



**Integrity and Transparency in Medical Referrals
Outside the Ministry of Health Institutions**

October 2016

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Integrity and Transparency in Medical Referrals outside the Ministry of Health Institutions

Introduction

The Palestinian Ministry of Health (MoH) provides diversified medical services for citizens by virtue of tasks assigned to it being part of the fundamental rights enshrined in the Basic Law¹. However, due to lack availability of many needed medical services, specialization, and equipment in government health institutions or to its low absorptive capacity, the MoH resorts to outsourcing some medical services; or to referring some cases to medical institutions outside its own (service providers) in or outside Palestine.

During the past few years, cost of medical referrals outside government institutions have constituted heavy financial burden on the MoH budget accounting for 37% of the 2015 MoH budget (i.e, more than a half billion shekels (NIS). It also constituted 32% of the actual total payments for the same year. Furthermore, the MoH was unable during the past 20 years to curb the steady increase in the number of cost of referrals, under the pretext of lack availability of these services in public sector institutions or in order to obtain higher quality medical services for citizens.

And despite the MoH's attempts during the past few years of developing systems that govern medical referrals outside government institutions as well as adopting a policy for nationalizing and rationalizing the service, in addition to expanding health facilities and improving medical services, these attempts remained insufficient in reducing the number of the referrals. In addition, the transparency level by which these referrals were managed was inadequate, and demand for referrals was not curbed either. These shortcomings indicate to the possibility of the MoH inability to meet the increasing demand on medical referrals with costs that reach millions of NIS. This in addition to the MoH's inability to import the necessary medical equipment and supplies will most definitely impact the quality of services provided by government institutions.

This report aims to examine procedures and measures taken by officials at the MoH with the purpose of defining gaps, challenges and conclusions in order to present tangible recommendations that will assist decision makers to rectify the situation.

The methodology followed in the preparation of this paper relied on in-person interviews with officials from the MoH in addition to reviewing documents, reports, statements, and decisions issued by the MoH or other related local and international institutions; and finally holding a workshop to discuss the draft before issuing the final copy.

¹ Article 22 of the amended Palestinian Authority's Basic Law

Health Insurance and treatment outside the MoH institutions

Provisions of the Palestinian Health Law NO 20 of 2004 stipulate that the MoH is responsible for providing preventive health care as well as treatment, diagnostic and rehabilitative health services. It is also responsible for establishing the necessary institutions for the above-mentioned services. In addition, it is entrusted with the task of oversight over implementation of government health insurance by working in accordance with the **The Health Insurance and Treatment outside the MoH System No (11) of 2006**, which determines mechanisms for benefitting from the “basket” of health services provided by the MoH regardless if offered within, or in medical centers outside government institutions.

The government health insurance offers a package of health services regardless of the premiums paid by the clients. In addition, the MoH provides the possibility of referring patients, where treatment is not provided by government institutions, to other medical centers such as: Palestinian hospitals in the private and civil society sectors, or Israeli hospitals. It also refers some patients to hospitals in other countries with whom the MoH has signed prior agreements, mainly Egypt and Jordan.

Groups covered by the health insurance

- Groups with mandatory health insurance membership: this group is basically government employees. They are considered automatically insured since insurance premiums are deducted from their monthly salaries regardless if they have other insurance coverage or not.
- Groups that join government insurance voluntarily: joining can be individual or part of a group as in (institutions)
- Partial insurance benefit group: This group benefits from part of the “health basket” offered by the ministries and other government institutions such as: families that receive assistance from the Ministry of Social Affairs (MoSA), or families of martyrs and political prisoners.
- Children groups: children have the right to medical care in government health centers up to three years of age regardless if their families’ have insurance or not.
- Individuals who are exposed to injuries during school events, government vocational training centers and other government institutions.

The Health Insurance System determines the ratio of financial contribution the insured pays for the various treatments, as well as the amount of insurance premiums.²

² Look annex No. 4 “ Health Insurance Fees and Premiums” attached to the Health Insurance and Treatment outside the MoH System No (11) of 2006. It is worth noting that all Palestinians residing in the Gaza Strip, including government employees whose salaries are paid from the Palestinian Authority’s treasury, enjoy the health insurance services provided by the MoH free of charge (i.e., 100% coverage). This is executed in accordance with provisions of article 2 of the Presidential Decree issued on June 6, 2007.

Table No. (1) Distribution of insured families according to type of insurance and returns³

Type of insurance	2012		2013		2014		2015	
	No.	Returns	No.	Returns	No.	Returns	No.	Returns
Voluntary	2,825	2,651,713	2,720	1,830,062	2,323	1,580,600	2,427	2,012,685
Gov.(Mandatory)	59,467	55,759,912	61,245	57,118,595	62,932	58,489,251	65,531	59,238,997
Laborers within the green line (1948)	18,153		7,310		10,844	48,833,892	30,142	55,914,576
Collective (groups)	28,143	18,123,392	29,203	19,959,729	30,763	21,851,431	37,638	26,400,903
MoPA	10,302	5,808,000			12,214	6,537,400	12,894	6,159,200
MoSA	37,443	16,731,300	28,269	14,050,050	31,388	15,442,750	26,616	15,188,650
Total	156,333	99,074,317	128,747	92958436	150,464	152,735,324	175,248	164,915,011
Free of Charge	10,655		11,195		12,515		14,668	
Contributions (medicine, X-ray, laboratory)		19,655,865		21,113,773	0	24,240,151		34,180,196
Total summation	166,988	118,730,182	139,942	114,072,209	162,979	176,975,475	189,916	199,095,207

The table above indicates the proportion of contributions derived from fees and health insurance premiums of the various types, which amounts to less than 30% of the cost for treatment outside of the MoH institutions. Cost for referrals outside the MoH institution for 2015 amounted to 165 million NIS from a total of 561 million NIS. On the other hand, citizens' contributions related to medicine, and or X-rays and laboratory tests increased from approximately 24 million NIS in 2014 to 34 million NIS in 2015; and about 15 million NIS when compared to 2012. This was due to the increase in the prices (i.e., citizens' contributions) of services provided by the MoH's institutions. And as illustrated in the comparison sheet above, the gap between the number of those insured and the amount of fees collected is apparent, hence the level and quality of services become the natural victims of this gap. This forces the MoH to rely on purchasing services from outside the official sector. Other issues include the prevailing culture which only gives value to health insurance when sick, hence a citizen decides to buy insurance only if he/she need it (i.e., is sick) or after being admitted to hospital⁴. Also, many do not commit to paying premiums on time or realize that payments need to be sustained regardless if one gets sick or not. As a result, the MoH and the public treasury are burdened. This requires an urgent intervention to establish a comprehensive national health system in which everyone contributes in addition to what is provided as supplements by the treasury.

³ See annual health report 2012-2015 – official MoH website –www.moh.ps

⁴ Dr. Ameerah Al-Hindi, General Director of Outsourcing Department , “Hur El-Kalam” program on Palestine satellite TV, first episode, March 4, 2016. To view:

<http://www.pbc.ps/Episodes/%D8%AD%D8%B1-%D8%A7%D9%84%D9%83%D9%84%D8%A7%D9%85-%D8%AC1-432016>

Within the same context, the absence of continuity of funding of this system, the “service Basket” provided by the current Government Health Insurance System, has become a huge burden on the MoH and the Palestinian National Authority (PNA) budgets, thus accumulating a heavy debt on the PNA budget. Moreover, this type of health insurance, despite the health services it provides to a large segment of affected Palestinians; it remains in need of rationalization as well as filtering to ensure that only people who deserve it receive that benefit. Especially since presently there are many who are exploiting the system in various ways, hence depleting the MoH budget and wasting public funds.

The Health Insurance Draft Law has been stalled for eight years

Starting in 2008, discussions have taken place regarding the compulsory National Health Insurance Draft Law. However, these talks were halted for the past two years. The draft law requires the participation of all whose income is subject to income tax to buy health insurance. It also demands that employers register all their employees and pay half of their insurance fees.

The draft law aims to provide funding for health services as well as to convert the health system from an optional system to a compulsory system that achieves justice in terms of meeting health needs by through a mutually beneficial relationship where everyone participates in covering expenses of medical care services.

Article 27 of the proposed draft health law stipulates that “joining the health insurance system is compulsory for all taxpayers and citizens in-line with the provisions of this law; and every citizen has the right to benefit from the national health insurance services whether he/she is a beneficiary or a participating client; mechanisms for joining will be determined through a system that will be issued in accordance with provisions of this law.”

However, these attempts failed due to the opposition of several parties for different reasons such as: fear that the United Nations Relief and Works Agency (UNRWA) will no longer provide health services if a comprehensive insurance system is adopted. Complexities such as these were also raised by Jerusalem residents, especially those who are covered by the Israeli national insurance but work in the West Bank; not to mention the private sector’s medical and non medical position towards this issue. The situation was further complicated due to the political decision, which came into effect through a presidential decree in 2007, exempting Palestinians living in the Gaza Strip from paying taxes and insurance fees. In addition, labor unions protested paying insurance fees as well; while insurance companies expressed

their fear of the government’s dominance over medical health insurance; not to mention the lack of desire politicians to engage in the debate of mandatory national health insurance,⁵

The 2014 Financial Health Report indicated that the government’s funding for health activities (through the MoH and the Ministry of Finance (MoF) accounted for 37% in 2014; the household sector 41%, while funding of non-profit organizations serving households amounted to 18%; with 3% being funded by private insurance companies, and direct funding for health services from the rest of the world accounted for 1%.⁶

Institutional Framework for medical treatment outside the MoH institutions

(1) Medical Referrals Committees

At the beginning of 2014, four regional committees were established in the north, middle, south of the WB, and the Gaza Strip. Each committee consists of seven physicians from different disciplines who carry out medical tasks, and hold weekly meetings. There are also three central technical committees “specialized” in cancer tumors, eyes, and general surgery.⁷ Referrals committees for medical treatment outside the MoH are formed in accordance with article 19 of the system and upon recommendations of the assistant undersecretary of the minister by decision from the deputy minister. These committees are re-enacted every three months where a minimum of four of its members are replaced each time; membership is only permissible for up to four terms. Each referral committee must meet at least once a week and has the right to request any assistance from other specialists and advisors, as it sees fit. This is justified since the committee is tasked to review and decide on candidates for referrals to be treated outside the MoH institutions. The committee is also tasked to scrutinize medical files and related invoices sent by medical centers outside the MoH.⁸

(1) Treatment Department (Outsourcing Department)

The Outsourcing Department is responsible for referring patients to medical centers for diagnosis or treatment outside the MoH institutions that are contracted with the Ministry regardless if in or outside of Palestine.

Objectives and vision of the outsourcing department

The outsourcing department seeks to provide the best health services possible for Palestinians through a mechanism that allows easy and smooth access to this service without any obstacles or

⁵ Jihad Harb-Integrity, Transparency, and Accountability environment in medical referrals for treatment outside the MoH institutions, Ramallah: AMAN, 2004 P.5.

⁶ The State Audit and Administrative Control Bureau (SAACB), MoH, Palestinian Health report 2014, Ramallah, P.17

⁷ Dr. Ameerah Al-Hindi, “Difficult Questions” program, Ma’an Satellite TV, August 21, 2016.

<https://www.youtube.com/watch?v=-UCKrblb9l8>

⁸ Article 21 of the Health Insurance and Treatment Outside the MoH, No.11 of 2006.

discrimination, for all those deserving of it. This was made feasible through rationalization and nationalization of all health services that the MoH is unable to provide, and the encouragement and integration of civil and private health institutions without any compromise to the patients' health.

Look: Outsourcing department, MoH' website:

www.moh.ps/Index/Circle/CircleId/41/Language/ar

Tasks of the Department⁹ include the following:

1. To review decisions issued by the referral committees in order to ensure that they do not violate related systems and regulations.
2. To follow up with accredited medical centers that provide health services for referred patients ensuring that the patients receive proper treatment.
3. Follow-up on emergency medical cases in terms of finding the most suitable place for treatment.
4. Sign contracts with medical centers in other countries that provide services unavailable in Palestine.
5. Communicate with government or local service providers outside government institutions to ensure proper service delivery and in line with agreement.
6. Conduct periodic evaluation of service providers' performance to ensure compliance with the conditions of the signed agreements; ensure drafting of reports concerning the evaluations. Also to advise contracted service providers to improve their performance and develop procedures accordingly, as needed.
7. Develop and update a comprehensive data base of all patients referred to medical centers outside government institutions.
8. Follow-up with service providers dealt with, whether local or external, on financial requirements with the MoH.
9. Prepare monthly reports that specify the number of cases referred categorized according to area, costs, type of disease, and place of treatment. In addition, the department is to send a summary report to the minister illustrating directions and developments of work within the department as well as any comments concerning referrals that need his attention.¹⁰

PNA officials continue to intervene in obtaining medical referrals, which causes embarrassment. And sometimes "pressure"

⁹ Visit: <http://www.moh.ps/Index/Circle/CircleId/41/Language/ar>

¹⁰ Jihad Harb-Integrity, Transparency, and Accountability environment in medical referrals for treatment outside the MoH institutions, Ramallah: AMAN, 2004 P.7

is imposed on employees in charge of the service to facilitate referrals to Israeli hospitals; in addition to the number of citizens who come with a requests to be referred to Israeli hospitals when the service is available in local hospitals, either in the West Bank or East Jerusalem

Source: "Difficult Questions" program, Ma'an Satellite TV.

- The MoH, represented by the "Outsourcing Department", buys the triple-care service through contracting service providers outside the MoH whose number reached 79 providers in Palestine and neighboring countries.
- The MoH has not adopted a sectoral strategy that illustrates roles of both, the private and civil society organizations (NGO sector) thus undermining the medical referrals policies, on the one hand, and creating weakness in providing health care, planning, and effecting long-term investment management, on the other hand.
- In 2013, an electronic system was developed for medical referrals for the Department, where it was connected and activated with the department in the Gaza Strip in 2015. However, it was not activated in the northern governorates of Palestine.¹¹
- A specific protocol was adopted by oncologists and physicians specializing in blood diseases that determine referrals paths, time of referral, referred cases, and available medications covered by the insurance.¹²
- The MoH publishes two reports, semi-annual and annual¹³ entailing information on the Outsourcing Department through illustrative tables; available on the MoH website. The tables show the number and costs of referrals as well as the geographic locations of service and treatment centers. However, the website lacks information On measures and procedures for requesting medical services outside MoH institutions. Neither is there information on the types of treatments provided or whether or not it is covered by the health insurance. Similarly, information concerning signed agreements with hospitals and other health service providers is not available, in addition to the absence of specific and clear instructions that provide information to applicants.

A media plan has been prepared to introduce the department's procedures and services provided by the Outsourcing Department at the MoH. Also prepared, a website design which will be ready by the beginning of 2017, in addition to development of the public service department, and a public complaint department specifically for referrals, which will be piloted in three hospitals: Palestine Compound, Rafidia, and Hebron.

Source: Dr. Ameerah Al-Hindi, "Difficult Questions" Program

¹¹ Dr. Ameerah Al-Hindi, "Hurr Al-Kalam" program, Palestine satellite TV, first session on March 4, 2016.

¹² Dr. Ameerah Al-Hindi, "Difficult Questions" program, Ma'an satellite TV.

¹³ The 2015 annual report was not published as of Sept. 24, 2016, date viewed by the researcher of the official website.

- Despite the development of a code of conduct (CoC) by AMAN and the MoH specifically for all those working in the health sector in 2010, the CoC was never distributed among employees nor was it posted on the Ministry's website. In addition, the General CoC for Public Employees, which was issued by the Council of Ministers on October 2012, was also not published nor distributed among employees either.¹⁴ It is worthy to note that AMAN, in cooperation with the MoH and in the presence of the then MoH minister, Dr. Fathi Abu-Mughli, as well as a number of general directors and heads of departments within the ministry, held a workshop in the Palestine Compound on December 25, 2010, to introduce provisions of the CoC as well as to stress its importance of complying with its provisions.

There are 79 service providers, which is a large number when compared to the number of population in general, as well as the high population density, and the concentration of population in cities. This exaggerated number leads to: (1) weakness and lack of efficiency in responding to medical referral requests. (2) Increasing the burden on the management of the Outsourcing Department and complicates the follow-up process on price discrepancies. (3) Undermines the ability of the MoH to negotiate prices in obtaining the service. (4) Hinders the MoH efforts in following up on the quality of service provided.

Source: the comprehensive plan for regulating medical referrals accredited providers outside the public sector; ratified by the Council of Ministers under Decision No. (06/120/17/m.w./r.h) of 2016 issued on September 27, 2016. Pages 26-27.

- A committee consisting of four physicians was formed tasked with monitoring and control over local hospitals through field visits to hospitals. The committee was also entrusted with reviewing referred cases and ensuring that referral procedures are in compliance with those stated in the agreements signed between the MoH and the hospital under scrutiny.¹⁵

¹⁴ Council of Minister's Decision No. (04/23/14/m.w./s.f) of 2012 issued on October 23, 2012.

¹⁵ Interview conducted by the researcher with Dr. Jawad Awwad, Minister of Health, on Sept. 29, 2016.

Outsourcing Health Services: Procedures, Beneficiaries, and Cost to the Treasury of PNA

In defining health services bought from external sources in this context is to say that it consists of a group of services that exempt those insured from partial payment provided by the MoH. This is executed through contracts between the MoH and health centers that are not under its jurisdiction, whether in or outside Palestine, hence ensuring the insured person's right to obtain the privilege in centers outside the MoH¹⁶, conditional upon: (1) having a valid insurance card that is issued in line with the Health Insurance and Treatment Abroad System. (2) the desired services are not excluded from the "health services Basket" offered by the MoH. (3) having obtained the approval of the referral committee. And to ensure that the referral form was used for this purpose, which also has to be signed by the specialist physician and the head of department or the medical director, and finally ratified by the hospital director.

The system also defined ratios of contributions paid by the Ministry and the insured in covering expenses of treatment outside the MoH, noting that the MoH covers all expenses in cases of tumors once diagnosed. It also covers kidney transplants conditional that the kidney is donated and not bought. In addition, it covers kidney dialysis, as well as treatment for all sick children. As for cases where the patient covers a certain percentage of medical costs outside the MoH institutions, it is as follows:

Table No. (2): Proportion of cost of treatment outside the MoH

Contribution ratio		Description	Insurance Period	Type of Insurance
المريض	الوزارة			
%100	-	MoH Employees	--	Mandatory (compulsory)
%95	%5	Non- MoH Employees	--	
%95	%5	Officially registered		Social Affairs
%90	%10	Regular and valid	More than one year	Optional
%80	%20	Regular and valid	Close to a year	
%70	%30	Emergency case	Less than two months	

In addition to the contributions illustrated above, the patient pays the same ratio as above for any equipment or tool needed for treatment such as (artificial joints, heartbeat regulator, stent etc.)

¹⁶ Article 21 of the Health Insurance System and treatment Abroad the MoH, No.11 of 2006.

Selection criteria for medical referrals outside the MoH institutions

Below is the specific criteria put in place by the MoH for identifying cases that qualify for referral to medical centers outside the Ministry's institutions:¹⁷

- a. Unavailability of required service in government health institutions.
- b. Unavailability of equipment needed for treatment.
- c. Unavailability of hospital beds due to full capacity.
- d. The existence of a long waiting list, which requires waiting for more than six month.
- e. Commitment by the patient to pay his part of the total cost of the treatment as stated in the Health Insurance system.
- f. Approval by the referral committees on recommendations stated by government hospitals.
- g. The patient must be insured prior to obtaining the referral order.

Procedures for treatment abroad include the following:¹⁸

1. Two copies of the referral form are filled out by the physician/specialist in charge along with a detailed medical report concerning the patient's medical condition.
2. The referral form is to be signed by the physician in charge of the patient as well as the head of the department or the medical director. Finally the form must be approved and stamped with the official seal by the hospital director.
3. The administration of each hospital sends the referral forms and copies of supporting documents (reports and examinations results, personal ID, the patient's insurance card etc.) with one of the doctors on duty to be presented to the referral committee on the day the committee meets.
4. Once the nominated case is discussed and approved by the committee, it is important to ensure validity of the patient's insurance card by contacting the health insurance department.
5. All approved forms are sent from the insurance department to the outsourcing department in order to issue financial coverage signed by the director/ general manager of the department after checking the balance of the financial item in the budget.
6. The deputy and assistant deputy have the right to review decisions of the referral committees prior to or after financial coverage is issued.
7. Issued financial coverage is not to exceed (\$10,000) ten thousand American dollars, unless there was a previous agreement based on the type of illness and treatment.
8. Financial coverage that exceeds ten thousand dollars and was not previously approved needs to get the approval of someone who is commissioned to approve such expenditures.
9. The outsourcing department sends the patients financial coverage to the patient via the hospital director where the forms were sent from.
10. The financial coverage is given to the patient upon confirming that he/she can pay his contribution if it has been determined by the outsourcing department.

¹⁷ The MoH website, outsourcing department. <http://www.moh.ps/Index/Circle/CircleId/41/Language/ar>

¹⁸ Annex No. 7 of the Health Insurance System and treatment abroad no. 11 for 2006.

11. The manager or general director of the outsourcing department coordinates with his/her supervisor to respond to inquiries related to patients referred to medical centers outside of the MoH institutions.
12. Emergency cases are referred by a decision from the manager or general director of the outsourcing department conditional that forms will be completed by the second day, and that the case is presented to the referral committee for discussion in its following meeting.

At the practical level,¹⁹ the outsourcing department receives medical referral applications through two channels: (1) referral committees from the areas; (2) external sources including the Minister's office, Deputy Minister's office, President's office, the military medical services, the MoSA, Ministry of Prisoner's Affairs (MoPA), private hospitals, and CSO hospitals. In both cases, the process begins in one of the MoH facilities, where a specialist makes the decision concerning the patient's need for a medical referral in order to receive the proper medical treatment needed. In the second case, the patient, after he/she receives the referral application from the MoH health facility, he/she must visit the office of the outsourcing department to submit medical reports and other documents.

Beneficiaries of medical referrals to centers outside the MoH institutions

The Palestinian National Authority, during the years 1996-2015, referred 677,832 patients to hospitals and medical centers outside government health institutions, all via the MoH. The cost for 646,088 referrals amounted to 4.412 billion NIS during the period between 2003-2015; noting that referred patients for 2014 were not included in the number above due to lack of information on places of treatment used and expenses for these treatments. The table below illustrates the cost of treatment for patients referred to medical center outside the MoH.

¹⁹ The comprehensive plan for regulating medical referrals with service providers outside the public sector approved by the Council of Ministers in accordance with Decision No. 0/6/120/17/m.w./r./h) of 2016, issued on September 27, 2016 Pages 35-36.

Table No. (3): number of patients referred for treatment outside the Ministry's institutions; place and cost of treatment²⁰

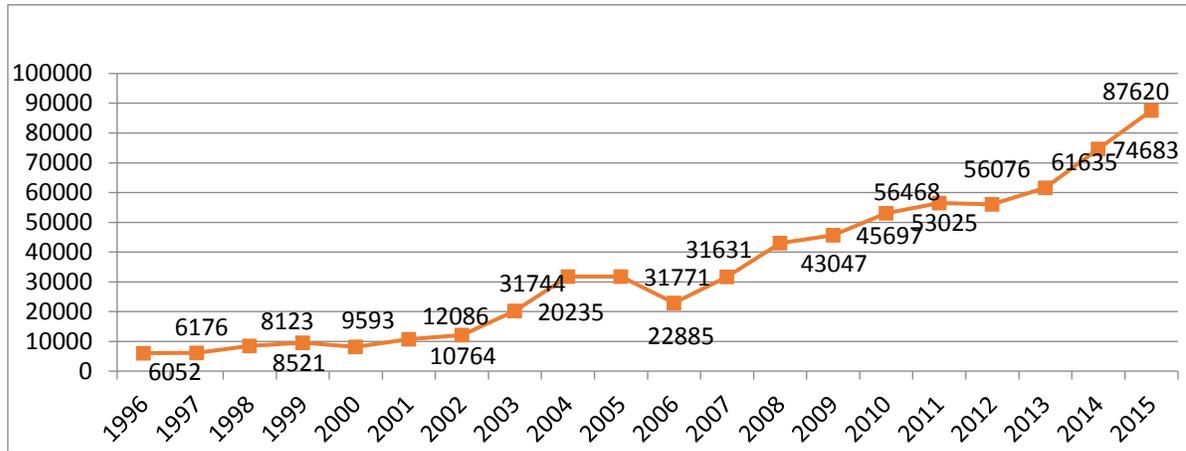
year	No. of cases	Referral Facility						
		Palestine		Abroad		Israel		
		No.	Ratio	No.	Ratio	No.	Ratio	
2015	87,620	75,489	0.86	1,831	0.02	10,300	0.12	
2014	74,683	64,345	0.86	2,578	0.04	7,760	0.10	
2013	61,635	50,850	0.82	3,115	0.05	8,118	0.13	
2012	56,076	46,206	0.82	4,757	0.08	5,113	0.11	
2011	56,468	43,485	0.77	8,219	0.15	4,764	0.11	
2010	53,025	41,574	0.78	7,581	0.14	3,870	0.09	
2009	45,697	37,536	0.82	5,956	0.13	2,203	0.06	
2008	43,047	32,863	0.76	4,720	0.11	5,464	0.17	
2007	31,631	21,178	0.67	4,282	0.14	6,169	0.19	
2006	22,885	13,120	0.57	9,765				
2005	31,771	16,800	0.53	14,921				
2004	31,744							
2003	20,235	10,917	0.54	7,687	0.38	1,631	0.08	
Total	677,832	The number of referred cases for 2014 was deducted due to lack of data on the cost of treatment.						

The ratio of patients referred to Palestinian private and CSO hospitals in the West Bank, East Jerusalem, and Gaza has doubled as illustrated in Table No (3). The increase went from 53% in 2005 to 82% in 2012 and 2013 reaching a high of 86% for 2014 and 2015. By the same token, the ratio for referred cases to Israeli hospitals was decreased from 19% in 2007 to about 12% in 2015. Similarly, the ratio of referred cases to hospitals to Egypt and Jordan decreased from 38% in 2003 to 2% in 2015. This is clearly an indication of the Ministry's success in "Nationalizing" medical services, which is in-line with the government's declared policy. It also shows the MoH's dependence on Palestinian hospitals for treatment, which in turn saves its financial resources that can be used for development.

The figure below illustrates an increase in the number of cases treated in medical centers abroad each year. It also clarifies the ascending number of cases which began with 6000 in 1996 reaching approximately 87,620 cases in 2015:

²⁰ The MoH annual reports 2003-2015. <http://www.moh.ps/?lang=0>

Figure No (1) Number of outsourced cases that were treated outside the MoH institutions 1996-2015



Men and women proportion

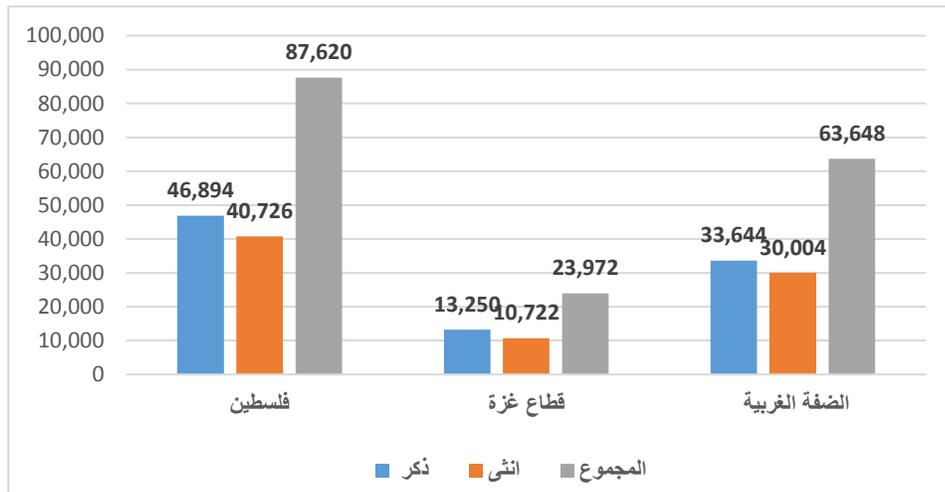
Men's percentage from the total number of referrals, issued by the outsourcing department in 2015, accounted for 53.5% in comparison with 46.5% for women. This percentage is lower in the Gaza Strip by one and half points and higher by a half a point in the West Bank from the overall average. For men it is the opposite on both accounts; these figures are close or even closer to being equal. (see the following table and figure)

Table No. (4): distribution of outsourced cases for treatment outside the MoH according to region and gender - 2015²¹

Gender	Palestine		Gaza Strip		West Bank	
	No.	Ratio	No.	Ratio	No.	Ratio
Male	46,894	%53.5	13,250	%55	33,644	%53
Female	40,726	%46,5	10,722	%45	30,004	%47
Total	87,620	%100	23,972	%100	63,648	%100

²¹ MoH 2015 annual report .

Figure No. (2) outsourced cases according to region and gender - 2015



Left to right:

Palestine;

Gaza Strip

West Bank

Total:

Femal

Male

Cost of “referrals” outsourced from outside the MoH institutions

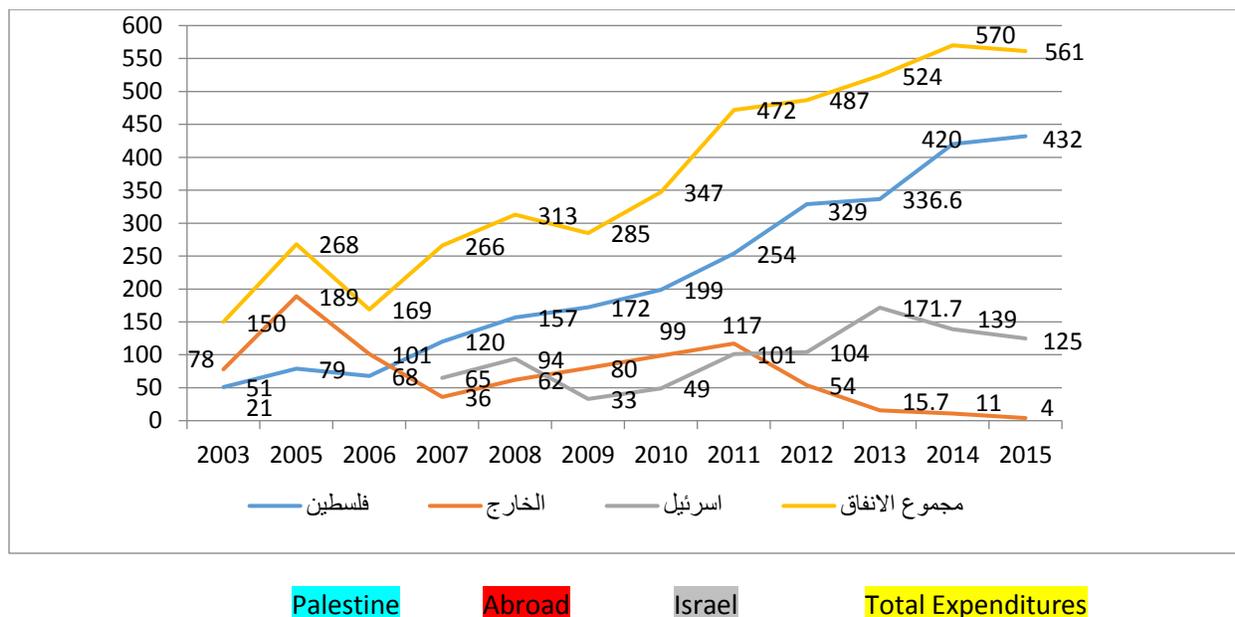
Cost for treatment outside the Ministry’s institutions has doubled each year for the past few years amounting to approximately 150 million NIS in 2003; rising to more than a half a billion NIS in the last three years. The table and figure below point out the yearly ascending rise in the cost of treatment outside the MoH institutions (referrals)²². The reduction in the number of referrals in 2006 is attributed to the government’s lack of ability, at that time, to refer patients to medical centers outside the MoH institutions due to the imposed siege and its incapability to pay entitlements.

²² It is worthy to note that detailed information was available on referrals’ cost for Egypt, Jordan, and Israel

Table NO. (5) cost of referrals outside the MoH institutions according to place of treatment²³

Year	No. of cases	Cost (million NIS)						Total
		Palestine		Abroad		Israel		
		Cost	ratio	Cost	ratio	Cost	ratio	
2015	87620	432	0.77	4	0.01	125	0.22	561
2014	74683	420	0.74	11	0.02	139	0.24	569
2013	61635	336.6	0.64	15.7	0.03	171.7	0.33	524
2012	56076	329	0.68	54	0.11	104	0.21	487
2011	56468	254	0.54	117	0.25	101	0.21	472
2010	53025	199	0.57	99	0.29	49	0.14	347
2009	45697	172	0.60	80	0.28	33	0.12	285
2008	43047	157	0.50	62	0.20	94	0.30	313
2007	31631	120	0.45	36	0.14	95	0.36	266
2006	22885	68	0.40			101		169
2005	31771	79	0.29			189		268
2004	31744							
2003	20235	51	0.34	78	0.52	21	0.14	150
المجموع	677832							4412

Figure No. (3): comparison of MoH expenditures for cases treated outside its institutions according to place of treatment 2003-2015 (yearly)



²³ MoH annual reports 2003-2015. <http://www.moh.ps>

The average cost of each referral sent by the Outsourcing Department to medical centers outside the MoH institutions is approximately 6,401 NIS of the total referrals made in 2015. However, the cost is lower for local hospitals amounting to 5,727 NIS. As for the average cost for each referral to Israeli hospitals, it is double the amount costing 12,118 NIS.

Despite the rise in the number of referrals to medical centers outside the MoH institutions by about 13 thousand cases, the cost declined by about 8 million NIS. These points to an improved follow-up and control procedures carried out by the Outsourcing Department, over submitted bills by local medical treatment centers as well as from centers outside the MoH institutions. It is also attributed to lower prices of the service. This is also made plainly clear when comparing the average referral cost for each case for the past three years in Israeli hospitals where it was lowered from 21 thousand NIS in 2013 to nearly half of that (12 thousand NIS) in 2015. Hence, despite the increase in the number of referrals in 2015 by more than 2182 referral in comparison with 2013 (10,300 vs.8,118) the cost was less by about 47million NIS (125 Million NIS vs.172 million NIS).

Table No. (6): average treatment cost in Israel 2013-2015

Year	No.	Cost	Average cost/referral
2015	10,300	124,810,574	12,118
2014	7,760	138,641,969	17.866
2013	8,118	171,662,256	21,146

Despite that, Israeli hospitals remain to be a burden in terms of cost when compared to the number of cases treated. For example, in 2015, Israeli hospitals' share was 12% of the total number of patients referred to it, while its share of expenditures amounted to 22% of the total cost for referrals during the same period.

Percentage of outsourcing from the MoH budget and actual payments

Allocated funds for medical treatment referrals accounted for 37% of the estimated MoH budget of 2015. This percentage burdens the MoH budget as well as the national treasury, on the one hand, and consumes the largest share of expenditures second only to salaries. This means that it is at the expense of the Ministry's operational and capital budgets, hence at the expense of services rendered by the Ministry, and at the expense of developing and improving services given by the MoH, on the other hand.

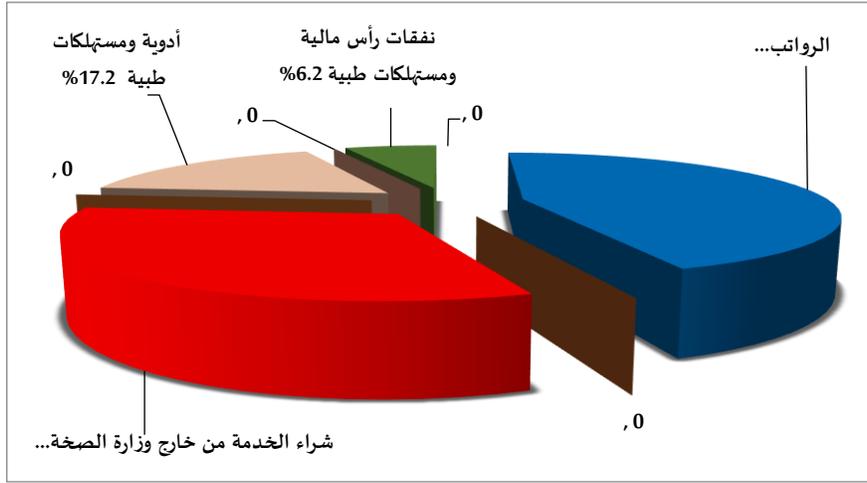
As indicated in the figure and table below, the ratio of actual expenditures for outsourcing amounted to (32%) of the actual total expenditures for 2015, and also with the same percentage from the total arrears for the MoH. This requires that the MoH put forth a mid and long term development plan for the government health sector with the aim of reducing dependency on medical treatment or medical referrals to centers outside its institutions. It also should provide specialized and high quality medical services in its own institutions. At the same time, the MoH should continue to implement the nationalization and rationalization policy which is being applied.

Table No. (7): distribution of the MoH's actual expenditures for 2015²⁴

Expenditure Items	Total Budget	Arrears Budget	Current Budget	Total Payments	%from total Payments	Accumulated Debts	% from Accumulated Debts
Salaries	820,770,720	0	820,770,720	820,770,720	%44.3	0	0
Outsourcing services from outside the MoH	840,328,833	242,631,304	597,697,529	598,735,662	%32.3	177,954,598	%31.8
Medicine and medical consumables	510,826,082	249,698,492	261,127,590	318,453,782	%17.2	359,995,071	%64.4
Other operational and capital expenditures	116,482,303	50,457,143	66,025,160	114,466,586	%6.2	21,442,290	%3.8
Total	2,288,407,939	542,786,939	1,745,621,000	1,852,426,750	%100	559,391,960	%100

²⁴ MoH 2015 annual report.

Figure No. (4): the relative distribution for total payments in the MoH for 2015



Clockwise: capital expenditures and medical consumables 6.2%; Salaries 43%; outsourcing services from outside the MoH 32.3%; Medicine and medical consumables 17.2%

The to ten diseases outsourced for medical treatment²⁵

According to statistics provided by the MoH, the total number of cases outsourced for patients afflicted by the top ten diseases reached 60,457 case, constituting (69%) of the total referred cases. In addition, costs for these referrals accounted for (78%) of the total expenditures for all of the outsourced medical treatment outside the MoH facilities.

Table No. (8): the ten top diseases in terms of the number of cases outsourced and cost in million shekels (NIS) in 2015

No.	Disease	No. of cases	%	No.	Disease	Cost	%
1.	Tumors/growths	20,420	0.23	1.	Tumors/growths	150	0.27
2.	Kidney diseases	7,112	0.08	2.	Blood diseases	44	0.08
3.	Eye diseases	6,639	0.08	3.	Kidney diseases	42	0.07
4.	Internal diseases	5,341	0.06	4.	Neurosurgery	39	0.07
5.	Cardiac catheterization	5,064	0.06	5.	Cardiac catheterization	36	0.06
6.	Magnetic Imaging MRI	4,260	0.05	6.	Heart surgery	30	0.05
7.	Bone surgery	3,019	0.03	7.	Eye diseases	25	0.04
8.	Automatic scanning and nuclear medicine	3,019	0.03	8.	Heart diseases	22	0.04
9.	Children	2,935	0.03	9.	Intensive care	29	0.05
10.	Urinary tract	2,855	0.03	10.	Bone surgery	18	0.03

²⁵ MoH annual report, 2015.

	Total	60,457	69		Total	379	78
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Khaled Al-Hasan Cancer Center for the treatment of cancer and bone marrow transplant

In March 2016, President Mahmoud Abass laid the foundation for the Khaled Al-Hasan Cancer Center over an area of six acres/dunums of land in Ramallah, with a cost of 300 million dollars, and with capacity to house 400 beds. The center is expected to begin functioning as soon as the first 100 million dollars are collected.²⁶ It is also expected to treat approximately (80%) of cases currently referred to Israeli hospitals. In this regard, the Ministry has already begun recruiting physicians and specialists in order to be ready to begin work as soon as the center is built.²⁷

Selecting medical treatment centers:

There are no specific clear written rules governing mechanism for selecting treatment centers whether in Palestine or abroad.²⁸ However, there are many factors that are taken into consideration when selecting a treatment center; these are:

1. The geographic location of the service provider in relation to the patient's residence.
2. Availability of the medical treatment and the extent by which the patient has benefited from previous treatments.
3. The availability of required service based on agreements and contracts concluded between the MoH and the service provider.
4. The overall cost of treatment regardless if covered by the MoH or the partial contribution by the patient.
5. Cases referred by the President or the Minister of Health (exceptions to the rules).

The medical committee relies on several standards in selecting medical treatment centers prior to recommending a particular center. These are: (1) government hospitals. (2) Jerusalem hospitals (non-governmental hospitals; i.e., civil sector hospitals). (3) private sector hospitals. (4) Israeli hospitals.²⁹

Military medical services referrals³⁰

The Outsourcing Department at the MoH is considered the link between the military medical services and Israeli hospitals due to lack of agreements between the latter two entities. However, the Outsourcing Department is not allowed to review or audit requests submitted by the military services. This means that it cannot examine the extent of need to be referred to Israeli hospitals, or if the required service is available in Palestinian governmental or non-governmental hospitals; noting that the military medical services have signed agreements directly between them and local and Jordanian

²⁶ <http://www.maannews.net/Content.aspx?ID=834032>

²⁷ Dr. Jawad Awwad, Minister of Health- during an interview on Ma'an TV -"Difficult Questions" program.

²⁸ Osama Al-Najjar and others, Outsourcing Department, workflow, procedures, and objectives, 2003 an unpublished working paper.

²⁹ Dr. Ameerah Al-Hindi, "Difficult Questions" program, Ma'an satellite TV.

³⁰ Jihad Harb, previously mentioned source, P. 15.

hospitals (i.e., the military medical services can refer patients to these hospitals without referring to the medical committees, or the Outsourcing Department at the MoH.

The 2014 audit report concerning medical referrals, issued by the World Bank, indicated that the MoH has covered plastic surgery and prosthesis operations that are excluded from the “service basket” offered by the health insurance.

See: the comprehensive plan for regulating medical referrals to service providers outside the public sector. P. 29.

Data indicates that the cost for the military medical referrals to Israeli hospitals is deducted from the MoH budget. However, it is worth noting that the budget for the military medical services is included within the security budget. In addition, it also collects insurance premiums from employees working in the security apparatuses.

Exceptions

Some cases have been receiving medical treatment in centers outside the MoH institutions despite being excluded from the government health insurance “basket”, and also from treatment as specified in the referral system, which is in line with the Ministerial Decision No. (11) of 2006. In addition, these cases should not be referred to hospitals where no contracts have been signed with MoH. With that said, the referrals of these cases were issued by the Palestinian President or Prime Minister³¹ covered by budgets outside of the MoH budget. In some instances the medical committee is consulted.³² In addition, exceptions also encompass full financial coverage for limbs transplants and follow up medical treatment for the wounded. Moreover, these exceptions although limited include full treatment of patients with rare diseases, in addition to performing gastric by-pass surgeries based on recommendations by the medical referral committee.³³ Moreover, PA contributions include implanting audio cochlea (a spiral instrument is implanted in the middle ear) costing an estimated 40,000 (NIS), with 15,000 (NIS) paid by the individual when the referral is concluded with Hadassah Hospital; a medical center contracted with the MoH.³⁴

Moreover, several cases resulting from traffic accidents are also referred to Israeli hospitals via the MoH, but only after getting a commitment from the insurance company to pay for treatment. This is due

³¹ The MoH website posted a news item on the Minister Dr. Jawad Awwad welcoming the mother of the child Akram Ali Nasr who had just returned from Turkey where he underwent a liver transplant at one of the hospitals there. The Minister said that he received his instructions from the President Mahmoud Abass as well as from the Prime Minister, Dr. Rami Hamd-Allah to transfer the child to Turkey for treatment. This was on July 31, 2016. The child was transported in a private airplane ...the surgery was conducted and a liver was implanted with success. It is worth noting that the MoH had referred several cases for liver transplant to specialized clinics in Turkey since the beginning of this year. Look :

<http://moh.ps/index/ArticleView/ArticleId/3475/Language/ar>

³² Dr. Ameerah Al-Hindi, “Hurr Al-Kalam” program-first session, Palestine satellite TV on March 4, 2016.

³³ Dr. Ameerah Al-Hindi “Difficult Questions” program, Ma’an satellite TV.

³⁴ Dr. Ameerah Al-Hindi, “Hurr Al-Kalam” program-2nd. session, Palestine satellite TV on March 18, 2016. <http://www.pbc.ps>

to refusal of some Israeli hospitals to deal with insurance companies.³⁵ According to the Minister of Health, exceptions in regard to medical referral treatments in line with the system, (i.e., issued by a decision from the Minister) do not exceed 1% of the total referrals and is related to public opinion.³⁶

Cost for medical referrals treated in Israeli hospitals is automatically deducted from Palestinian clearance tax by the Israeli authorities, also collected by Israeli authorities. Cost of changes and or measures are added to treatment bills without consulting the Palestinian side. And with that said, the Palestinian side has never, not even for a short period of time, scrutinized or audited invoices from Israeli hospitals and medical center.
Look: the comprehensive plan on regulating medical referrals with service providers outside the MoH institutions; p.20

However, financial control over medical referrals has improved...but Israel remains in control of Palestinian money.

The audit process, which began in 2013, showed manipulations in invoices issued by Israeli hospitals to the Palestinian side.³⁷ In addition, discrepancies were discovered between the amounts requested and those deducted from the MoH accounts, which amounted to millions of shekels (NIS).

The General Director of the Outsourcing Department indicated, when interviewed on the program “Kalam Hurr”, that procedures have been detailed concerning referrals to Israeli hospitals where registration procedures and cost of treatment are made clear. In addition, received bills are audited and any unjustified charges will not be paid. However, she pointed out that there are no companies or independent commissions specialized in medical financial auditing.³⁸ Regardless, the MoH has become able to follow-up on patients that are referred to hospitals providing the service and ensuring that the cost is compatible to the service received in Israeli hospitals.³⁹

The past three years MoH reports reveal that Israel automatically deducts from the Palestinian clearance tax larger amounts than the cost of referrals, which is stated in hospitals’ bills, or the MoH expenditures listed under the referral item for the “green line” (i.e., Israel) as illustrated in table (9) below:

³⁵ Dr. Ameerah Al-Hindi “Difficult Questions” program, Ma’an satellite TV.

³⁶ Dr. Jawad Awwad, Minister of Health, “Difficult Questions” program, Ma’an satellite TV on August 8, 21, 2016.
<https://www.youtube.com/watch?v=-UCKrblb9l8>

³⁷ Look: interview with Osama Al-Najjar on the program called “Sa’at Raml” broadcasted on Wattan TV on August 8, 2014.
<http://www.wattan.tv/ar/tv/83165.html>

³⁸ Dr. Ameerah Al-Hindi “Kalam Hurr” program, Palestine satellite TV, 3rd session on March 18, 2016.

³⁹ An interview conducted with Dr. Jawad Awwad, the Minister of Health, previous reference.

Table No. (9): discrepancy between cost of treatment in Israel and amounts deducted from the clearance tax (NIS)

Year	Cost of referrals to Israel, according to the MoH	Amount deducted from Palestinian clearance tax by the Israelis for treatment in their hospitals	Difference
2015	124,810,574	219,177,979	94,367,405
2014	138,641,969	300,000,000	161,358.031
2013	171,662,256	200,000,000	28,337,744
المجموع	435,114,799	719,177,979	284,063,180

Despite efforts exerted by the MoH to follow-up and audit bills received from Israeli hospitals, Israel continues to deduct from Palestinian clearance taxes, item on treatment abroad, amounts that are much higher than those due for treatment at Israeli hospitals. The estimated amount for the past three years in this regard amounted to (284 million NiS). This calls for the development of an action plan to improve negotiations with the Israeli side, not only by the MoH, but also the Ministry of Finance (MoF) needs to exert effort in this regard in order to solve this problem. As plainly clear, the information provided points to a gap that allows Israeli hospitals to steal Palestinian money without any justifications. Also obvious, it deals with the issue as an investment applying the principle of the end justifies the means.

On the other hand, no auditing was done on Israeli hospitals' bills, or on the treatment bill that gets deducted on monthly basis automatically by the Israeli authorities from the clearance tax it collects on behalf of Palestinians. This is exemplified by the MoH's action of never requesting hospital bills from the Israeli side from 1996 until the beginning of 2013. The MoH also did not follow-up on amounts paid to Israeli hospitals estimated at 600 million NIS for the period of 2003-2012.

Source: Integrity, Transparency, and Accountability in Medical Referrals Outside the MoH Institutions -AMAN, Ramallah 2014, P.11

Bribery in obtaining referrals in the Gaza Strip

Results of the public opinion poll on areas most susceptible to corruption, conducted by AMAN in the Gaza Strip, revealed that 22.5% of those surveyed felt it was the area of obtaining medical treatment referrals abroad. This result comes third from the top, as travel across the Rafah border and services

provided by the Public Authority for Civil Affairs take first and second places consecutively.⁴⁰ This was also confirmed by Dr. Bassam Al-Deeri, director of outsourcing of this service for the southern governorates, who said that for the past two years, reports have confirmed the use of bribery either directly or through brokers.⁴¹ In addition, Dr. Ameerah Al-Hindi confirmed receiving information concerning “doctors issuing medical reports for those who facilitate this service.”⁴²

Opinion poll results also indicated that some officials attempted to avoid facing consequences of bribery by allowing brokers and other mediators to hint to citizens to pay bribes, if for nothing else is to speed up the process hence leaving the act of negotiations and mechanism of payment to these brokers. This increased the spread of the phenomenon of small bribery in government institutions. The internal division also played a role in this, since it became very difficult to have control over hospitals and or to coordinate between the various ministries, hence complementing ministries roles and or transferring cases to prosecution to take the necessary measures. This led to the absence of clear and deterrent punitive measures for those receiving bribes, which led to loss of control over hospitals and referrals as a whole; exemplified by the large number of illegal referrals, which were denied access.⁴³

The Outsourcing Department has updated several procedures, and has taken some administrative reform measures in its fight against bribery⁴⁴, some of which are listed below:

- ✓ Prevented brokers from entering the department’s facilities except in cases where they have official business and with a written memo from employees working at the front desk (staff who deals with the public directly) allowing them to come in.
- ✓ Organized patients’ appointments; and refusal to hand referrals’ appointments and document except directly to the patient or to a member of his/her family, as it is forbidden to be given to brokers.
- ✓ Adopted the administrative chain of command method to prevent appointment manipulations.
- ✓ Reinstated eight employees from the department as a precautionary measure.
- ✓ Established the process of follow up on complaints.
- ✓ Issued clear instructions to refuse any gifts or dinner invitations considering it a bribe.

⁴⁰ Rami Murad, special poll on citizens’ opinion in Gaza on the spread of small bribery in three services: (medical treatment abroad, permissions to cross the Erez Checkpoint, travel across the Rafah border), AMAN, 2016, P. 2.

⁴¹ Previously mentioned source p.6/7

⁴² Dr. Ameerah Al-Hindi, “Hurr Al-Kalam” program, Palestine satellite TV, 2nd session, on March 18, 2016.

⁴³ Rami Murad, previous source.

⁴⁴ Rami Murad, previous source.

Challenges and conclusions

Despite efforts exerted by the MoH to provide the necessary medical services for Palestinian citizens, whether in government or private sector's institutions within the PNA territories or outside, these efforts were marred with shortcomings, as the study revealed a significant increase in issued referrals for treatment outside the MoH institutions. The increase was in both in the number of beneficiaries and cost of treatment which is borne by the Palestinian treasury for the past three years. On the other hand, the report refers to the challenges corruption opportunities pose in medical referrals, which was issued by the MoH, and defines them as follows:

- ✓ Lack of a transparent criteria defining eligibility of patients for the service, exemplified by the large number of non-insured individuals who benefit from the service; thus undermining the principle of equality of receiving the service by those who are insured.
- ✓ The health services package is not clearly defined in a transparent fashion which leads to lack of accountability for violations such as the practice of nepotism, wasta, or exceptions, in addition to the waste of public funds.
- ✓ The large number of external service providers amounting to 79 providers who are contracted with the Outsourcing Department at the MoH, hence providing opportunities for favoritism and at times conflict of interest.
- ✓ Weakness in the transparency of contractual arrangements with external service providers. Also lack of indicators at the MoH to evaluate the quality of the service provided, which led to weakness in follow up and evaluation in that regard. Moreover, it led to difficulties in keeping up with the service providers' compliance with conditions stated in contracts. The abovementioned weaknesses made it difficult to audit related financial issues, as well as ensure quality of health care given by the providers.
- ✓ Weakness in the transparency of referral procedures exemplified by: the absence of a specified clinical criteria for certain illnesses; weakness in follow up and auditing of financial invoices; absence of guidelines and handbooks to determine priorities in dealing with financial demands, which allows for personal interventions and corruption opportunities, hence leads to waste of public funds.
- ✓ Poor quality documentation, information management and registration methods. Lack of adopting an automated system for transactions, hence monitoring and control is made difficult allowing for corruption behaviors such as favoritism, bribery, waste of public funds and wasta to occur.
- ✓ Weakness in the complaint system which in turn weakens accountability, and leads to loss of trust in the health system and in the MoH performance, especially in the Outsourcing Department and the process of "referrals abroad".
- ✓ The Council of Ministers approved the comprehensive plan for regulating medical referrals with service providers outside the public sector.⁴⁵ the plan aimed to develop the work of the Outsourcing Department and to establish specific policies and actions to improve terms of contracts with service providers whereby the Outsourcing Department (MoH) is able to follow

⁴⁵ In accordance with Decision No. (06/120/17/m.w./r.h) of 2016, issued on September 27, 2016.

up electronically on services provided for referred patients according to the computerized Health Information System (HIS). This includes follow up on referred patients directly as well as medicines prescribed to them, and all medical procedures and treatment they have undergone.⁴⁶

- ✓ Until now, the MoH has no sectoral strategy that clarifies the roles of each of the public, private, and NGOs sectors, thus undermining the implementation of medical referral policies, on the one hand, and weakening production of health care services, planning, and investment management in the long run, on the other hand.
- ✓ Official parties that issue exception orders to exempt certain patients from insurance fees, or from medical treatment fees outside the framework of the service basket provided by the insurance, do not secure payment for the abovementioned from their own budgets. This threatens the health insurance's fund money and provides opportunities for waste of public funds.
- ✓ The Presidential Decree on exempting residents of the Gaza Strip from paying insurance fees remains valid, which financially drains the government health insurance.
- ✓ The MoH has yet to distribute the "Code of Conduct and Ethical Standards for Workers in the Public Health Sector," to its employees, nor did it post it on its website. This also applies to the "Code of Conduct and Ethics for Public Office" issued by the Council of Ministers.
- ✓ The MoH has not issued to its employees specific, clear, and declared instructions on how to handle data including making it available to the public.
- ✓ The electronic system for referrals was activated between the outsourcing department in the Gaza Strip and the department in Ramallah. However, this activation has not been completed in regard to the northern governorates, hence regional medical referral committees are not linked to this system.
- ✓ The Outsourcing Department has not posted its monthly reports or work procedures on the MoH website. This lack of transparency limits the public from accessing information regarding procedures and documents needed to obtain medical treatment outside the MoH institutions.
- ✓ The Outsourcing Department is still subject to intervention and pressure from officials, especially when the issue concerns obtaining referrals to Israeli hospitals for certain patients. Other pressures include citizens' repeated and unrelenting requests to define places of treatment.
- ✓ Reasons for demands to be referred to institutions outside MoH institutions including centers inside the green line⁴⁷ are attributed to: the absence of trust in medical services provided by official Palestinian health institutions; poor distribution of health services geographically, and lack of provision of all health services; the insufficient number of health institutions and its inability to handle the number of sick visitors and patients; lack of tools and medical supplies represent an additional reason for medical referrals despite the availability of human capacity, which increases the cost of the same service at the MoH.⁴⁸

⁴⁶ Interview with Dr. Jawad Awwad by the researcher. Previous source.

⁴⁷ Dr. Ameerah Al-Hindi "Hurr Al-Kalam" program, Palestine satellite TV, 1st session, on March 4, 2016.

⁴⁸ Look Jihad Harb. Previous source. P. 11.

- ✓ Lack of harmony in the management of medical referrals undermines the efficiency of the process. Referral files received from the regional medical committees amount to only 60% of the total files received by the Outsourcing Department. This means that the department receives individual referral applications from other sources, which requires it to take additional steps such as returning the file for review and approval of the proper medical committee assigned; or taking the decision of whether the case is eligible for referral or not, on its own.
- ✓ Increase in the number of beneficiaries from medical referrals outside the MoH institutions from 20 thousand in 2003 to 87.6 thousand in 2015. The total number of referrals reached was 677,832 cases during the period of 1996-2015. It is noted that the number of referrals had increased in the last two years (2014-2015) at a rate of 13 thousand cases per year.
- ✓ The MoH succeeded in nationalization of treatment in Palestinian CS and private institutions, with 86% of the total referrals transferred to these institutions in 2015. While referrals to Israeli hospitals was reduced from 19% in 2007 to about 12% in 2015. Similarly, the share of referrals to Jordanian and Egyptian hospitals was reduced from 14% in 2007 to 2% in 2015.
- ✓ On the other hand, the MoH failed to reduce the number of referrals for medical treatment outside its institutions. In addition, adopting the development of government health service policy did not achieve effective results at the level of providing specialized medical services at government health institutions.
- ✓ Costs for medical referrals were decreased by 8 million NIS in 2015 in comparison with 2014 (561 million NIS vs. 569 million NIS). As for the cost of referrals to Israeli hospitals, the cost dropped by about 47 million NIS in 2015 compared to costs in 2013, despite a rise in the number of referrals in 2015 to 10,300 referral compared to 8,118 referrals in 2013.
- ✓ Expenditures for medical referrals outside the MoH institutions ranked second of the Ministry's spending, with salaries taking first place, by 37% of the estimated budget for 2015. This burdens the MoH budget and the national treasury, on the one hand, and clearly impacts expenditures allocated for services provided by the MoH institutions, on the other hand. It also impacts the possibilities of developing and improving health services including the quality of these services.
- ✓ Costs for outsourced medical referrals concerning the top ten diseases, cancerous tumors, blood diseases, kidney diseases, and neurosurgery, consumed a high percentage of the cost of all medical referrals. This requires a policy to develop staff capabilities at the MoH in these areas, and the provision of medical supplies related to these illnesses.
- ✓ Referrals to Israeli hospitals issued by the military medical services are still not subject to scrutiny by the medical referral committees in order to confirm the medical need for the referrals; or to see if the service is available at Palestinian institutions regardless if governmental, private or CSO facility.
- ✓ No offset is conducted between the MoH and the military medical services related to costs of referrals issued by the military services to Israeli hospitals. What actually happens is that it is borne by the MoH budget, noting that the military medical services budget is included in the security apparatuses budget.
- ✓ The Outsourcing Department at the MoH has yet to develop specific, clear and written criteria that determine places of treatment for patients referred to medical centers outside the MoH institutions.

- ✓ Weakness in the follow up and evaluation capabilities of the MoH hinders the process of control over service providers in terms of ensuring that conditions stated in contracts are met. It also hinders financial auditing, and follow up mechanisms on the quality of services provided by the provider.
- ✓ The MoH did not audit medical bills deducted automatically from the Palestinian clearance tax money by the Israeli authorities in the period between 1996 and until the beginning of 2013.
- ✓ Despite efforts exerted by the MoH in auditing and following up on invoices received from Israeli hospitals, the Israeli side keeps deducting far higher amounts than the amounts due by the Palestinian side automatically from the clearance tax money. The amounts deducted are listed under “treatment abroad” and are estimated at about (284 million NIS) for the past three years; far exceeding amounts noted on invoices received.
- ✓ Results of the opinion poll, conducted by AMAN, and testimonies by officials of the Outsourcing Department, revealed that bribery is used in the Gaza Strip for obtaining medical referrals for treatment outside the MoH institutions. This was due to the lack of control over hospitals, lack of coordination between the various ministries, and or lack of referring violators to prosecution to take the necessary measures against them; hence there is an absence of clear and deterrent punitive measures for those receiving small bribes.

Recommendations

1. To adopt a general and transparent policy that illustrates medical treatments provided by the public health sector, as well as to list medical treatments that the MoH should opt for outsourcing; and therefore to include planning, implementation, and funding in development plans, as well as to prepare the infrastructure and provide suitable resources.
2. To develop clear arrangements to assess contractual performance of hospitals and medical centers that provide health services, which will allow for transparency, competitiveness, and ensure evaluation and periodic review.
3. To automate procedures of referrals outside the MoH, hence allowing clarity of the referral process by providing information for time needed for transactions; also process by which a service provider is selected will be made public.
4. To strengthen the technical capabilities of staff in order to develop monitoring and evaluation tools in the MoH, as well as to ensure compliance of service providers with conditions stated in the signed contract; and to ensure that only eligible individuals are benefiting from the outsourced service.
5. To develop the complaint system in the MoH in order to promote accountability and to increase trust and confidence in the Palestinian health system, as well as in performance of the Ministry, especially as it relates to the Outsourcing Department.
6. To adopt a comprehensive system for health insurance that takes into consideration the following: fairness and equal opportunity; that contributions from those insured is based on a criteria relating to income, on the one hand, and grants priority to those who are permanently insured, on the other hand; that no exceptions are made for individuals or groups to have health insurance free of charge.
7. To demand that the President, Prime Minister, and Minister of Health refrain from issuing decisions or instructions to the Outsourcing Department granting exceptions or requesting a particular measure to be taken relating to medical referrals.
8. To put in place a specific system that addresses and identifies exceptions related to health services the MoH has been providing such as gestural by pass, and other rare diseases, audio cochlea etc.
9. To issue a presidential decree that puts an end to exempting any person from paying insurance fees or financial share of treatment unless the cost is being covered by an allocated budget specifically for this purpose (i.e., not at the expense of the Insurance Fund).
10. To publish the executive regulations for the Health Insurance System and Medical Referrals No. (1) of 2006 in the official paper "Al-Waqai' Al-Falasteenyia" (Palestinian Facts)
11. The MoH must put forth a sectoral strategy, illustrating expected roles of the public and private sectors, and NGOs, for a long term development of the health care services, planning, and investment management.
12. The MoH must work towards putting mid-term and long-term plans for the government health sector. The plan should aim at developing specialized medical services in the Ministry's institutions, in order to reduce dependence on medical referrals, or buying medical services from outside the MoH institutions, and in order to reduce the cost borne by the PA budget in

this regard. The plan should also include strengthening capacities of the human resources at the ministry; provide medical supplies for illnesses with high treatment costs and require referrals outside the MoH institutions such as: cancerous tumors, blood diseases, heart and neurosurgery. It should also have clear indicators to measure the rate of progress for the next five years.

13. To continue applying the policy of localizing medical treatment in the Palestinian institutions.
14. The MoH must develop its evaluation and follow up skills in order to monitor service providers in terms of their compliance with conditions stated in the signed service contract, as well as to better audit financial related issues and to also monitor the quality of service provided.
15. To review and audit medical bills deducted by the Israeli authorities during the past years, as well as to continue auditing amounts deducted from the clearance tax in regard to medical treatments by comparing them to invoices received from hospitals.
16. To hold officials accountable for neglecting to demand and audit hospital bills from Israeli hospitals during the past years.
17. To subject referrals issued by the military medical services to the review and audit of the Medical Referral Committee in order to examine the medical need for referrals, and or whether the same treatment is available at Palestinian health centers, private and or civil.
18. Military Medical referrals' cost should be taken out of the military medical services budget which is included under the security apparatuses' budget in the first place.
19. To put in place written criteria, that is clear and declared to the public, to govern mechanisms of selecting medical treatment facilities for patients benefiting from medical services outside the MoH institutions.
20. To distribute the two codes of conduct prepared for public employees, the one issued by the Council of Ministers, or the specific one prepared for the MoH employees, as well as to hold training to familiarize staff with its provisions with the purpose of implementation.
21. To issue clear and declared instructions on providing data to the public.
22. To complete needed work to the specific electronic system on medical referrals in the department in order to activate it for all regional committees.
23. To develop an electronic site for the Outsourcing Department or a window on the MoH website to include its work procedures and required documents for obtaining medical referrals for the public to see, as well as to promote transparency.
24. To introduce the electronic inquiry system, which allows for easy follow up on the progress of procedures taken to process referrals, as well as assist the citizen and the outsourcing Department and or hospitals by alleviating pressure resulting from clients' inquiries.
25. It is important for the Outsourcing Department to publish its monthly reports to provide the public with information concerning its procedures and other tasks entrusted, as well as to promote transparency at work.
26. To carry out public awareness campaigns on procedures to obtain medical referrals outside the MoH institutions, through specifically designed brochures issued by the Outsourcing Department /MOH that include: competent parties and procedures to refer to when desiring to obtain a referral outside the MoH institutions; cost coverage and documents needed. These

brochures or circulars can be posted on bulletin boards at hospitals and government clinics in Palestine.

27. The awareness raising campaigns may utilize audio and visual media means by posting announcements and or advertisements, as well as to utilize radio spots. Also electronic media and social media can be beneficial by establishing a private page on face book for the Department.
28. To put out a plan for improving negotiation skills with the Israeli side in cooperation with MoF in order to follow up on these issues and to recover money deducted unfairly concerning treatment in Israeli hospitals.
29. To review procedures concerning prevention of the spread of bribery in the process of obtaining medical referrals to centers outside the MoH institutions.

Developments on recommendations stated in the “Integrity, Transparency, and Accountability Environment in Medical Referrals Report- 2014”

No.	2014 recommendations	Achieved Recommendations	Comments
1	The need to adopt a comprehensive insurance system that takes into consideration all parties providing health services for citizens including international organizations; fairness and equal opportunities; that contributions from those insured is based on a criteria relating to income, on the one hand, and grants priority to those who are permanently insured, on the other hand; and that no exceptions are made for individuals or groups to have health insurance free of charge.		No changes occurred on development of the insurance system; the comprehensive insurance system was not adopted; there are still exceptions for individuals to be insured free of charge.
2	Demand that the President, Prime Minister, and Minister of Health refrain from issuing decisions or instructions to the Outsourcing Department granting exceptions or requesting a particular measure to be taken relating to medical referrals.		No change
3	To issue a presidential decree that puts an end to exempting any person from paying insurance fees or financial share of treatment unless the cost is being covered by an allocated budget specifically for this purpose (i.e., not at the expense of the Insurance Fund).		No Change
4	The executive regulations for the health insurance system and medical referrals No.11, should be published in the official paper (Waqai’ Falasteenyia)		Was not published

No.	2014 recommendations	Achieved Recommendations	Comments
5	To continue applying the policy of localizing medical treatment in the Palestinian institutions, private and civil.	There was development of localization of treatment in Palestinian CSO and private hospitals; proportion rose from 82% in 2013 to 86% in 2015.	
6	To adopt the policy of developing government health services in order to reduce dependence on outsourcing medical services, and to reduce the high cost borne by the PA treasury for this spending item.	Despite development of some government health facilities and services such as performing kidney transplants and catheterization, outsourcing continued to rise. However, cost was reduced in 2015 compared with 2014 by about 8 million NIS	
7	Focus should be on strengthening capacities of the human resources at the ministry; provide medical supplies for illnesses with high treatment costs and require referrals outside the MoH institutions such as: cancerous tumors, blood diseases, heart and neurosurgery.	Despite the fact that it is difficult to identify and monitor development of the human cadres in the MoH, it seems that action was taken in that direction exemplified by the capability to perform kidney transplants in government hospitals.	
8	Israeli hospital bills deducted during the past years should be audited; also to continue with the monthly review of bills and funds deducted from the clearance tax money in order to compare it with referrals served, on the one hand, and the service provided by Israeli hospitals, on the other hand. To activate the committee led by the MoF on auditing financial invoices related to the clearance money taken by Israeli authorities for medical treatment, water, and electricity.	There was development at the level of auditing and control of invoices issued by Israeli hospitals, as referrals cost was reduced from 21 thousand NIS in 2013 to 12 thousand NIS in 2015. However, the Israeli authorities continue to deduct higher amounts than the amounts appearing on invoices documented by the MoH.	
9	To hold officials accountable for neglecting to demand and audit hospital bills from Israeli hospitals during the past years.		No change

No.	2014 recommendations	Achieved Recommendations	Comments
10	To subject referrals issued by the military medical services to the review and audit of the Medical Referral Committee to examine the medical need for referral, and whether the same treatment is available at Palestinian health centers, private and or civil.		No Change
11	Military Medical referrals' cost should be taken out of the military medical services budget which is included in the security apparatuses budget in the first place.		No Change
12	To put in place written criteria, that is clear and declared to the public, for governing mechanism of selecting medical treatment facilities for patients benefiting from medical services outside the MoH institutions.		No change
13	To distribute the code of conduct prepared for public employees (issued by the Council of Ministers) or the specific one prepared for the MoH employees, as well as to hold training to familiarize staff with its provisions with the purpose of implementation.		No change
14	To issue clear and declared instructions on providing data to the public.		No change
15	To provide the necessary funds to operate the referral electronic system in the Department, as well as to complete the electronic archive for existing files in the referral department.	The electronic system was activated with the outsourcing department in the Gaza Strip, but not with the northern governorates.	
16	It is important for the Outsourcing Department to publish its monthly reports to provide the public with information concerning its procedures and other tasks entrusted to it, as well as to promote transparency at work.		No change
17	To begin a public awareness campaign on procedures to obtain medical referral outside the MoH institutions, through specifically designed brochures issued by the Outsourcing Department /MOH that include: competent parties and procedures to refer to when desiring to obtain a referral outside the MoH institutions; cost coverage; and documents needed. and through media campaigns, audio or visual, as in advertisements and radio spots	Despite the existence of an awareness raising plan at the outsourcing Department, no campaign has been carried out.	

