>
</tr>
<tr>
<td>RFA</td>
<td>Request for application</td>
</tr>
<tr>
<td>SHC</td>
<td>Specialized Health Care</td>
</tr>
<tr>
<td>SOE</td>
<td>eHealth State Owned Enterprise</td>
</tr>
<tr>
<td>TB</td>
<td>Tuberculosis</td>
</tr>
<tr>
<td>TCA</td>
<td>Transformation Communications Activity</td>
</tr>
<tr>
<td>UAH</td>
<td>Ukrainian Hryvnia</td>
</tr>
<tr>
<td>USD</td>
<td>United States Dollar</td>
</tr>
<tr>
<td>WHO</td>
<td>World Health Organization</td>
</tr>
</tbody>
</table>
II. CONTEXT UPDATE

As the USAID Health Reform Support (HRS) project, co-funded by UK Aid, entered Project Year (PY) 4, the final full year of implementation, the Government of Ukraine (GOU) continued to implement health care reforms while also establishing the foundation for the next phase of health reform. Notably, the GOU stood up working groups to design the 2030 Health Reform Strategy, which the GOU plans to complete in the next reporting period. HRS played a large role in this process, while also continuing to support the GOU to maintain the sustainability of reforms and strengthen the ownership capacity of regional and local stakeholders. Meanwhile, the coronavirus disease (COVID-19) pandemic continued to cause stress on the GOU, the health system, and the Ukrainian public. As of December 31, 2021, the MOH confirmed 3,667,649 cases of COVID-19 in Ukraine and 95,899 deaths. Ukraine reported its first cases of the highly-contagious Omicron variant during the reporting period, yet despite this, the country’s vaccination rate is still below 36% of the population. HRS is tracking how this will have an impact on GOU priorities while continuing to implement activities to progress the health reforms, adjusting as necessary due to the political and epidemiological environment.
III. EXECUTIVE SUMMARY

A. Key Narrative Achievements

In Project Year (PY) 4 Quarter (Q) 1, HRS initiated implementation of almost all PY4 activities, including substantial support to the GOU in drafting the 2030 Health Strategy. Project leadership and HRS’ pool of technical experts rapidly responded to support the Health Strategy and provided working groups with best practices from HRS’ four years of project implementation. Many of the other PY4 activities initiated in Q1 were scaled up from small-scale activities first implemented in PY 1-3. In this last full year of implementation, HRS prioritized sustainability and continued working to expand reforms at the regional and local level. HRS continued to operate in a remote-first posture due to the COVID-19 pandemic and prioritized staff well-being while also balancing in-person events and interactions. Lastly, HRS continued to prioritize adaptive management by flexibly responding to GOU and USAID demands, fostering a culture of continuous learning, and reinforcing learning through feedback loops. We continued to focus on Target Issues defined in the Project Level Change Matrix to ensure activities addressed root causes. The activity highlights listed below represent a portion of the overall progress of HRS over the reporting period, showcasing a few of our major achievements.

Under Objective 1, HRS strived to improve health sector governance by:
- Improving MOH Strategic Communications to Providers and Consumers
- Communicating Patients’ Rights to Improve Behavior and Enhance Access

Under Objective 2, HRS supported the transformation of the healthcare financing model by:
- Identifying Opportunities for Private Sector Engagement in Health
- Reducing Out of Pocket Expenses through Accurate Costing of Medical Services

Under Objective 3, HRS helped strengthen the health workforce by:
- Studying Health Workforce Migration and Implications
- Addressing Burnout and Increasing Empathy through Peer Group and Trainings

Under Objective 4, HRS enhanced the transparency, accountability and responsiveness of the health care system by:
- Promoting Efficiency in IT Health Governance
- Bridging Gaps on Health Data Interoperability
- Advocating for Improved eHealth Governance
- Continuing to Improve eHealth Cyber Defenses for Long-Term Resiliency

Under Objective 5, HRS aimed to improve the service delivery system at all levels by:
- Driving Quality Improvement in Hospitals
- Identifying Ways to Improve Death Data for Better Health Care

B. Quantitative Highlights

By the end of PY 4 Q1, HRS initiated 62 activities from the approved PY4 Work Plan, which is 98% of the activities planned for the year. One activity has been completed. Notably, the project observed progress towards the Monitoring, Evaluation, and Learning Plan (MELP) indicators, including:
✓ 97% of all public primary health care (PHC) facilities (1,256) and 94% of public specialized health care facilities (HCFs) (1,588 – including 25 emergency HCFs) implemented PMG financing mechanisms; and
✓ 79% of the Ukrainian population signed declarations with family doctors.

C. Activity Administration
HRS did not face any major constraints or critical issues in PY4 Q1. Notably, the project made several Key Personnel changes during the period, including demobilization of the Chief of Party (COP), with the new COP expected in early Q2. Despite these changes, the project continued to be responsive to the evolving COVID-19 situation and continued to practice adaptive management to meet GOU and USAID requests.

D. Subsequent Reporting Period
HRS received USAID approval for the project’s PY4 Work Plan on October 1, 2021 and received approvals for subsequent revisions, with the latest iteration of the PY4 Work Plan approved on December 17, 2021. The project will execute on this Work Plan, and in March 2022, HRS will review, amend as needed, and resubmit the Work Plan for review/approval by the USAID Contracting Officer’s Representative (COR) for Q3 and Q4 activities. This adaptive approach enables USAID and HRS to adjust activities to reflect evolving health reform priorities. If a Work Plan modification is required in advance of the semi-annual review, HRS will coordinate with the USAID COR.
IV. KEY NARRATIVE ACHIEVEMENT

Objective 1: Improve Health Sector Governance

Improving MOH Strategic Communications to Providers and Consumers

Under Activity 1.8, HRS provided support to the Ministry of Health (MOH) to improve its internal and external communications functions necessary for distributing health information to HCFs and citizens. Due to MOH leadership turbulence during 2020-2021, its health reform public communications severely diminished, and it was left to the National Health Service of Ukraine (NHSU) to fill in the communications gaps with providers; the NHSU had limited bandwidth to provide communications to patients and local authorities. In May 2021, a new Minister of Health took office and requested a major enhancement of the MOH’s communication function, both strategically and operationally. To help strategize the new communications functions, HRS arranged an audit of external and internal communications by MOH and prepared a draft MOH External Communication Strategy in Q1. HRS also began developing communications tools to further support MOH objectives. HRS produced three volumes of a monthly digest, “Health of Ukraine,” and 16,000 copies were delivered to hospitals to inform health care professionals and consumers of health changes. HRS supported the MOH to deliver online consultations to press officers of local authorities, which helped local journalists communicate accurate information about health reform to the public. In total, these events yielded 446 publications in regional media totaling 92,033 views. Lastly, HRS supported the MOH to facilitate 5 events for HCF administrators, HCF owners, and regional state administrators to highlight the plans and

"The possibility to attend such events and obtain the information straight from Ministry of Health officials, ask the questions and get the answers is significant for the HCF staff, especially when it comes to medical staff salaries. For a long time after the webinar, we discussed the information and hope such events will become a good tradition, so medical professionals could participate in the discussion concerning the issues they are involved in."

- Valentyna Zasoba, Chief Accountant of Berdychiv City Hospital

"The information provided during the events was relevant and important and would be used in the work of the Ternopil City Territorial Gromada."

- Volodymyr Didych, Deputy Head of Ternopil City Council
recommendations concerning medical staff salary increases in 2022. The events helped to improve clarity around a recent presidential decree on raising health professionals’ wages. Over 1,300 live participants joined the virtual meeting and a recording garnered an additional 18,000 views on the MOH’s YouTube channel. 87% of participants left positive comments stating that the webinar was useful. As HRS continues to build the capacity of the MOH’s communications team, they will be able to provide improved strategic guidance and coordination to HCFs and local authorities and communicate health system changes to patients.

Communicating Patients’ Rights to Improve Behavior and Enhance Access

Under Activity 1.5, HRS rolled out a massive Patients’ Rights Awareness campaign to promote health reform among Ukrainians and inform citizens of free services. Many Ukrainians lack awareness of which medical services are offered for free, leading to them to put off preventive care and only seek medical attention when diseases have reached a critical stage. Activity 1.5 aligns with the health reform principle of family doctors as the “first stop” for patients that led to PHC reform – by encouraging patients to seek treatment from their primary health care provider early and often, health outcomes will be improved. Through the Patients’ Rights Awareness campaign, HRS developed and placed over 1,374 publications in national and regional media, which reached over 9 million views. The campaign used a multi-channel approach including news briefings, social media posts, explanatory articles and success stories to fill in gaps in relevant information about available, effective and free medical care secured through the Program of Medical Guarantees (PMG). It encouraged Ukrainians to seek preventive treatment and informed them on how to access it, which in the long-term can help improve health outcomes as well as citizens’ trust in reforms and the government.

Objective 2: Support the Transformation of the Healthcare Financing Model

Identifying Opportunities for Private Sector Engagement in Health

Under Activity 2.1, HRS is scaling up its regional private sector health landscape analysis to the entire country in order to estimate the value of the private health sector market in Ukraine from the demand and supply side and increase investment in the Ukrainian health system. In PY3, HRS conducted a landscape analysis of the health care market in the
Lviv and Zhytomyr regions, which found a significant and thriving private sector working in parallel to the public sector, with little to no coordination between the two, leading to low levels of private sector funding. The project’s PY4 nationwide estimation of the health market value hopes to provide information to establish public-private dialogue and to unlock additional resources and efficiency gains.

In PY4, HRS will improve the methodology of the PY3 study through a more efficient approach to triangulating private providers financing data and clients’ expenditure for private health services. The analysis will roll out a new methodology to understand the demand-side of the health care market and look into both providers financial data and national statistics on different groups of health care services, pharmaceutical market, producers of medical equipment, IT for health, research and development, medical education, etc. After applying lessons learned from PY3, HRS developed a concept note for the nationwide analysis and will begin data collection in Q2. The final results of the analysis will lay out recommendations for improved communication and collaboration between the public and private sector.

Reducing Out of Pocket Expenses through Accurate Costing of Medical Services

Under Activities 2.4 and 2.5, HRS is implementing costing analyses to improve the efficiency of government expenditures on health. Presently, GOU officials lack accurate information on the costs of some medical services, leading to overpayments for some services and underpayments for others. This results in HCFs requesting out-of-pocket payments from patients in order to cover their costs. The lack of accurate costing information also inhibits the NHSU from providing strong justifications to HCFs on its tariff decisions, leading to increased tension and decreased support for health reform by health care providers. Past HRS costing studies have led to changes in how the GOU sets tariffs and develops the PMG packages. For example, the results of HRS’ dialysis costing study (conducted in PY2) convinced the GOU to divide the dialysis package into two – one for hemodialysis and another for peritoneal dialysis – that are better tailored to specific patient needs. In Q1 of PY4, HRS presented the results of its tuberculosis (TB) costing study to 42 representatives of the MOH, NHSU, Center for Public Health (CPH), civil society organizations (CSOs), and
HCFs. The study found that the PMG did not cover significant components of TB services, including treatment, HCF utility expenditures, and food and transport for patients.

HRS is building off these previous costing studies to focus on two PMG packages: myocardial infarction (heart attack) and medical rehabilitation of (1) infants born prematurely and/or ill during the first three years of life; (2) adults and children over three years old with musculoskeletal disorders; (3) adults and children over three years old with neural disorders. Patients who experience these diseases have some of the highest out-of-pocket expenditures, making them a priority for HRS’ costing work. Besides the actual costing of provided services, HRS will undertake a normative costing methodology which calculates how much services should cost and includes total OOP costs borne by patients (such as rehabilitation costs for patients who have experienced a heart attack, which is currently not covered under the PMG and therefore must be paid as out-of-pocket [OOP]). In Q1, HRS tailored the methodology for its two PY4 costing studies, applying best practices and lessons learned from the previous costing studies.

Objective 3: Strengthen the Health Workforce

Studying Health Workforce Migration and Implications

Target Issue: Lack of evidence-based health workforce strategy/plan at the local/regional level

Under Activity 3.5, HRS supported a study to help the MOH and other GOU stakeholders to understand the current state of health workforce migration and implications for the Ukrainian health system. Anecdotal evidence and news reports point to a migration of Ukrainian health workers to other European countries over the last decade; however, because there have not been strong studies analyzing this trend, the GOU is unable to understand the reasons for migration and the implications this has on health service delivery. HRS’ research on the migration of Ukrainian health workers may help the GOU and other health care institutions develop informed strategies to retain experienced health professionals and encourage those that left to return to Ukraine. In PY4 Q1, HRS, in collaboration with a team of experts, completed a study on the current situation of health workforce migration in Ukraine. The study included interviews with health professionals on their knowledge, attitudes, and opinions regarding the
migration of professionals within the health workforce. Between October and December 2021, HRS and its partners conducted face-to-face surveys involving 1,535 healthcare workers (including 919 doctors and 616 nurses) from 24 regions of Ukraine. HRS also interviewed some health workers abroad to understand their motivations for migrating and the types of incentives that would be necessary to encourage returning to Ukraine. 85% percent of survey respondents said that low wages was one of the key factors motivating health workers to consider moving abroad for work, and 88% of respondents believe that their current salary does not correspond to their workload and job responsibilities, which forces 25% of health workers to seek an additional job. Aside from higher wages, other key factors that Ukrainian healthcare workers find most attractive in working abroad include perceptions of better working conditions and a higher level of respect for medical workers from patients. The results of the study showed that over the past 5 years, about 40% of health workers have thought about leaving Ukraine for employment abroad. About half of them studied in detail the possible future labor migration – they know what working conditions are offered and have decided on the country they would like to go to (preference is given to such European countries as Germany, the Czech Republic, Poland); another 35% know what documents need to be submitted, and 5% are already waiting for a decision from the relevant services. HRS will provide the results of the study to the MOH in Q2 for consideration when planning policies aimed at improving the working conditions of health professionals.

Addressing Burnout and Increasing Empathy through Peer Groups and Trainings

Under Activity 3.6, HRS supported peer group meetings of health workers at HCFs across Ukraine and delivered trainings on burnout prevention, empathy, and communications. Since the COVID-19 pandemic began, health care workers experienced increased workloads and higher levels of burnout. If left unaddressed, this trend may lead to higher numbers of health care professionals leaving the workforce, lowering the capacity of the health system and reducing the quality of care for each patient. In Q1, HRS provided technical and supervisory support to 30 peer group facilitators from 28 HCFs, bringing together about 300 health care professionals. This exceeds the original target of 20 HCFs, which demonstrates the
interest that medical providers have in the peer group approach and the value that peer groups provide to them. Topics of discussion included burnout prevention, communicating with difficult patients, delivering bad news to patients or their relatives, as well as other medical topics related to vaccinations, COVID-19 safety, improving diagnostics, and developing practical skills for the job. In October, HRS partnered with the “Medical Education Development” project funded by the Swiss Agency for Development and Cooperation and conduct the first forum of the peer group facilitators which were trained by both projects. The event brought useful knowledge for the participants of the event and becomes a place for networking as it was the first event where facilitators of both Projects could meet each other in person since the beginning of the activity. HRS will continue to collaborate with the Ukrainian-Swiss project and support peer group facilitators.

Empathy training is another part of the burnout prevention activity. In December, HRS trained 12 healthcare workers from specialized HCFs from across Ukraine. The training consisted of four three-hour long online sessions that combined intensive learning and experience sharing to build empathy and communication skills. This topic is particularly important because health professionals with high levels of empathy are able to communicate with patients more effectively and provide higher quality of services. In Q2, HRS will continue to train medical providers on empathy. The most active and successful training participants will have an opportunity to become trainers in the field after participating in a train-the-trainer session planned for March 2022. By continuing to support health workers’ mental health and continuous professional development in the areas of communications and empathy, HRS is contributing to a more sustainable health system that can provide higher-quality services to patients.

Promoting Efficiency in IT Health Governance

Under Activity 4.18, HRS took a first step in promoting responsible IT system governance by mapping all registries within the eHealth system. Many health-related information technology (IT) registries and sub-systems in Ukraine communicate with the eHealth Central Database (CDB); however, the MOH lacks a complete understanding of the legal or regulatory statutes that justify their existence. This situation creates the potential for duplicative sub-systems and government waste. On August 18, 2021, President Zelensky issued Presidential Decree #369, codifying a National Security Target Issue: Lack of comprehension and strategic knowledge of the e-health system and how it supports the health care system and lack of data driven decision making through all levels

Objective 4: Enhance the Transparency, Accountability and Responsiveness of the Health Care System

Promoting Efficiency in IT Health Governance

Under Activity 4.18, HRS took a first step in promoting responsible IT system governance by mapping all registries within the eHealth system. Many health-related information technology (IT) registries and sub-systems in Ukraine communicate with the eHealth Central Database (CDB); however, the MOH lacks a complete understanding of the legal or regulatory statutes that justify their existence. This situation creates the potential for duplicative sub-systems and government waste. On August 18, 2021, President Zelensky issued Presidential Decree #369, codifying a National Security Target Issue: Lack of comprehension and strategic knowledge of the e-health system and how it supports the health care system and lack of data driven decision making through all levels

Promoting Efficiency in IT Health Governance

Under Activity 4.18, HRS took a first step in promoting responsible IT system governance by mapping all registries within the eHealth system. Many health-related information technology (IT) registries and sub-systems in Ukraine communicate with the eHealth Central Database (CDB); however, the MOH lacks a complete understanding of the legal or regulatory statutes that justify their existence. This situation creates the potential for duplicative sub-systems and government waste. On August 18, 2021, President Zelensky issued Presidential Decree #369, codifying a National Security Target Issue: Lack of comprehension and strategic knowledge of the e-health system and how it supports the health care system and lack of data driven decision making through all levels

Promoting Efficiency in IT Health Governance

Under Activity 4.18, HRS took a first step in promoting responsible IT system governance by mapping all registries within the eHealth system. Many health-related information technology (IT) registries and sub-systems in Ukraine communicate with the eHealth Central Database (CDB); however, the MOH lacks a complete understanding of the legal or regulatory statutes that justify their existence. This situation creates the potential for duplicative sub-systems and government waste. On August 18, 2021, President Zelensky issued Presidential Decree #369, codifying a National Security
Defense Council decision to improve the eHealth system. The MOH responded by enlisting HRS support to identify obsolete registries for retirement. To implement the activity, HRS collected eHealth Central Database system data from the MOH, sent informational requests to registry owners, performed a review of regulations to determine the statutory justification for each registry, and conducted 14 interviews with key stakeholders. HRS produced the first part of its report, which specified which registries lacked statutory justification and should be shut down. The report rationalized the recommendations for a full audit of particular registers, especially those that duplicate eHealth CDB data and features or that contain sensitive data. In Q2, HRS plans to complete its assessment using data verification procedures.

Bridging Gaps on Health Data Interoperability
Under Activity 4.11 in Q1, HRS shared a recommended roadmap to improve data interoperability with key health IT stakeholders and private sector representatives. Currently, medical information is siloed among a handful of medical information system (MIS) vendors. The MISs do not communicate with each other, which prevents patients from being able to take their medical data with them and shop among different health care providers. In PY3, HRS developed a report on best practices in health IT interoperability, tailored the report to the Ukrainian context, and shared the report with MIS vendors and GOU counterparts. In PY4 Q1, HRS developed an Interoperability Report that detailed strategic scenarios and a roadmap of how to address current legal and technical gaps in the eHealth system. HRS shared the map at its third Interoperability Roundtable with the MOH, civil society experts, representatives from the American Chamber of Commerce and European Business Association, and MIS vendors. The strategic scenarios from the Interoperability Report reflect the experiences of other countries in solving interoperability barriers. These scenarios were discussed during the roundtable and voted on to form the most acceptable course of action based on expert opinion. The final report reflects the list of validated
scenarios and options to form a recommended roadmap to build up interoperability in Ukraine.

**Advocating for Improved eHealth Governance**

Under Activity 4.19, HRS advocated for the implementation of an eHealth Governance model to provide a stable environment for the growth and development of the eHealth CDB and the overall health IT ecosystem. Currently, the GOU lacks internationally-recognized best practices in health IT governance, including a central body to adjudicate issues and prioritize development areas. This has led to reduced efficiency and effectiveness in eHealth development. To address this issue in previous project years, HRS helped the MOH to develop the regulation “On the Establishment of the Interagency Coordination Council on Development of Electronic Health System,” developed a draft eHealth governance structure, proposed processes for discussion and implementation, and prepared a benchmarking report on best practices of governance models of health IT systems. However, finalizing and implementing the governance structure requires the active involvement of many GOU bodies, including the NHSU, MOH, SOE, and Ministry of Digital Transformation (MDT), as well as implementing partners like 100% Life, and due to competing priorities, the key GOU counterparts were unable to engage with HRS on this activity in PY4 until the end of Q1. Now, the MOH is spearheading an effort to drive e-governance forward, with the support of the key GOU stakeholders. Leveraging this, at the end of Q1, HRS supported the MOH to plan strategic sessions on the eHealth governance model with key stakeholders in Q2. During the strategic session, HRS will provide an overview of the Benchmarking Report and the software development life cycle (SDLC) to better support the strategic process and will provide expertise to support the finalization of an updated eHealth governance structure as well as the development of an implementation roadmap.

**Continuing to Improve eHealth Cyber Defenses for Long-Term Resiliency**

HRS continued to support the GOU in strengthening eHealth cyber defenses. Because the eHealth system is a repository of sensitive medical and patient data, it is a prime target for cyber criminals and malicious actors. Under Activity 4.13, HRS continued to expand efforts to secure the larger eHealth ecosystem by working with the GOU to reach out to MIS providers to collaborate on increasing cybersecurity of the technological layer that concentrates a vast amount of patients’ sensitive data for input to the eHealth CDB. In the next period, HRS and the GOU will select five MIS teams to participate in a cybersecurity assessment as part of this effort.
Under Activity 4.15, HRS is building off the Cyber Controls Framework completed in previous project years and is developing an implementation roadmap for two new controls. In PY4 Q1, HRS began conducting interviews with GOU counterparts to align on priorities for the roadmap, and HRS will hold further interviews in Q2. Under Activity 4.16, HRS is conducting cybersecurity vulnerability assessments to detect any weaknesses before they are exploited by cyber criminals. HRS previously conducted an assessment in PY3 and is doing another in PY4 as best practice and because new application layers of core components have been added. In PY4 Q1, HRS discussed the priorities for the assessment with GOU counterparts and set up sessions with them in early Q2 to plan the assessment. Under Activity 4.17, HRS launched a research study on cybersecurity monitoring best practices to inform the GOU on how to develop a monitoring system. In PY4 Q1, HRS conducted initial research of best practices and defined additional focus areas. HRS plans to investigate how a security operations center model would improve monitoring in Q2. Lastly, under activity 4.14, HRS began a research study in Q1 on designing a resilient architecture of the core elements of the eHealth system, which will support the lasting security of the system.

Driving Quality Improvement in Hospitals
Quality management within the health care system in Ukraine isn't consistent nor comprehensive at all levels, resulting in poor quality of services at some hospitals. There are no clear guidelines nor Centers of Excellence to follow in building a sustainable and efficient quality management system at the facility level. Moreover, the management of hospitals lacks the knowledge and skills to introduce modern quality improvement procedures and tools in HCFs. Hence, the resources for health care are used inefficiently. Therefore, in PY4, HRS plans to fill this gap by providing an example of effective and sustainable quality management systems at the hospital level under Activity 5.3. In Q1, HRS selected two hospitals – Ovruch Raion Hospital in Zhytomyr oblast and Stryi Raion Hospital in Lviv oblast – to each receive a $49,000 U.S. dollars (USD) grant award to build a sustainable and effective quality management system. Selected through an open competition, these two medium-sized hospitals showed readiness to develop their quality management systems and serve as models for efficient and continuous quality improvement in service delivery. Over the ten-
month grant, HRS will collaborate closely with leadership and staff at these hospitals to assess quality within the HCF, develop recommendations to build the quality system, and implement a variety of tools and routine procedures to ensure continuous improvement. By September 2022, the grantees will share their accomplishments and lessons learned with peer hospitals, disseminating the best practices within the hospital sector and healthcare community so that they can implement similar practices to increase efficiency and effectiveness of their quality management systems. Furthermore, the outcomes will inform the development of the national-level quality management system strategy for hospitals in Ukraine.

Identifying Ways to Improve Death Data for Better Health Care
The existing system for registration of death cases and causes in Ukraine and the corresponding data exchange has not changed for years, resulting in inaccurate, out-of-date information on deaths. This limits health system leaders and stakeholders from making informed decisions in the field of health and social policy.
To address this, HRS is studying preconditions and reasons that contribute to the inconsistent death registration system and reviewing the processes of documentation, registration, systematization, storage, publication and exchange of data on death cases and causes in order to guide improvements to the system as part of Activity 5.5. During Q1 of PY4, HRS partnered with a grantee – the Ukrainian Center for Social Data – to study processes and practices related to death registration and data exchange in Ukraine. Together, HRS and the Ukrainian Center for Social Data developed an interactive visualization of the currently-available data on death cases and causes for 2018-2020, disaggregated by age, sex, and locality type (oblast, raion, or city).
The visualization allows users to identify anomalies in certain indicators that may demonstrate low quality of the information on deaths causes recorded in medical documents. Meanwhile, the project also interviewed stakeholders to understand death registration
processes. Combined with insights from the data visualization tool, this analysis enabled HRS to identify areas of improvement within the death registration system. The project will prepare a final report due in Q2 with evidence-based proposals on improving the processes and practices of documentation, registration, systematization, storage, publication, and exchange of data on death cases and causes, as well as their regulations. With these insights, the GOU will better understand the need for national measures to address the identified systemic problems and gaps and improve the interaction of stakeholders in documenting death cases and causes.

V. CROSS-CUTTING THEME: ANTI-CORRUPTION

As a component of USAID Ukraine’s Development Objective 1: Corruption Reduced in Target Sectors, HRS places its anti-corruption efforts at its center. Our Monitoring Evaluation and Learning (MEL) Plan includes a detailed overview of our approach towards reducing corruption. The MEL Plan defines the types of corruption to which HRS addresses and links to how we measure our efforts. Below is a list of the types of corruption and a brief definition of each. We have linked Q1 activities to each type. Some activities contribute to addressing multiple types of corruption but have been aligned to one type for simplicity.

Informal Payments

*Informal Payments are bribes or solicitations for remuneration made by health care workers to patients in exchange for services that should be free to the patient.*

Under Objective 1 and 2 in Q1, HRS initiated activities to address informal payments by strengthening patients’ knowledge, collecting data, and supporting HCF oversight. As part of Activity 1.5, HRS rolled out a Patient Rights Awareness Media Campaign to explain patients’ rights to Ukrainians, reaching 9 million views through 1,374 publications in leading national and regional media. Under Activity 1.6, HRS developed a SOW for a subcontractor to support the development of an HCF rating system. Under Activity 2.3, HRS began the subcontractor selection process for the follow-up to the specialized health care (SHC) informal payments study, which will help measure the reform’s impact towards reducing informal payments. Lastly, under Activity 2.7, HRS developed a subcontractor SOW to assist in training local authorities and members of supervisory boards on how to implement new financial and legal principles of health care, thereby strengthening HCF oversight bodies to play an increasingly important role in reducing solicitations of informal payments within HCFs.
Financial Mismanagement of HCFs

Financial mismanagement of HCFs is a broad category of misuse of funds by hospital administrators and chief physicians, including kickbacks, fraud, and wasteful spending.

In Q1, HRS’ work to mitigate financial mismanagement of HCFs targeted three types of stakeholders: supervisory boards, local authorities, and HCF administrators. HRS commenced work on producing a roadmap for establishing HCF Supervisory Boards under Activity 1.7 and opened a solicitation for a subcontractor to pilot Supervisory Board selection in six oblasts of Ukraine. Regulation enforcing the boards is expected to come into force in April 2022. With Activities 2.8 and 2.9, HRS began the subcontractor selection process to conduct training for local authorities as part of an effort to strengthen their oversight capacity. Lastly, under Activity 2.11, HRS began developing a comprehensive financial management manual for HCFs.

Bribes for Career Advancement

Bribes for career advancement occur between hospital administrators or chief physicians and other health care workers, often in HCFs with opaque human resources (HR) practices.

To improve the transparency of HR practices in HCFs, HRS held meetings in Q1 with HCFs that are piloting the HR procedures under Activity 3.10. In subsequent periods, HRS will finalize the procedures, conduct an online training course for HR representatives of HCFs, and disseminate recommendations on instituting transparent HR processes and systems. Instituting transparent HR practices will make it more difficult for corrupt administrators to solicit bribes to health professionals for career advancement in the HCFs that institute these practices.

Corruption in Continuing Professional Development

Corruption in continuing professional development (CPD) occurs when a reciprocal relationship forms between health care workers and CPD vendors, resulting in low-quality training for medical professionals.

In Q1, HRS continued to provide technical support to the MOH under Activity 3.8 to standup the CPD Agency to manage CPD vendors. Through eight interviews and discussions with GOU officials, HRS gained insight on the organizational design of the agency and its regulations. When the agency comes into effect, it will have the power and mandate to set high standards for CPD vendors and ensure they comply with those standards.

Enabling Environment Factor: Lack of Evidence-based Decision-making

Lack of evidence-based decision-making occurs when politicians and GOU officials make spending decisions that are not driven by data, which can result in an inefficient use of funds and reduced quality.

Under Activities 2.4, 2.5, and 2.6 HRS initiated costing studies in Q1, which will provide the GOU with accurate costing information on select medical services in order to increase the efficiency of government funds and provide data for improved decision-making.

Enabling Environment Factor: Opaque Financial Transactions

Opaque financial transactions occur between the national government, local authorities, HCF administrators, and medical equipment suppliers.

In Q1, HRS continued to support the strengthening of institutions responsible for providing transparent financial transactions – the NHSU and eHealth state-owned enterprise (SOE).
HRS began interviews with core NHSU staff to understand existing compliance and anti-corruption procedures in order to formalize a compliance function as part of Activity 1.4. HRS also reviewed existing legislation to understand requirements imposed on the NHSU. Enabling a compliance function will empower the NHSU to take action against HCFs which have credible claims of corruption.

**Enabling Environment Factor: Vulnerabilities in Government-Led Health IT Development and Use**

*This enabling environment factor is composed of two closely related health IT vulnerabilities: 1) opaque IT development procedures, and 2) cybersecurity vulnerabilities.*

In Q1, HRS continued to help institute transparent eHealth development procedures. As part of Activity 4.2, HRS searched for a software development lifecycle (SDLC) coach to provide training on SDLC processes to SOE staff. As part of Activity 4.19, HRS supported the drafting of an eHealth governance structure by developing the agenda for the strategic session workshop and provided comments on MOH-developed materials. Under Activities 4.15-4.17, HRS held consultations with the GOU and began research in Q1, initiating the PY4 efforts to build a roadmap for instituting cybersecurity controls, assess new cybersecurity vulnerabilities, and draft a cybersecurity monitoring playbook, all of which will help protect the eHealth system from cybersecurity threats.

**VI. CROSS-CUTTING THEME: FOCAL REGIONS**

HRS activities take a two-prong geographic approach: 1) most HRS activities are targeted towards all regions or national institutions to ensure holistic and sustainable reforms across the country, but 2) some HRS activities are implemented on a more granular scale in three focal regions – Lviv, Zhytomyr, and Donetsk. Representing the West, North/Central, and East regions of the country, these focal regions enable us to introduce and pilot reforms and interventions before sharing lessons learned and success stories that foster nationwide scale-up.

**Pilot Activities**

In Q1, HRS initiated the following activities in the focal regions.

- **Activity 1.6 creates a HCF public ratings system pilot targeting a minimum of five regions, including the three focal regions.** In Q1, HRS developed the subcontractor SOW and initiated the selection process.
- **Activity 2.8 develops recommendations for local authorities in the focal regions on improving the transparency of financial and resource management.** In Q1, HRS developed the SOW for a subcontractor to conduct the trainings.
- **Activity 3.4 is a pilot to design a local incentives system to attract and retain health workers in Donetsk.** In Q1, HRS started a desk review of the incentives system and held discussions with municipal authorities in Mariupol on implementing an incentives system.
- **Activity 5.1 develops model ‘Hospitals of Best Quality’ in the focal regions that can disseminate best practices to other hospitals.** The activity approach mirrors
the approach used to develop Centers of Excellence in PY1. In Q1, HRS awarded grants to two hospitals to become models: Ovruch city hospital (Zhytomyr oblast) and Stryi raion hospital (Lviv oblast).

- **Activity 5.12 develops communication aids and tools to improve provider outreach and information sharing in one focal region.** In Q1, HRS drafted recommendations for HCF management in the East, which were based off the comprehensive analysis conducted by HRS in PY3.

**Scaled Activities**

As a result of learning gained through small-scale activities in PY1-3, HRS plans to scale activities in PY4 to include more regions or the whole country. The following activities were initiated in Q1.

- **Activity 1.7 produces a roadmap for establishing HCF Supervisory Boards.** In Q1, HRS started developing the roadmaps based on the most recent drafts of the pending supervisory board legislation. This activity was informed by a PY1 activity in which HRS piloted supervisory boards in PHC Centers of Excellence; it is also scaled from a PY3 activity in which HRS supported the GOU to revise the supervisory board framework to make boards more effective.

- **Activity 2.1 estimates the size of the private health market for the whole of Ukraine in general and by sectors from demand and supply side using lessons learned from the PY3 health market landscape analysis.** In Q1, HRS developed a detailed implementation plan, a concept, a detailed SOW, draft survey instruments, and a refined methodology to initiate the country-wide study. The activity has been scaled from a PY3 pilot health market assessment in Lviv.

- **Activity 2.2 provides technical assistance to the NHSU to equip health care providers with knowledge and skills to ensure the sustainable implementation of the performance-based financing (PBF) mechanism.** In Q1, HRS launched a competition for a grant to develop PBF procedures and a subcontract to develop PBF trainings. This activity builds off the project’s experience designing PBF indicators in PY3.

- **Activity 2.10 revises and updates electronic instruments for financial management of HCFs and builds local authorities' capacity in adapting and upgrading the electronic instrument.** In Q1, HRS updated the InSight electronic instrument and supporting materials, which were originally created in PY2, and disseminated them to PHC and SHC providers, along with technical consultations.

- **Activity 2.11 develops a comprehensive financial management manual for HCFs.** In PY4 Q1, HRS began drafting the manual with a team of experts. The financial management manual draws upon lessons learned and financial instruments developed while implementing SHC reform in PY2-3.

- **Activity 3.1 updates and conducts an online training course for two cohorts of regional authorities/health departments, building their capacity in developing hospital networks.** In Q1, HRS updated the online course curriculum based on feedback from the first cohort of participants (piloted in PY3) and selected a local subcontractor to continue the online course.
• Activity 3.2 develops a health workforce optimization plan for public specialized HCFs in two additional focal regions. In Q1, HRS held meetings with the Departments of Health and local authorities in Donetsk and Lviv oblasts, presenting the health workforce optimization and planning methodology based off the pilot plan developed in Zhytomyr in PY3.

• Activity 3.7 increases gender awareness among the PHC providers and introduces gender-sensitive counseling for PHC doctors. In Q1, HRS worked with experts to begin developing recommendations on gender-sensitive approaches for primary health doctors. This activity is informed by a PY3 gender sensitivity study that found widespread gender-based stereotypes among health care providers.

• Activity 3.8 supports the MOH on developing a CPD system. In Q1, HRS held eight interviews with key health stakeholders and held discussions with the MOH and the Testing Center on technical regulations of the CPD Agency’s system performance. This activity builds off HRS work in PY3 supporting the MOH to pass two new regulations that created the statutory foundation for the CPD Agency.

• Activity 3.9 supports UCU in disseminating the experience of implementing public administration in health educational programs. In Q1, HRS held a competition and selected three universities to participate in the program, which scale up the reach of graduate-level health administration programs like that HRS and UCU developed and piloted in Lviv.

• Activity 3.10 provides comprehensive recommendations on developing HR management systems at the HCF level and conducts an online training course for HR representatives of HCFs. In Q1, HRS partnered with Lviv Business School to elaborate on the nine HR procedures that were piloted selected HCFs in PY3. The HR procedures were based on the analysis of the HR functions of the facilities and will be disseminated across Ukraine by the end of the year.

• Activity 5.9 develops Hospital District Network Models for 2023 for 24 regions. In Q1, HRS continued to develop models by collecting, verifying, and consolidating data and conducting benchmark and context analyses, building off the methodology that the project used in previous project years.

VII. PROGRESS AGAINST TARGETS

To improve access and availability of high quality, evidence-based health care services and to obtain a transparent, accountable and effective health care system capable of meeting the health needs of the Ukrainian people, HRS’ cumulative activities helped the GOU to achieve the following milestones by the end of the reporting period:

Successful PMG 2021 Implementation

With HRS support, the NHSU successfully contracted 97% of all public PHC facilities (1,256 out of 1,289 total PHC facilities) and 94% of public specialized HCFs (1,588 – including 25 emergency HCFs – out of 1,685 total SHC facilities) to provide free services to
Ukrainians under the PMG financing mechanism, as of December 31, 2021. Additionally, **79% of the Ukrainian population (32.7 million people) signed declarations with family doctors**, a necessary enabling step towards establishing PHC physicians as gatekeepers and instituting the “money follows the patient” principle that links pay with performance. HRS support helped build GOU capacity to roll-out the PMG in a timely and effective way, contributing to the launch of PMG 2022 on January 1st. HRS support helped ensure that reforms were implemented without interrupting Ukrainians’ free health care services. HRS strengthened the capacity of HCFs and government institutions via workshops and webinars on service packages, medical service costing, changes in financing and management of HCFs, PMG proposals and contracting with NHSU, etc. HRS supported the implementation of PMG across Ukraine by supporting communication with health care providers, local authorities, and health care consumers. As of December 31, 2021, nearly **155,000 health reform information materials had received 324 million views**.

**Increased GOU Budget for Health**

The GOU increased expenditures on health care by **25.4%** (13.6% adjusted for inflation) **since 2020** (comparing the first 11 months of each year), which begins to meet the higher health care spending envisioned by the reforms. HRS contributed to this and further budget increases by advising the MOH and NHSU on strategic budgeting, conducting analyses on costing health services, providing technical assistance for the NHSU to introduce the PBF mechanism at the PHC level, and providing technical support to the Ministry of Reintegration of Temporarily Occupied (MTOT) on budgeting healthcare services in conflict-impacted GOU-controlled territories in Eastern Ukraine. The PMG 2022 budget is **157.3 billion Ukrainian hryvnia [UAH]** (increased on 33.8 billion UAH). For the most important areas of medical care, the tariffs were increased which will enhance the financial protection of patients.

Performance of key outcome indicators are listed in the graph below.
The Performance Data Table: Monitoring and Evaluation (M&E) Indicators is updated on a semi-annual basis and will be shared with USAID/UK Aid in the PY4 Q2 Report.

VIII. PERFORMANCE MONITORING, EVALUATION AND LEARNING

HRS continued to monitor the performance of the project during the COVID-19 pandemic and the associated quarantine. To do so, HRS conducted the following M&E activities:

- **Data Collection**: HRS routinely collected data online and in digital formats via surveys, assessments, feedback interviews, programmatic documents, state statistical sources, media, and other third-party data sources. In PY4 Q1, to estimate the total quantity of HCFs in Ukraine which provide services, HRS conducted an analysis of data collected from the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Associations and the General HCF Licensing database of MOH. HRS will finalize the analysis in PY4 Q2.

- **Data Validation**: HRS monitored the implementation of activities via check-in calls, email correspondence, remote online meetings, and deliverable reviews. Between October - November 2021, USAID/Ukraine Monitoring and Learning Support conducted an external data quality assessment (DQA) of HRS indicators. The DQA confirmed that HRS performance data meets USAID data quality standards (validity, integrity, precision, reliability, and timeliness).
• Data Management: HRS verified and stored data securely in online trackers and databases on the internal HRS SharePoint site.
• Data Analysis and Reporting: HRS calculated and analyzed annual performance indicators (project and activity-level indicators) to assess progress.
• Indicators’ Development: During PY4 Q1, HRS updated the MELP to reflect the developed HRS PY4 Work Plan. HRS updated new project indicators and developed new activity-level indicators to measure effectiveness of the project and corresponding activities. The updated MELP included descriptions on measuring anti-corruption impact and a learning agenda. By incorporating this feedback loop into the program and strategic level M&E tiers, HRS intends to systematically learn throughout activity implementation and make adjustments, if needed. The updated MELP was approved by USAID COR on Nov 22, 2021.

Collaborating, Learning and Adapting (CLA)
HRS continued to leverage CLA best practices to meet its implementation goals. HRS remained flexible and was responsive to USAID and GOU requests, including supporting the health strategy. HRS maintained its flexible approach to workplan modifications and adjusted activities on a rolling basis. HRS collaborated with a range of USAID projects and other international donors on Q1 activities and instituted feedback loops to create a culture of continuous learning. In early Q1 of PY4, HRS made modifications to the MEL Plan with an expanded section that defines our press towards anti-corruption impact. HRS also created a learning agenda, which outlines the project’s technical evidence base, which HRS continues to build through reports, assessments, and technical briefs.

IX. LESSONS LEARNED
HRS learned that its strong systems allow it to adapt and meet GOU demands to support the 2030 Health Strategy. HRS has developed a strong organizational structure and processes that allows it to be responsive to urgent donor and GOU requests without interrupting PY4 implementation. This organizational maturity enabled the project to engage in the GOU’s rapid timeline of developing the Health Strategy for 2030. HRS leadership and key staff quickly mobilized to participate in Health Strategy meetings and provide expert input while the project’s large technical team continued implementing other activities according to their timelines. The Health Strategy working groups benefitted from HRS’ bench of international experts, who provided experiences and best practices from other countries, creative problem solving, and innovative recommendations.

HRS learned that it can build towards sustainability by transferring ownership of HRS products to the GOU. In its final full year of implementation, HRS is supporting locally led
development by transferring resources, electronic tools, and analyses to the MOH, NHSU, and other local stakeholders. For examples, HRS worked with the MOH to create a microsite on the MOH website that would accommodate HRS products. The products will be publicly available and will be the ‘first stop’ for HCF administrators, local authorities, regional health administrators, and others for electronic tools. By storing these resources at the MOH, HRS is reinforcing the GOU as ‘the face’ of health reform and supporting a sustainable handover as the project nears closeout. The project will continue to transfer ownership of activities and products to the GOU throughout PY4, while simultaneously helping to build their capacity to maintain communication platforms and other health reform implementation support efforts.

X. ENVIRONMENTAL MONITORING

During the reporting period, HRS followed the approved Environmental Mitigation and Monitoring Plan (EMMP), consulted with COR during the development of the PY4 Implementation Plan, and closely monitored project activities for any potential environmental impacts. The approved Implementation Plan for PY4 Q1-2 and Q3-4 did not have any activities that posed adverse environmental impacts or met the threshold for reporting. HRS will continue to work closely with the USAID COR and, as appropriate, the Mission Environmental Office or Bureau Environmental Officer to discuss any future activities that may pose adverse environmental impacts prior to starting work.

XI. PROGRESS ON LINKS TO OTHER ACTIVITIES

During Q1, HRS coordinated with several USAID and other donor projects. Notable points of collaboration include:

- In Q1, HRS shared lessons learned with USAID Transformation Communications Activity (TCA) to improve its COVID-19 vaccine awareness campaign. These lessons are drawn from a PY3 collaboration with USAID TCA in which HRS leveraged its deep network of experts and local authorities in each region. This network was developed during PY1-3 to implement SHC reform, and they proved to be successful in helping USAID TCA increase engagement with their target audience, health workers. The network unlocked a higher response rate from HCF administrators and improved the effectiveness of the activity.
- Objective 1 is using its experience in working with local authorities to share resources and best practices with the new USAID HOVERLA project on effectively engaging local authorities in the hromadas.
- In Q1, HRS continued to engage with 31 peer groups of health workers in empathy training and burnout prevention under Activity 3.6. This activity is a fruitful
collaboration with the Swiss-funded project Medical Education Development, which initially only targeted PHC facilities; HRS leveraged its relationships with SHC facilities to expand the activity to health workers in these facilities. HRS borrowed the Swiss project approach and improved how technical teams communicate and engage the HCF. The two projects bring together all peer groups every month for cross-group learning and support building.

The project's ongoing efforts to coordinate with other donor projects amplify the impact of the project on health reform progress and create an environment for cross-collaboration and co-funded activities.

XII. PROGRESS ON LINKS TO HOST GOVERNMENT

During Q1, HRS leadership and local and international experts advised the GOU on the 2030 Health Strategy. With HRS team members contributing as writers for the strategy's working groups and reviewers, the project had an opportunity to shape the next phase of health reform. Our Objective 1 team worked to strengthen language around the corporate governance framework to improve the oversight authority of HCF supervisory boards. The Objective 3 team leveraged HRS' gender assessment to provide insights to the workforce transformation workstream and used experience on burnout prevention among health workers to include draft language on health workforce well-being. The Objective 5 team contributed its approach to optimizing hospital networks to the draft language on hospital planning and supported language on improving quality management, informed by recent activities on quality management systems in HCFs. While HRS’ contributions are not guaranteed to make it into the final strategy, HRS was able to enrich the working groups and draft language from its on-the-ground experience over the past four years. During PY4 Q1 activity implementation, HRS played a lead role in continuing to support the MOH’s new Resolution of Supervisory Boards at HCFs and Supervisory Board Election Procedures within the Cabinet of Ministers; HRS improved the draft legislation on Concession in Health law for public private partnerships and provided support to the MOH to review over 1,200 comments to the Public Health Law as it is prepared for the 2nd reading. HRS provided support to improve the MOH’s communications functions, continued working with the MOH and other key stakeholders to stand up a new CPD Agency, and continued to increase eHealth/information system security and sustainable development.
XIII. PROGRESS ON INCLUSIVE DEVELOPMENT

In PY4 Q1, HRS conducted several activities to improve the access of vulnerable populations to quality health care.

- In Objective 1, HRS worked to improve patient navigation to HCFs by helping the GOU have accurate location markers for HCFs on Google Maps. In Q1, HRS completed a pilot in the Lviv oblast to verify the declared locations of all 200+ PMG-contracted facilities in the region. Beginning in 2022, HRS will incrementally roll out this activity to all other regions. The work will help patients to arrive at the right location to receive medical treatment. Also within Objective 1, HRS is supporting the implementation of a new framework for supervisory boards of HCFs that will make boards effective oversight bodies. In PY4 Q1, HRS supported a framework drafted in PY3 as it moved through the legislature. HRS offered its assistance to MOH to negotiate the new language of regulation with government and public stakeholders and arrived at a ready-to-go version by end of 2021. Once the resolution is adopted later this year, HRS will provide training and support to institute the framework and establish boards at HCFs. Patients’ rights organizations will play a leading role in representing the boards and executing them.

- In Objective 3, HRS is supporting empathy training and burnout prevention for health workers. In PY4 Q1, HRS continued to facilitate trainings with 32 groups of health workers who have become overburdened with the rise of the COVID-19 pandemic.

- In Objective 4, HRS conducted further analysis of a PY3 study that analyzed the level of digital literacy among health professionals to inform digital literacy courses. As the GOU works to increase digital access and use across all sectors of health care, HRS is working with health professionals to ‘meet them where they are’. Many health professionals are older adults who may have varied comfort levels with technology. HRS’ digital literacy assessment surveyed 2,100 interviewees at 84 HCFs in the focal regions of Zhytomyr, Donetsk, and Lviv. The results of the assessment will be used to create eHealth digital literacy courses for health care professionals tailored to various skill levels.

- Regarding HRS educational activities, the project observed greater participation by women in PY4 Q1, who represented 87% of the 30 participants, due to the higher rate of women as health care workers and health care. This shows that women likely do not face gender-based barriers in accessing HRS trainings and educational activities.

XIV. FINANCIAL INFORMATION

*Redacted for public version*
### XV. SUB-AWARD DETAILS

During PY4 Q1, a total three (3) new RFAs were approved and issued. HRS intends to issue four (4) fixed amount award (FAA) grants on an open-competition basis under the following three requests for applications (RFAs):

<table>
<thead>
<tr>
<th>Proposed Grant</th>
<th>Grant procedure status</th>
<th>Name of the Organizations applied/selected for grants</th>
<th>Grant funding limit</th>
</tr>
</thead>
</table>
| NGO’s COMMUNICATIONS CAMPAIGN ON PATIENTS’ RIGHTS AWARENESS (RFA #24)          | Grantee selection is in process          | • NGO Internews Ukraine  
• Ukrainian Red Cross Society  
• All Ukrainian Network PLWH, Luhansk oblast | Redacted             |
| DEVELOPMENT OF HOSPITALS OF QUALITY IMPROVEMENT (RFA #25)                     | Grantees are selected. Award is in process | 1. MNE Central Hospital of Stryy Rayon  
2. MNE Ovruch Cityyl Hospital                                                     | Redacted             |
| DEVELOPMENT PROCEDURES OF PBF IMPLEMENTATION IN UKRAINE (RFA #26)             | Application submission due date is December 27, 2021. Zero applications were submitted in response to RFA #26. The date of re-announce is January 11, 2022. The new deadline for the submission of the applications is January 31, 2022 |                                           | Redacted             |

All HRS Grants are on track and achieving their objectives. All sub-awards are listed in **Attachment D – Sub-Awards Table**.

*Grants/Incentive Funds are approved by USAID in USD and in UAH at the time of grant award using the average commercial exchange rate for the grant application period. Consistent with Deloitte’s Grants Under Contract (GUC) Manual, all local grants are denominated in UAH and paid in UAH. Due to grants being denominated/paid in UAH by HRS, the USD amount is subject to change based on exchange rate fluctuations and may not match the initial approved USD amount.

### XVI. ACTIVITY ADMINISTRATION

*Responsive to the ongoing COVID-19 pandemic, HRS continued to utilize remote teamwork/events and emphasized staff wellbeing in the virtual environment*
throughout the entirety of PY3. With staff safety as a top priority and the emergence of the Delta and Omicron variants of COVID-19, the HRS project continued to maintain a remote-first operating environment with minimal disruption to project delivery. Most events and working meetings were conducted virtually throughout PY4/Q1, creating a “new normal” for project operations and partnerships. Due to limited connectivity issues, this COVID-19 reality presented minimal roadblocks for the project team, and HRS leadership was able to effectively manage the project via a range of tools and processes, including virtual meeting platforms, daily and weekly progress updates, Viber/Telegram mobile messaging, regular COVID-19 email updates and guidance, and wellbeing initiatives to increase staff engagement and motivation. There were no major issues related to this remote-first environment that impeded the project’s progress against expected results outlined in the Implementation Plan. However, the COVID-19 pandemic environment presented extra stresses and competing priorities for our counterparts (especially providers), causing us to adjust activities and their timelines. Thanks to our adaptive management approach, we were able to make these activity adjustments quickly, enabling us to support ongoing health reforms without overwhelming or distracting providers and GOU officials from responding to the COVID-19 emergency. HRS continues to reassess the situation and delivery needs, in consultation with the USAID COR, and adjust activities accordingly. Although the remote-first delivery environment worked well throughout PY3 and PY4/Q1, we are prepared to continue introducing in-person meetings and events in PY4 Q2-4, if necessary and appropriate given COVID-19 infection rates.

A. Constraints and Critical Issues
With increased responsiveness to the evolving context, HRS did not face any major constraints or critical issues that affected programmatic delivery in PY4/Q1. HRS will continue to notify and inform USAID COR of any constraints or critical issues identified, as needed.

B. Personnel

Key Personnel
During the reporting period, there were three key personnel (KP) changes. All other KP positions are staffed and approved by USAID Contracting Officer (CO) and COR.

1. Deputy Chief of Party of Programs – On September 15, 2021, HRS notified USAID CO and COR that Mr. Oleksii Iaremenko, the approved DCOP of Programs, was resigning from his KP position on September 22, 2021. Mr. Iaremenko was appointed as a Deputy Minister at the MOH of Ukraine. In Mr. Iaremenko’s new capacity as Deputy Minister, HRS will be working with him closely to facilitate health reforms and to achieve USAID HRS objectives. HRS believes that its strong and long relationship
with Mr. Iaremenko will be incredibly beneficial for USAID and the GOU. Dr. Maksym Duda was approved by the USAID CO as the new Deputy Chief of Party (KP) on November 16, 2021. The KP transition went smoothly and there are no issues or challenges to report. Additionally, HRS maintains a very strong relationship with Deputy Minister Iaremenko and works with him daily to advance USAID HRS objectives.

2. Technical Advisor, Health Financing/Health Economics – Ms. Nataliia Kovalenko was approved by USAID CO as the new Technical Advisor, Health Financing/Health Economics KP on December 3, 2021. The previous KP Lead, Dr. Maksym Duda, left the position after he was promoted and approved for the Deputy Chief of Party (KP) role. Ms. Kovalenko is a long-time HRS staff member and experienced health financing professional that was able to easily transfer and assume the new role.

3. Chief of Party – On November 19, 2021, HRS notified USAID that Ms. Elizabeth Villarroel would be leaving her KP position and demobilizing from Kyiv, Ukraine on December 15, 2021 due to personal and family reasons. HRS identified a replacement COP candidate and submitted them for USAID CO approval at the end of Q1. In the interim, Dr. Maksym Duda, Deputy Chief of Party for Programs, will serve as the Acting Chief of Party during the transition period. Mr. Owen Miller, Deputy Chief of Party for Operations, will also provide coverage and serve in an Acting Chief of Party role, as needed. Deloitte/USAID Health Reform Support has a strong and experienced management and leadership team in Ukraine and in the home office that will be fully able to manage the program successfully during the transition.

Non-Key Personnel
HRS maintained adequate full-time staff, international advisors, short term technical advisors, and home office support to complete and deliver on the approved PY4/Q1 implementation plan. As a result of COVID-19 and quarantine measures imposed by the GOU, HRS field-office staff are working primarily remotely, with the exception of the senior management team and essential operational staff that still report to the office as required. HRS has implemented management and technology capabilities to support remote work and has not experienced any issues in meeting PY4/Q1 expected results.

C. Contract, Award or Cooperative Agreement Modifications and Amendments
Redacted for public version

D. Status of Deliverables/Milestones
By the end of Q1, the HRS project completed one of the 63 activities in the latest PY4 Work Plan and initiated 61 other activities (98% of the PY4 activities). Three activities were
delayed due to postponed engagement by the MOH and HCFs, but these activities are on track for completion in Q2. Further information on the status of activities in the HRS Work Plan can be found in the Attachment C: Performance Data Table – Work Plan Progress.

E. Coordination and Partnerships
Throughout PY4 Q1, HRS continued to model strong collaboration with other implementing partners, donors, GOU counterparts, and other health system stakeholders, supporting feedback loops that improve the activities of HRS and partners. A principle focus of Q1 was supporting the GOU to draft the 2030 Health Strategy. To complete the strategy, HRS worked with several international donor organizations like the WHO and World Bank. HRS supported USAID projects like TCA and HOVERLA through direct collaboration on activities and sharing of best practices and resources. HRS worked with other donor projects like the Swiss Agency for Development and Cooperation on activities with overlapping interest. HRS continued regular management meetings with USAID and UK Aid.

Private Sector Engagement (PSE)
HRS has fully embraced USAID’s Approach to PSE and understands the potential for PSE to improve quality of care and create a modern health system. By increasing competition and innovation, PSE can dismantle antiquated systems and processes that relied on corrupt practices with the health sector, and market forces can supplement GOU monitoring/control measures to create sufficient incentives to change behavior of the market players to eliminate informal payments. Throughout PY4 Q1, HRS partnered with private sector companies to achieve implementation results and develop innovative solutions. Highlights include:

- Within Objective 1 in Q1, HRS began developing roadmaps for supervisory boards based on the most recent drafts of the pending supervisory board legislation. This activity draws on HRS work supporting the GOU in revising its supervisory board framework. The changes created the groundwork for boards that can effectively request financial and operational information from HCF administrators and take steps to deter and mitigate corruption. The framework draws on best practices from the private sector’s corporate governance boards.

- Within Objective 1 in Q1, HRS collaborated with Google to develop a workflow that will help HRS provide accurate locations of HCFs on Google Maps. HRS held coordination meetings with Google to set up a process by which bulk geo data will be submitted to Google to create Google Dots on Google Maps. Presently, approximately one in three HCFs lack accurate locations in Google Maps. In Q1, HRS completed a pilot in the Lviv oblast to verify the declared locations of all 200+ PMG-contracted facilities in the region. Beginning in 2022, HRS will incrementally roll out this activity to all other regions. As part of this activity, HRS continued its partnership with
Premise in Q1 to field on-the-ground contributors to find the accurate location of HCFs and will report them to Google.

• Within Objective 1 in Q1, HRS supported the GOU to further develop a Concession in Health Care Law. HRS helped the MOH hold a series of consultations with stakeholders and worked on improving the draft text to be presented to Parliament for further advancement. First proposed by the Office of Simple Solutions, the new law would correct deficiencies in the governing Public Private Partnership law that is heavily oriented towards infrastructure and is not well suited to health care. The GOU believes that a Concession Law can unlock private sector engagement. The law has not yet made it past first reading in the Verkhova Rada.

• Within Objective 2, HRS drafted the concept for a countrywide health market landscape analysis, which HRS will implement in PY4 to provide recommendations on improving collaboration between the GOU and private sector. The concept developed in Q1 draws on lessons learned in PY3 through the project’s regional-level analysis and incorporates a new demand-side methodology. In Q1, HRS developed a detailed implementation plan, a concept, a detailed SOW, draft survey instruments, and a refined methodology to initiate the country-wide study. By the end of PY4, the final report’s recommendations will help the GOU to unlock additional private sector investment.

• Within Objective 4, HRS concluded its final interoperability working group in Q1 with representatives of the GOU and private sector medical information system (MIS) operators. Building off findings from these working groups, HRS will continue collaborating with these stakeholders in PY4 to build out a strategy to improve medical data interoperability and allow patients to take their data with them. HRS will continue to engage the private sector to inform and improve our approach in supporting health reforms.

F. Geographic Information

HRS geodata was submitted to USAID/Ukraine via “USAID/Ukraine Activity Data Collector” web-based application and entered in USAID Development Information Solution (DIS) in consultation with the USAID DIS team on October 28, 2021.
XVII. ATTACHMENTS

A. List of Deliverables

B. Public Outreach Documents:
   a. PY4 Q1 Success Stories Compilation
   b. Technical Brief: Anti-Corruption in Health
   c. Technical Brief: Scaling Best Practices
   d. Technical Brief: Masters Program for Health Administration Professionals
   e. PY4 Q1 HRS Newsletters (October 2021 – December 2021) Compilation
   f. PY4 Q1 Biweekly Highlights Compilation
   g. PY4 Q1 Bullets Compilation

C. Performance Data Table: Work Plan Progress

D. Sub-Awards Table