TERMS OF REFERENCE

Short-term expert mission

International expertise in healthcare financing, tariff setting and provider payment mechanisms

Context and rationale of the mission

Under the FEXTE project in Kazakhstan, Expertise France (EF), with the support of the French Development Agency (AFD), assists the Kazakh authorities in strengthening healthcare planning, financing and the economic sustainability of healthcare investments.

The project involves several national partners, including TURAR Healthcare and the National Scientific Center for Health Development (CNSDS). It aims to strengthen institutional capacities and develop methodologies and tools to support decision-making in the health sector, particularly in relation to hospital investment planning, functional programming and the assessment of investment costs.

Since 2024, the project has supported the development of methodologies and digital tools for forecasting healthcare needs and capacities, functional programming of healthcare facilities and estimating hospital investment costs. In parallel, the project has progressively addressed the economic and financial sustainability of healthcare investments, particularly through a pilot project at the National Scientific Center for Traumatology and Orthopedics named after N.N. Batpenov (hereafter referred to as Batpenov Hospital).

The work undertaken with Batpenov has highlighted the importance of understanding the relationship between clinical activity, operating costs, tariffs, payment mechanisms and the financial sustainability of healthcare institutions. In particular, the analysis of a hospital's economic and financial model requires a clear understanding of activity forecasts, revenue streams, tariff assumptions, operating costs, investment requirements and debt-servicing capacity.

In this context, the CNSDS plays an important role in the development and implementation of Kazakhstan's healthcare financing and tariff policies. Its responsibilities and activities are closely linked to the definition of healthcare tariffs, the organisation of healthcare provision and the financial sustainability of healthcare institutions.

Discussions with the CNSDS have highlighted several areas where additional methodological expertise and international experience could support its ongoing work, particularly:

- The relationship between healthcare needs, planned activity volumes and financial requirements;
- Methodologies for calculating the costs of medical services and linking actual costs to regulated tariffs;
- The advantages and limitations of different healthcare provider payment mechanisms;
- The management of discrepancies between planned and actual activity volumes and their budgetary implications;
- The consideration of quality, efficiency and patient complexity in financing mechanisms;
- The relationship between healthcare financing, hospital capacity planning and investment decisions;
- The methodological and institutional conditions required to progressively improve cost data collection and analysis.
- The proposed international expertise will complement the work already undertaken by the national expert supporting the Batpenov Hospital working group.

The national expert is responsible for collecting and analysing Kazakhstani data, examining the existing tariff system, coordinating local stakeholders and adapting methodologies to the national context. This includes documenting existing information systems, data sources and collection processes.

The international expert will build on this work by providing comparative insights, methodological guidance and critical review. The assignment will not duplicate the national expert's diagnostic work, develop a parallel financial model or seek to design and implement a comprehensive national tariff or cost-accounting system.

The assignment will instead focus on identifying relevant methodological approaches, assessing their potential applicability to the Kazakhstani context and formulating practical recommendations and a roadmap for further work. The expertise will contribute to the broader objective of the FEXTE project: strengthening the capacity of Kazakhstani institutions to develop sustainable approaches to healthcare planning, financing and investment.

Objectives of the mission

Overall objective

The overall objective of the assignment is to provide the CNSDS with international methodological expertise on healthcare financing, costing methodologies, tariff setting and provider payment mechanisms, drawing primarily on French and relevant international experience.

The expert will support the CNSDS in analysing existing approaches, identifying methodological improvements and assessing which practices could realistically be adapted to the Kazakhstani context.

The assignment will result in a set of methodological recommendations and a prioritised roadmap for further work, including potential areas for pilot initiatives.

Specific objectives

The specific objectives are to:

- Provide the CNSDS with a targeted comparative overview of healthcare financing models, costing methodologies, tariff-setting approaches and provider payment mechanisms.
- Analyse the main methodological principles underlying the calculation of healthcare service costs, including direct and indirect costs, cost allocation and the relationship between calculated costs and regulated tariffs.
- Examine the advantages, limitations and potential incentives associated with different provider payment mechanisms, taking into account the nature of care, provider characteristics and cost structures.
- Analyse the relationship between healthcare needs, activity planning, costs, tariffs, financing requirements and hospital investment decisions.
- Review selected methodological work undertaken by the national working group and provide technical comments and recommendations for improvement.
- Identify the main methodological and functional requirements for improving the collection and use of healthcare cost data, without designing or implementing a national information system.
- Formulate practical recommendations and a prioritised roadmap identifying the next steps, institutional prerequisites and potential areas for further investigation or piloting in Kazakhstan.

Description of tasks

The international expert will mainly take part in the following activities:

1. Initial assessment, definition of priorities and review of existing work

- Review the relevant documentation and methodological materials produced under the FEXTE project, including the work undertaken with Batpenov Hospital.

- Review the information and analyses made available by the national expert concerning the current Kazakhstani tariff and healthcare financing system.

- Hold initial discussions with Expertise France, the CNSDS, the national expert and other relevant stakeholders.
- Identify and agree on the priority methodological issues to be addressed during the assignment.
- Identify relevant French and international experiences that can inform the analysis.
- Propose a detailed work plan and the sequencing of the assignment.

The expert will rely on the outputs of the national expert and will not repeat the collection and analysis of Kazakhstani data

2. Comparative analysis of healthcare financing and payment mechanisms

The expert will provide a targeted comparative analysis of relevant healthcare financing and provider payment approaches, drawing primarily on French experience and selected international examples where relevant.

The analysis will cover:

- Main approaches to financing healthcare providers and healthcare services.
- Activity-based payment mechanisms, including payment per service or medical activity.
- Bundled or episode-based payment mechanisms.
- Population-based or capitation-related funding components.
- Fixed, targeted and mixed payment arrangements.
- The criteria used to select payment mechanisms according to the type of care, provider characteristics and cost structure.
- The potential incentives and risks associated with different payment mechanisms, including incentives to increase activity volumes or influence the organisation of care.
- Approaches to incorporating quality, efficiency, appropriateness of care and patient complexity into payment arrangements.

The expert will assess the potential relevance of these approaches to the Kazakhstani context, taking into account the existing institutional and regulatory framework.

The purpose is not to recommend the direct transfer of the French model, but to provide the CNSDS with a structured basis for understanding and comparing different approaches.

Review selected international approaches to DRG-based payment mechanisms, with a focus on their underlying principles, including the use of relative weight coefficients, the determination of base rates and the consideration of clinical complexity. The expert will assess the main advantages, limitations and implementation requirements of these approaches, and provide recommendations on their potential relevance to the existing Kazakhstani tariff-setting framework.

Review selected international approaches to risk-adjusted capitation payments, highlighting the main criteria used to account for differences in population health needs and territorial characteristics. The expert will identify the potential advantages and limitations of these approaches and assess their relevance to the Kazakhstani context, without developing a specific capitation calculation methodology.

3. Costing and tariff-setting methodologies

The expert will provide methodological input on healthcare costing and the relationship between actual costs and regulated tariffs.

Activities will include:

- Presenting relevant French and international approaches to calculating the costs of healthcare services.

- Reviewing the main components of healthcare costs, including direct and indirect costs, overheads, depreciation, equipment and other relevant operating expenses.
- Examining approaches to cost allocation, cost-centre organisation and standardisation.
- Analysing the relationship between calculated costs, regulated tariffs and the financing received by healthcare providers.
- Reviewing approaches to updating cost data and tariffs in response to inflation and changes in resource costs.
- Identifying the main methodological requirements for improving the reliability and comparability of healthcare cost data.
- Providing recommendations on the main categories of activity and cost data required to support costing and tariff-setting methodologies.

Based on the information and documentation provided by the national expert, the international expert will also examine the existing cost data collection processes and identify potential areas for methodological improvement.

This work may include recommendations concerning:

- The main categories of data required to analyse healthcare activity and costs.
- The principles of data standardisation and comparability.
- The allocation of direct and indirect costs.
- Basic quality-control and data validation principles.
- The main functional requirements to be considered for the progressive digitalisation of cost data collection.

The expert will also review selected international approaches to structuring and classifying healthcare costs, including the distinction between direct and indirect costs and the principles used to allocate costs across responsibility centres, types of medical care and healthcare services.

Based on this review and the existing practices documented by the national expert, the international expert will assess the main methodological strengths and limitations of the current cost-accounting approaches used by healthcare organisations in Kazakhstan. The expert will provide recommendations on potential improvements to cost classification, allocation principles and data standardisation, taking into account the existing accounting and medical information systems.

The recommendations will remain at the level of methodological principles and possible areas for improvement. They will not include the development of a comprehensive national cost-accounting methodology or detailed procedures for calculating the actual cost of individual patients or treated cases.

The expert will also review selected international approaches to assessing the economic relevance of regulated healthcare tariffs by comparing available cost information with applicable tariffs, healthcare activity volumes and the main resources consumed.

Based on this review, the expert will propose methodological criteria and relevant indicators to help identify tariffs that may require further examination or priority review. These criteria may take into account significant deviations between estimated costs and regulated tariffs, changes in resource costs, clinical complexity and the financial sustainability of healthcare providers.

The expert will provide recommendations on the possible use of these criteria within the existing Kazakhstani framework, without undertaking a comprehensive review or recalculation of existing tariffs.

The assignment will focus on reviewing existing practices, identifying methodological gaps and providing practical recommendations. It will not include the development of a comprehensive national cost-accounting system or tariff-setting methodology, the implementation of a standardised cost-accounting framework, the development of software or the definition of a detailed technical architecture.

4. Relationship between planning, financing and investment in healthcare

In line with the broader objectives of the FEXTE project, the expert will examine how healthcare financing and payment mechanisms interact with healthcare planning and investment decisions.

Activities will include:

- Analysing how population healthcare needs and planned activity volumes can be translated into financial requirements.
- Examining the relationship between planned activity, healthcare capacity, staffing, equipment and operating costs.
- Considering how tariffs and payment mechanisms may influence the organisation of care, capacity utilisation and investment decisions.
- Review selected international methodological approaches to estimating the funding requirements for healthcare services based on the projected healthcare needs of the population, healthcare provision standards, planned service volumes, and the economically justified cost of service delivery. The expert will assess their main principles and requirements and identify approaches that could be relevant to the Kazakhstani context.
- Considering how tariffs and payment mechanisms may influence the organisation of care, capacity utilisation, the achievement of planned service volumes and investment decisions. Based on selected international practices, the expert will identify relevant criteria for assessing these relationships and their implications for the financial sustainability of healthcare organisations.
- Reviewing the distinction between financing recurrent operating expenditure and financing capital investment.
- Identifying relevant performance and resource-use indicators for healthcare planning and investment decisions.
- Drawing on the findings of the Batpenov pilot project to illustrate the relationship between activity projections, operating costs, financing arrangements and the economic sustainability of hospital investments.

5. Methodological expertise and support to the national working group

The expert will provide targeted methodological support to the CNSDS and the national working group.

Activities will include:

- Reviewing selected methodological results, assumptions and analytical approaches developed by the national expert and the working group.
- Providing technical comments and recommendations on the reliability, consistency and applicability of the proposed methodologies.
- Discussing alternative methodological approaches where relevant.
- Examining the relationship between activity volumes, costs, tariffs and financial projections.
- Reviewing selected data collection processes and tools documented by the national expert.
- Identifying potential improvements in the standardisation, quality and use of cost and activity data.
- Supporting the CNSDS in assessing the relevance and feasibility of selected methodological approaches.

The international expert will provide methodological guidance and critical review, without taking over the operational responsibilities of the national expert or the CNSDS.

6. Technical workshops and knowledge transfer

The expert will organise and contribute to targeted technical discussions with the CNSDS and relevant stakeholders.

Activities will include:

- Preparing and delivering technical presentations on selected priority topics.
- Presenting practical examples and methodologies from France and other relevant countries.
- Facilitating discussions on the relevance and potential adaptation of these approaches to Kazakhstan.
- Discussing the methodological recommendations with the CNSDS and the national working group.
- Supporting the identification of priority areas for further methodological work or potential pilot initiatives.

The workshops and working sessions should be focused on the priority issues identified during the initial scoping phase and should contribute directly to the preparation and validation of the recommendations.

Expected results

The international expert will contribute to the preparation of the following materials:

Deliverable	Description
Deliverable No. 1. Inception note and definition of scope	A short document presenting the initial assessment, the priority methodological issues agreed with the CNSDS and Expertise France, the documentation reviewed, the proposed analytical approach and the detailed work plan. The note will also identify the main areas to be examined during the assignment, the relevant regulatory and legal framework of the Republic of Kazakhstan, including Tariff-Setting Methodology No. 309, and any information or documentation required to carry out the analysis.
Deliverable No. 2. Comparative review of healthcare financing, costing, tariff setting and payment mechanisms	A methodological document presenting selected French and international approaches to healthcare financing, provider payment, costing and tariff setting. It will highlight their main principles, advantages, limitations and potential relevance to the Kazakhstani context. The review will cover, in particular, approaches to healthcare costing and cost allocation, the relationship between costs and regulated tariffs, provider payment mechanisms, and the links between healthcare needs, activity planning, financing requirements and investment decisions.
Deliverable No. 3. Methodological recommendations and technical assessment	A document presenting the expert's review of selected work undertaken by the national working group, the main methodological findings and recommendations concerning healthcare costing, tariff-setting approaches, cost data collection and the relationship between financing, activity planning and hospital investment. It will also identify the main methodological and functional requirements for potential improvements, without designing a complete national system. The review will cover, in particular, approaches to healthcare costing and cost allocation, the relationship between costs and regulated tariffs, provider payment mechanisms, and the links between healthcare needs, activity planning, financing requirements and investment decisions.

Deliverable No. 4. Final recommendations and roadmap	A consolidated final document presenting the main conclusions of the assignment, a prioritised set of recommendations and a practical roadmap for further work. The roadmap will identify priority actions, institutional and methodological prerequisites, relevant stakeholders, possible areas for piloting and the next steps required to pursue the work. The expert will also present the main findings to the CNSDS and Expertise France.

Implementation arrangements

- Estimated duration: 2 months.
- Estimated workload: 25 working days.
- Format: a combination of remote work and missions to Kazakhstan as needed.
- Supervised by: Expertise France.
- Main partners: CNSDS, Expertise France, the national expert, TURAR Healthcare and other relevant Kazakh institutions.
- Working language: English.
- Local working languages: Russian/Kazakh; oral and written interpretation and translation will be provided as needed.

The expert will coordinate closely with the national expert supporting the Batpenov Hospital working group.

The work should be organised in several stages of engagement rather than as a single mission. This will allow the expert to provide methodological guidance, review progress and support CNSDS throughout the development and verification of the relevant approaches.

Required profile

Education

- Master's degree or equivalent qualification in health economics, economics, public health, health policy, healthcare management, public finance or a related field.

Professional experience

- at least 10 years of relevant professional experience in healthcare financing, health economics, health policy or related fields;
- proven experience in healthcare costing, tariff setting and/or designing payment mechanisms for healthcare organisations;
- in-depth knowledge of different healthcare financing and provider payment models;
- experience supporting healthcare financing reforms or health system reforms;
- experience working with public healthcare institutions and/or healthcare providers;
- international experience in providing technical assistance or institutional capacity building.

Technical skills

- in-depth understanding of healthcare financing and provider payment mechanisms;
- good knowledge of healthcare costing and tariff-setting methodologies;
- ability to analyse the relationship between medical activity, costs, financing and investment;
- ability to compare different approaches to healthcare financing and assess their transferability to different institutional contexts;

- strong analytical and methodological skills;
- ability to translate technical concepts into practical recommendations and tools.

Specific experience

Experience in one or more of the following areas will be an advantage:

- healthcare financing and payment mechanisms in France;
- hospital financing and costing;
- healthcare expenditure planning and budget regulation;
- activity-based or case-based payment systems;
- capitation or mixed payment mechanisms;
- healthcare financing reforms in middle-income or transition-economy countries;
- experience with national healthcare cost accounting systems (for example, ENC/ATIH, PMSI) or similar systems in other countries;
- experience in formulating functional requirements for healthcare information systems;
- institutional capacity building and knowledge transfer.

Language skills

- professional proficiency in English is required;
- knowledge of Russian and/or Kazakh will be an advantage;
- knowledge of French will be an advantage.