REPORT

HEALTHCARE AND SOCIAL PROTECTION SECTORS EXPENDITURES MONITORING REPORT FOR THE YEAR 2022

Healthcare and social protection sectors expenditures monitoring report for the year 2022

MAY 2023

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INTRODUCTION

This report aims to present an overview of public expenditure executed in the healthcare and social protection sector during the year 2022. It analyzes the expenditure executed (factual) for the year 2022 by expenditure items and public investment products/projects compared to the initial planning and the revised one of the budgets of the Ministry of Health and Social Protection. The report aims to analyze the deviations from the plan and their arguments for each budget program under the administration of this ministry. Since, the Ministry of Health and Social Protection manages two crucial policy areas, specifically, the healthcare and social protection areas, a special focus in this report will be devoted to the analysis of these policy areas in financial and beneficiary terms.

Data information and limitations

The data information for the drafting of this report were obtained from the official website of the Ministry of Health and Social Protection (MHSP), as well as, from the official website of the Ministry of Finance and Economy. As a result of the actual budget for the year 2022 has not yet been finalized and published by the Ministry of Finance and Economy (MFE) for some macroeconomic indicators such as, the Gross Domestic Product (GDP) and general public expenditures, the data obtained do not constitute the actual final figures but expected published projections from the Ministry of Finance and Economy. The data published by the MHSP and the MFE on the monitoring of the healthcare and social protection budget are limited, making it difficult to analyze the performance of expenditures and products realized in these sectors during the year 2022.

The budget of the Ministry of Health and Social Protection, a comparison in years

The budget of the Ministry of Health and Social Protection for the year 2022 in total, according to the initial plan, the revised plan with changes[1] and the fact at the budget program level is presented in the table below.

MHSP Budget according to budget programs	*Actual expenses 2021*	*Initial Annual Plan 2022*	*Revised Annual Plan 2022*	*Plan Deviation during the year*	*Actual expenses 2022*	*Deviation of the plan from the fact*	*Execution of the MHSP's budget in %*
Planning, Managing and Administration	*1,534,148.00*	*380,200.00*	*452,668.00*	*72,468.00*	*446,243.51*	*6,424.49*	*99*
Rehabilitation of the politically persecuted	*945,121.17*	*1,035,991.00*	*1,031,755.00*	*-4,236.00*	*1,027,241.16*	*4,513.84*	*100*
Primary Healthcare services	*8,421,690.04*	*8,805,125.00*	*7,526,671.00*	*-1,278,454.00*	*7,696,366.70*	*-169,695.70*	*102*
Secondary Healthcare services	*31,938,573.08*	*33,342,128.00*	*33,654,000.50*	*311,872.50*	*33,465,294.74*	*188,705.76*	*99*
Public healthcare services	*7,016,121.42*	*6,360,146.00*	*4,954,714.00*	*-1,405,432.00*	*4,869,955.08*	*84,758.92*	*98*
The National Emergency Service	*289,775.06*	*334,162.00*	*241,695.00*	*-92,467.00*	*232,994.82*	*8,700.18*	*96*
Social Care	*28,215,775.26*	*26,818,130.00*	*29,690,471.00*	*2,872,341.00*	*29,493,996.32*	*196,474.68*	*99*
The total Budget Expenditures of the Ministry	***78,361,204.02***	***77,075,882.00***	***77,551,974.50***	***476,092.50***	***77,232,092.32***	***317,882.18***	***100***

** Exceeding the actual expenses for the "Primary Healthcare Services" program occurs because the actual expenses of the program include two investment projects with foreign funds for which no budget plan has been planned for the year 2022.*

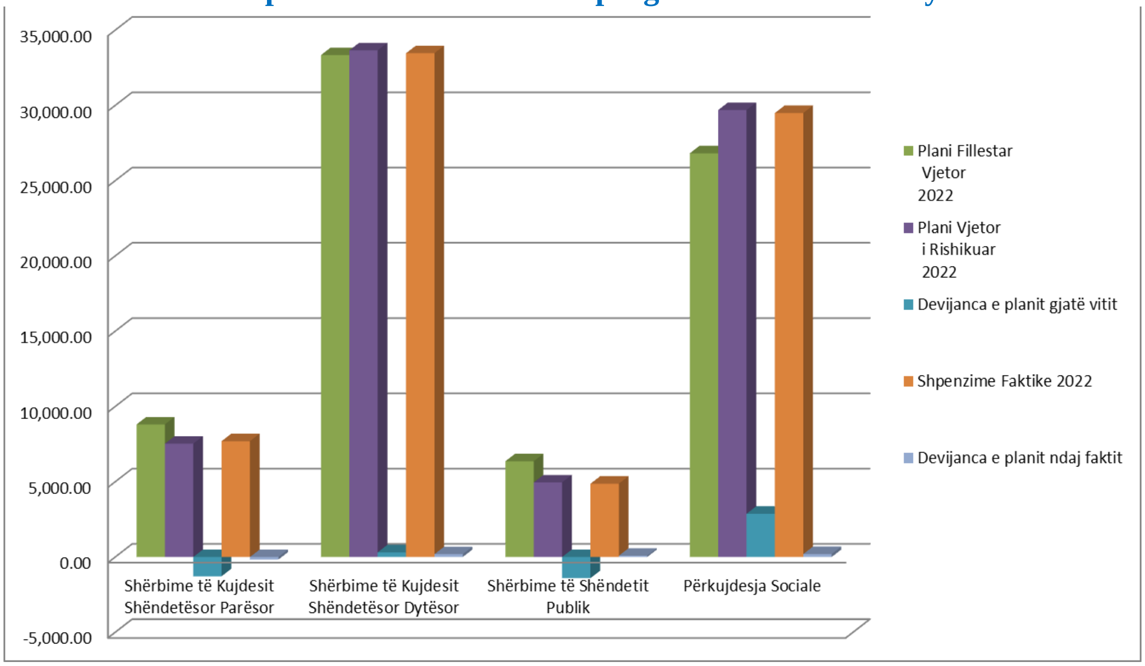
Based on the data materialized in the table above, the initial budget allocated for the year 2022 for the Ministry of Health and Social Protection was 77.075 billion ALL. The highest weight of the overall budget has the three budget programs, specifically the program "Primary Healthcare Services", "Secondary Healthcare Services" and the "Social Care" program.

The revised budget plan during the year 2022 results in the amount of 77.55 billion ALL or almost **476.09 million ALL more compared to the initial budget.** The higher deviations of the budget plan compared to the initial allocations result in a decrease of 1.4 billion ALL in the **"Public Healthcare Services"** budget program and a decrease of 1.2 billion ALL in the **"Primary Healthcare Services"** budget program. Meanwhile, the **"Social Care"** budget program has been increased by 2.8 billion ALL, resulting in a shift of financial resources from healthcare policies to those of social protection, a focus which came as a result of the government's policies to support

[1]The revised plan with changes presents the changes that the initial budget allocated during the year 2022 had undergone as a result of normative acts and all budget reallocations that occurred during the same year. The revised plan also includes the additions executed to the state budget by Decisions of the Council of Ministers from undistributed budget funds such as the Reserve Fund.

the social groups in need with **two packages of social resistance** aimed at mitigating the effects disposed on the economy by the ongoing Russia-Ukraine war.

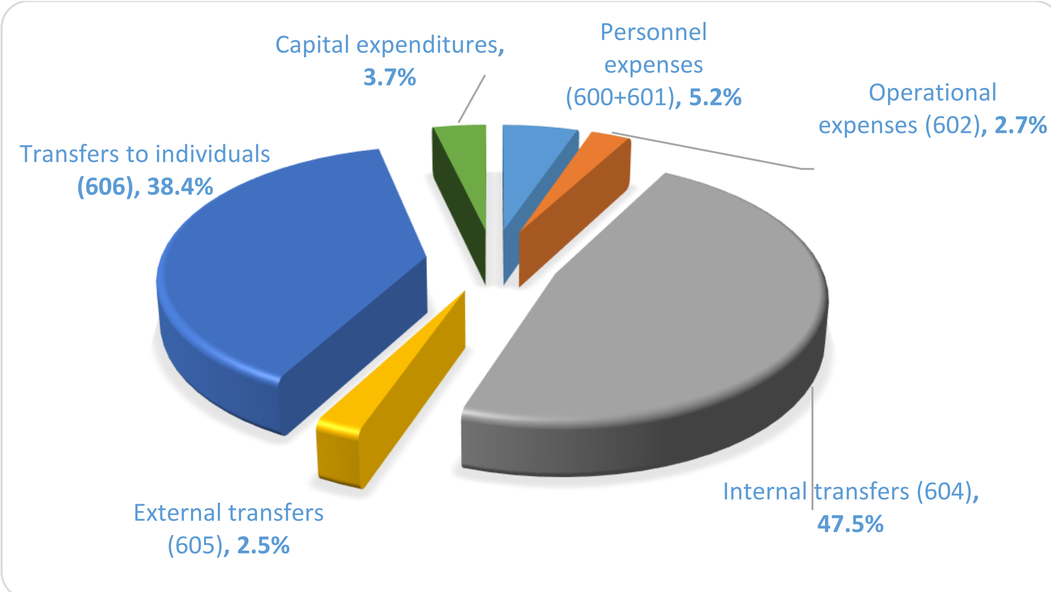
Deviation of expenditures for the main programs of the Ministry of Health.



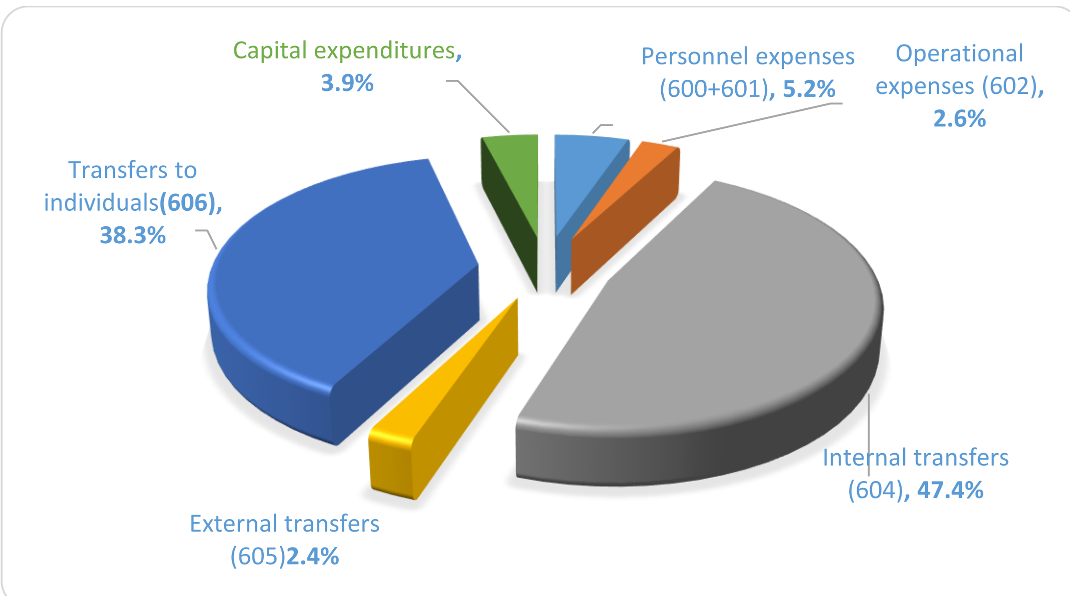
The deviations of the revised plan, turn out to be modest with almost 319.8 million ALL or 0.4% of the total revised budget. In total, the budget of the Ministry of Health and Social Protection is realized by 99.6% compared to the revised budget for the year 2022. This report concludes that the highest deviations are the planning of budget funds, in reference to the data information above, where **there are recorded large adjusments between the initial plan and the revised during the year, which proves inconsistency in planning, jeopardizing the budget credibility.**

If we analyze the expenditures for MHSP according to the economic nature of the expenditures, the distribution will display accordingly as the chart below refers:

Revised Plan of MHSP for the year 2022



MHSP Fact Sheet 2022



The distribution of budget expenses according to budget articles confirms that 47.5% of the budget of the Ministry of Health and Social Protection is planned under the Article no. 604 "Internal transfers" and 38.4% of it is planned under the Article no. 606 "Transfers admist individuals". The same ratio is maintained with the actual expenses with a small fluctuation of 0.1 % point compared to the revised plan for the year 2022.

Currently, when analyzing the history of actual budget expenditures during the years for the Ministry of Health and Social Protection, it indicates that the budget of healthcare and social protection in nominal value has increased from the year 2017 until the year 2022.

The budget for healthcare and social protection as a percentage of GDP results in a decrease in the year 2022 compared to two years ago, this decrease is partially explained by the fact that in the year 2020-2021 the budget for the healthcare sector experienced a larger increase than normal to fund expenses related to the management of the pandemic caused by the SARS COV-2 (COVID-19) virus.

As for the healthcare and social protection budget in relation to general public expenses, an average level of 12.5% is maintained. In these data observation, what materializes is the fact that in the year 2022 the actual expenditures of the Ministry of Health and Social Protection reaches out the level of 12%, the equivalent level as in the year 2017, despite the increases in the nominal value of the expenditure trends.

						ALL in millions
MHSP's budget	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Evidence	55,395	57,958	61,173	67,812	78,360	77,224
GDP in %	**3.6%**	**3.5%**	**3.6%**	**4.1%**	**4.1%**	**3.8%**
In % to General Public Expenditures	**12.0%**	**12.2%**	**12.4%**	**12.6%**	**13.2%**	**12.0%**

Source: The Ministry of Finance and Economy and the Ministry of Health and Social Protection

When analyzing seperately the healthcare sector, the expenses as a percentage of GDP fluctuate in the range of 2.9%-3.4%, with an average of 3.1% of GDP. In the meantime, healthcare expenses compared to general public expenses during the period 2017-2022, results in the amount of 10.1%. In this average, the year 2021 is excluded, which results in high expenses (one off) due to the management of the pandemic situation caused in the country by the SARS COV 2 virus.

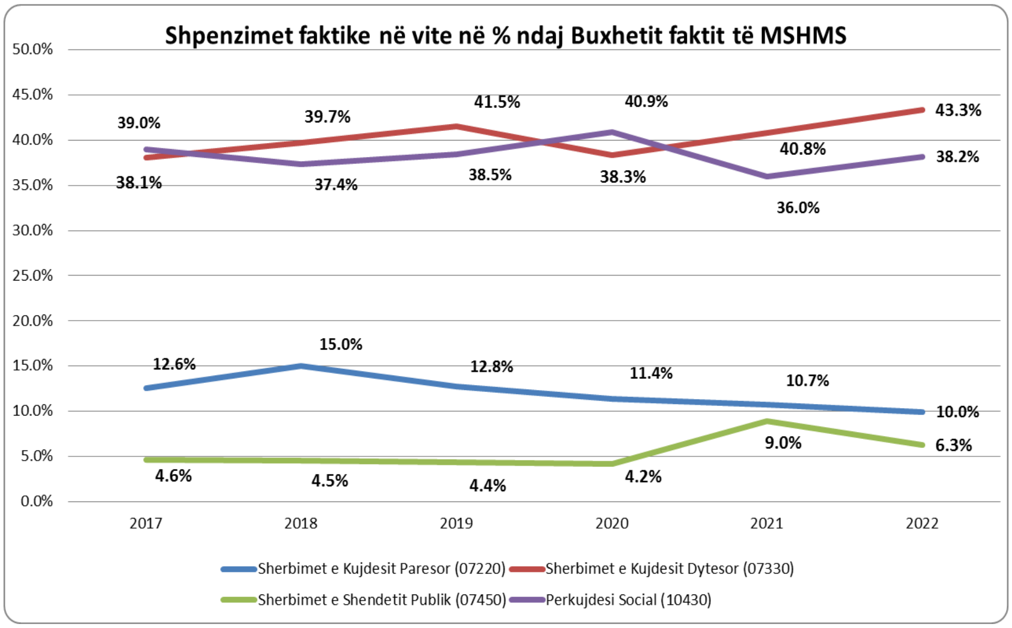
ALL in milions

	2017	*2018*	*2019*	*2020*	*2021*	*2022*
Functional healthcare costs	**45,352**	**49,004**	**51,182**	**51,590**	**63,620**	**65,501**
Healthcare expenditure to GDP	**2.9%**	**3.0%**	**3.0%**	**3.1%**	**3.4%**	**3.2%**
Healthcare expenses to SHPP	**9.8%**	**10.3%**	**10.4%**	**9.6%**	**10.7%**	**10.2%**
GDP nominal	*1,550,645*	*1,636,730*	*1,691,903*	*1,644,077*	*1,889,839*	*2,058,155*
General Public Expenditure	*461,410*	*476,147*	*491,897*	*536,279*	*595,115*	*645,307*

Source: The Ministry of Finance and Economy and the Ministry of Health and Social Protection

The actual expenditures in years according to the main budget programs of the Ministry of Health and Social Protection are presented in the chart below. It is recognized the downward trend of spending on primary healthcare combined with the increasing trend of spending on public and secondary healthcare. As for the expenses related to social protection, it is acknowledged that a normal trend is maintained over time with an average of 38.1% of the total budget of the Ministry of Health and Social Protection.

Actual expenditures in years as a percentage of the actual budget of the Ministry of Health



Source: The Ministry of Finance and Economy and the Ministry of Health and Social Protection

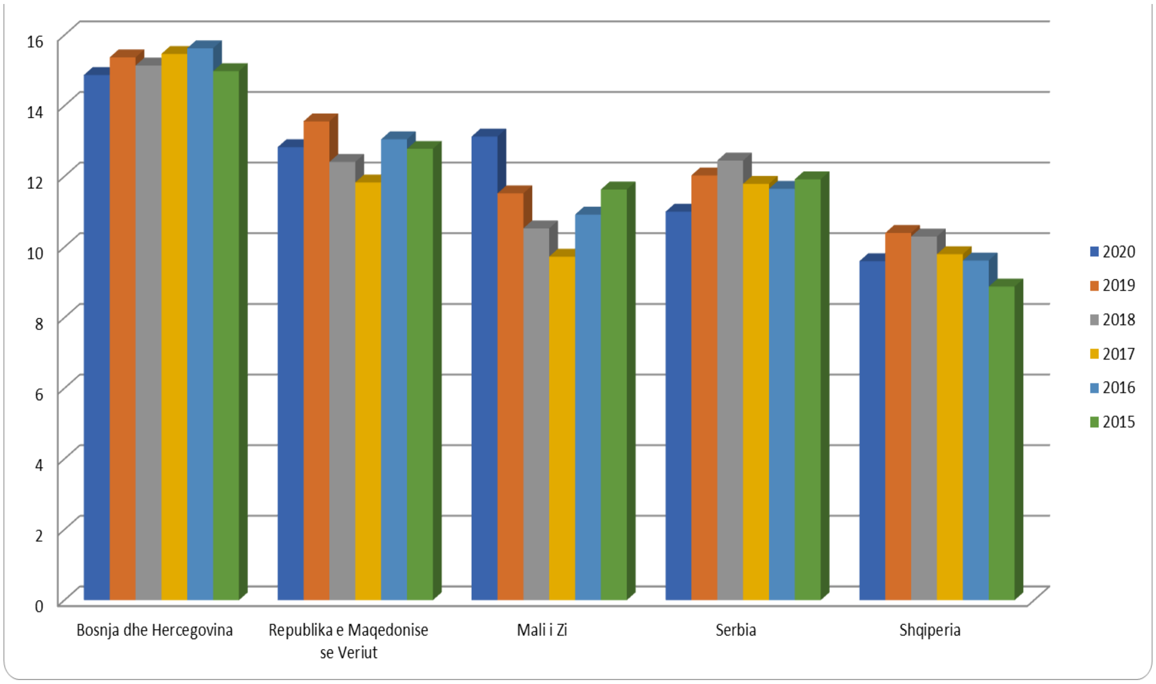
Compared to the region, the expenditures in the healthcare sector for Albania in relation to the general public expenditures are the lowest with an average of 9.8% during the period 2015-2020, while Bosnia and Herzegovina and Republic of North Macedonia lead the list of countries in the region with the highest expenditures for healthcare.

Healthcare expenses compared to General Public Expenses for the countries of the region

Years	2020	2019	2018	2017	2016	2015
Bosnia-Hercegovina	14.87	15.37	15.14	15.47	15.63	14.98
North Macedonia	12.93	13.56	12.41	11.83	13.05	12.78
Montenegro	13.13	11.52	10.53	9.73	10.92	11.63
Serbia	11	12.03	12.45	11.79	11.65	11.92
Albania	9.6	10.4	10.3	9.8	9.62	8.88

Source: World Health Organization database and the Ministry of Health and Social Protection

Healthcare expenses compared to General Public Expenses for the countries of the region



Source: World Health Organization database and the Ministry of Health and Social Protection

Ministry of Health and Social Protection budget's monitoring according to the budget programs

The Ministry of Health and Social Protection for the year 2022 administered and managed public funds according to seven approved programs, as follows shown:

- Planning, Management and Administration Program
- Primary Healthcare Services Program
- Secondary Healthcare Services Program
- Public Health Services Program
- National Emergency Medical Service Program
- Social Care Program
- Rehabilitation of the Politically Persecuted Prisoners Program.

The Planning, Management and Administration Program

This program designs and monitors national, cross-sectoral policies in the field of healthcare and social protection.

The policy goal of this program is "ensuring healthcare and social protection according to EU standards". The accomplishment of this goal will be fulfilled through the main objective:

1. Ensuring healthcare standards by drafting legislation and bylaws in the field of healthcare.

The executed expenses for this program for the year 2022 is presented in the following table:

In ALL/000

"Planning, Management and Administration" Program 01110		Initial Annual Plan Year-2022	Revised Annual Plan Year-2022	Revision of the Annual plan	Actual Expenses of the period/progressive	Plan-Actual Differences	Execution in %
600	Salaries	156,100	135,297	-20,803	135,282.08	15	100
601	Social Insurance	26,067	22,615	-3,452	22,086.82	528	98
602	Other goods and services	180,833	275,667	94,834	275,772.11	-105	100
603	Subsidies	0	0	0	0.00	0	0
604	Internal current transfers	0	0	0	0.00	0	0
605	Foreign current transfers	14,200	13,500	-700	7,576.44	5,924	56
606	Fam. And Individual transfers	0	2,589	2,589	2,526.47	63	98
	Sub-total current expenses	**377,200**	**449,668**	**72,468**	**443,243.91**	**6,424**	**99**
230	Uninvested capital	0	0	0	0.00	0	0
231	Invested capital	3,000	3,000	0	2,999.60	0	100
	The sub-total of capital expenditures with internal funds	**3,000**	**3,000**	**0**	**2,999.60**	**0**	**100**
	Total capital expenditure	3,000	3,000	0	2,999.60	0	100
	Total budget expenditures of the program	380,200	452,668	72,468	446,243.51	6,424	99

In this program, an upward revision of the budget plan is noted compared to the initial one for the part of current expenses in the amount of 72.4 million ALL. In the official reports published by the Ministry of Health and Social Protection, a detailed analysis of the arguments for the increase in the budget is lacking to further analyze and compere the use of the revised budget fund for the program.

Based on the comparison of the revised plan with the fact, it results that the implementation of the program for current expenses and for capital expenses results is achieved in the amount of 99%.

The program appears stable in terms of budget planning of products and their execution. The products of the program are sustainable, which means they are in line with the products created by the Ministry of Health and Social Protection in the mid-term budget document for the period 2022-2024 and no new products were introduced during the year 2022. It countinues the implementation of the policies initiated by the program and in previous years without substantial changes.

Below is presented the performance of the products for this program in quantitative and financial value (ALL/000) for the year 2022:

Product's Code	Product's Name	Initial Amount	Initial Plan	Revised Amount	Revised Plan	Actual Amount	Actual Expenses
91301AA	Approved legal and bylaw acts	50	377.200	50	449.415	46	442.991
91301AB	Purchased protective materials for COVID-19	0	0	0	253	0	253
M133696	Local cost for PIU-n (foreign project implementation unit)	1	3.000	1	3.000	3	3.000

The product "Approved Legal and bylaw Acts" constitutes the main product of this program in which all the funds allocated for current expenses have been spent. In quantitative terms, 50 new acts were planned to be prepared by the staff of this program and 46 of them, or 92% of the plan, were executed.

It is established that for the year 2022, about 253 thousand ALL have been allocated for the product "Purchased protective materials for COVID-19", for which there was no initial plan during the year 2022 and the allocation of funds was made with the revised budget. The product is not complete with quantity data and consequently this report cannot indicate the use of the funds in quantitative terms, as well as, the arguments for such allocation.

As for the capital expenditures of the program, this report notes that they are planned for the "Local Cost for PIU" project, which in itself does not constitute expenditures paid for a concrete product of a project nature, but are the expenditures made related to the commitment of the Albanian party within a project with foreign funds. In this program, this report does not find project planning with foreign funds to which it can connects this expenditure, therefore it is unclear the payment of the project implementing unit from this program.

The Primary Healthcare Services Program

Primary healthcare is provided through an extensive network consisting of urban and rural healthcare centers, as well as, village clinics. This program provides basic medical care services, as well as, a package of preventive programs. The purpose of this budget program is "Universal coverage of the population's needs for primary medical care".

This program achieves its budget goal through the following objectives:

1. Improvement of preventive services and early diseases diagnosis.
2. Completion of healthcare centers to the extent of 80% with the necessary infrastructure for the information system operation.

The execution of expenses for this program for the year 2022 is presented in the table below:

	Primary Healthcare Services Program	Initial Plan Year 2022	Revised Plan Year 2022	Annual Plan Adjustment	Actual Annual Expenses	Plan-Actual Differences	Execution in %
600	Salaries	69,345	62,111	-7,234	62,044.24	67	100
601	Social Insurance	11,581	10,541	-1,040	10,255.59	285	97
602	Other goods and services	34,007	41,857	7,850	39,836.43	2,021	95
603	Subsidies	0	0	0	0.00	0	0
604	Internal current transfers	8,385140	7,340,140	-1,045,000	7,340,140.00	0	100
605	Foreign current transfers	0	0	0	0.00	0	0
606	Fam. And Individual transfers	0	1,110	1,110	1,110.00	0	100
	Sub-total current expenses	**8,500,073**	**7,455,759**	**-1,044,314**	**7,453,386.26**	**2,373**	**100**
230	Uninvested capital	0	2,500	2,500	2,491.04	9	100
231	Invested capital	147,052	68,412	-78,640	68,233.54	178	100
	The sub-total of capital expenditures with internal funds	**147,052**	**70,912**	**-76,140**	**70,724.58**	**187**	**100**
230	Uninvested capital	0	0	0	160,883.27	-160,883	0
231	Invested capital	158,000	0	-158,000	11,372.59	-11,373	0
	The sub-total of capital expenditures with internal funds	**158,000**	**0**	**-158,000**	**172,255.86**	**-172,256**	**0**
	Total capital expenditure	**305,052**	**70,912**	**-234,140**	**242,980.44**	**-172,068**	**343**
	Total budget expenditures of the program	**8,805,125**	**7,526,671**	**-1,278,454**	**7,696,366.70**	**-169,696**	**102**

The initial budget planning for this program was in the amount of 8.8 billion ALL, where the highest share of expenses (94%) was allocated to the budget transfer on the account of the FDSKSH scheme in the amount of 8.3 billion ALL. The transfer allocated in this program was planned to cover the costs for financing the primary healthcare service, the reimbursement of drugs and equipment's on the reimbursable list, and the concessionary basic medical control (check-up) service. During the year 2022, **the revision of the budget plan** was performed to the greatest extent in this item, being reduced by 1.045 billion ALL.

The planning of the program's capital expenditures, which were initially planned in the amount of 305 million ALL, and then reduced to the amount of 70.9 million ALL, underwent futher revisions. **The biggest deviation results mainly in the planning of capital expenditures with foreign funds.**

Despite the **non-sustainable budget planning, the actual implementation of the program results in the maximum level.** In relation to projects with foreign funds, despite the revision of the plan to 0, in the actual expenses this report notes the execution at the level of 172.2 million ALL/ for grants, for which there was no budget plan.

The program appears balanced in terms of budget planning of products and their execution related to current expenses. The products of the program are sustainable, which means they are in line with the products established by the Ministry of Health and Social Protection in the mid-term budget document 2022-2024 and no new products were introduced during the year 2022. It continues the implementation of the policies initiated by the program, as well as, for previous years

without substantial changes. Meanwhile, this report cannot state the same reference about the **public investment products/projects which result in unsustainable budget planning.**
Below is presented the performance of the products of this program in quantitative and financial value (000/ALL) for the year 2022:

Product's Code	Product Name	Innitial Amount	Innitial Plan	Revised Amount	Revised Plan	Actual Amount	Actual Expenses
91303AA	Number of visits of Primary healthcare	6,400,000	2,268,104	6,400,000	1,493,790	8,008,042	1,491,417
91303AB	Individuals that benefit from check-up	475,000	876,090	475,000	876,090	454,828	876,090
91303AC	patients treated with reimbursement prescriptions from the family doctor	400,000	5,355,879	400,000	5,085,879	400,831	5,085,879
91301AA	Approved legal and bylaw acts		0		0		3,803
18BA612	Preventive project implementation for the reconstruction of healthcare centers and ambulances for V.	0	0	17	2,500	17	2,491
20AB602	F.V furnishing equipment's for the building of the Central Directorate of OSHKSH	0	0	15	258	45	258
20AB603	F.V furnishing computer equipment's for the building of the Central Directorate of OSHKSH	0	0	11	493	33	493
20AB607	F.V dental unit for children's dental care	14	14,000	14	11,132	42	11,132
20AB608	F.V medical equipment and furniture for healthcare centers	0	0	25	3,819	50	3,819
20AB609	Purchase of computer equipment's for NJVKSH Mat	0	0	0	600		589
20AB610	Purchase of computer equipment's for NJVKSH Puke	0	0	0	600		591
20Ab611	Purchase of computer equipment's for NJVKSH Permet	0	0	0	600		588
20AB612	Purchase of computer equipment's for NJVKSH Malesi e Madhe	0	0	0	600		556
20AB613	Purchase of computer equipment's for NJVKSH Kruje	0	0	0	1,000		1,000
20AB614	Purchase of computer equipment's for DROSHKSH Shkoder	0	0	0	700		663
20AB615	Purchase of computer equipment's for DROSHKSH Tirane	0	0	0	700		663
20AB616	Purchase of computer equipment's for NJVKSH Kukes	0	0	0	600		587
20AB701	Construction of the new building for the accommodation of QSH1, NJVKSH and KL	1,977	79,069	1,977	0		0
20AB702	Supervision and approval for the construction of the new building to accommodate QSH1,	1	1,049	1	0		0
20AB703	Supervision and approval of healthcare unit buildings	1	934	1	783	1	783
20AB705	Reconstruction of healthcare buildings in the districts	1,050	42,000	1,050	42,000	1,050	41,986
GM13021	Investments in the health centers of Fier and Diber districts from	1	70,000	1	0	1	157,081
KM13001	Reconstruction and equipment of 5 polyclinics	1,600	88,000	1,600	0	250	11,373
M130334	VAT, Customs Duties (Primary)	1	10,000	1	0		0
M132168	VAT		0		738		738
M133959	Equipment's purchase		0		106		106
M134028	F.V medical equipment's and furnitures for healthcare centers	0	0	135	3,683	135	3,683

Products financed by current expenses specifically:

- Number of primary healthcare visits;

- Individuals who benefit from check-up examinations;
- Patients treated with reimbursement prescription from the family doctor.

The abovementioned products have a balanced trend in terms of beneficiaries and expenses. Moreover, it is noted that the product **"Number of primary healthcare visits"** has a high actual number of 8 million visits compared to the initial and revised planning of 6.4 million ALL. This means that the cost per actual unit of service provided by healthcare centers for visits is significantly reduced. Furthermore, the funds from this product in this program have been reduced within the revised budget, causing the unit cost per visit to decrease even more. **In this context, the budget planning made by the Ministry of Health and Social Protection is judged, which turns out to be unrealistic compared to the actual execution at the end of the year.**

Regarding the product "**Individuals who benefit from check-up examinations**", this report emphasizes that the costs are fixed and are paid according to the concessionary conditions based on the ceiling of the number of beneficiaries established in the conditions of the concessionary contract. For the year 2022, 454,828 patients benefited from the check-up service out of 475,000 planned according to the terms of the contract. In this case, the concessionaire's payment was executed for the 475 thousand beneficiaries despite the fact that 454,828 patients actually benefited from the service, or 20,182 patients less.

For the year 2022, there were **400,831 patients who were treated with a reimbursement prescription** from the family doctor out of the **400,000 planned within the year 2022 budget** for this program, and 5.085 billion ALL were spent from the state budget for drug reimbursement. This calculation does not include the part of the expenses incurred by the FDSKSH from their income.

Products financed by capital expenditures are presented with high inconsistency compared to products planned for current expenditures. Specifically, with the initial budget for the year 2022, 8 investment projects were planned to be implemented. Meanwhile, referring to the budget revisions during the year 2022, 5 of the 8 public investment projects become zero and the funds were reallocated to other projects that have not been foreseen in the 2022-2024 Medium-Term Budget Document approved by the Ministry of Health and Social Protection.
The projects where these funds have been reallocated are mainly projects for the purchase of computer equipment’s in healthcare units in the districts and there are no specific arguments referred in the MHSP reports for such shift of outlined funds from construction and reconstruction projects to the purchase of computer equipment.

If analyzing the data according to the source of project funds for projects with internal funds, this report acknowledges that the projects that have had the best progress in quantitative and financial terms are:

- The "Reconstruction of buildings of healthcare units in the districts" project. Currently, were planned and completed **1050 square meters (m2) of building reconstructions and 41.9 million ALL were spent out of 42 million ALL planned.**

- The **"F. V. unit dental for children's dental care"** project, 42 devices were purchased compared to 14 planned and the funds was spent in the amount of 11.1 million ALL out of 14 million ALL planned.
- Other projects with internal funds are the projects related to the purchase of computer equipment's for NJKSH in the districts, projects which were funded with budget revisions during the year 2022.
-

For projects with foreign funds, two projects have progressed, specifically referred below:

- **Investments in the healthcare centers of Fier and Diber** districts by the Swiss Cooperation (grant) in the actual amount of 157 million ALL from the 70 million planned in the initial budget.
- **Reconstruction and equipment of 5 polyclinics – a loan from the Italian government** - in the amount of 11 million ALL from the 88 million planned in the initial budget.

In reference to the analyzed products of this program, especially the products related to capital expenditures, it is found that in the official data of the Ministry of Health and Social Protection there is not enough analysis material of the results of public investment projects. Information is provided on their financial execution, but there is no information in quantitative terms, as mentioned previously, the investments made in the healthcare centers of Fier and Dibra districts from the grant of the Swiss Cooperation, which apart from the name of the project, it is not clear what concrete investments were made in these centers.

The Secondary Healthcare Services Program

This program ensures the delivery of hospital services in time and quality, harmoniously throughout the country, reducing mortality and the rate of disability.
The purpose of this budget program is the "Universal coverage of the population's needs for specialized medical care".

This program achieves its budget goal through the following objectives:

1. Quality and comprehensive provision of secondary healthcare services.
2. Patient's treatments to cope with the situation created by the pandemic.
3. Incentive treatment for healthcare personnel on the front line in the fight against the COVID-19 pandemic.

The execution of expenses for this program for the year 2022 is presented in the table below:

In ALL/000

Secondary Healthcare Services Program		Initial Plan	Revised Plan	Annual Plan Adjustment	Actual Annual Expenses	Plan-Actual Differences	Execution in %
600	Salaries	599,238	542,792	-56,446	540,449.03	2,343	100%
601	Social Insurance	100,073	91,671	-8,402	89,227.52	2,443	97%
602	Other goods and services	865,745	795,035	-70,710	763,949.73	31,085	99.20
603	Subsidies	0	0	0	0.00	0	0.00
604	Internal current transfers	29,465,860	29,465,860	0	29,297,830.25	168,030	99.10
605	Foreign current transfers	0	0	0	0.00	0	0.00

606	Fam. And Individual transfers	0	10,786	10,786	10,755.91	30	97.90
	Sub-total current expenses	**31,030,916**	**30,906,144**	**-124,772**	**30,702,212.45**	**203,755**	**97.90**
230	Uninvested capital	0	2,575	2,575	2,574.99	0	97.90
231	Invested capital	1,1159,212	918,637	-240,575	916,553.61	2,083	97.90
	The sub-total of capital expenditures with internal funds	**1,159,212**	**921,212**	**-238,000**	**919,128.60**	**2,083**	**97.90**
230	Uninvested capital	0	0	0	123,834.90	-123,835	97.90
231	Invested capital	1,152,000	1,826,645	674,645	1,719,941.76	106,703	97.90
	The sub-total of capital expenditures with internal funds	**1,152,000**	**1,826,645**	**674,645**	**1,843,776.67**	**-17,132**	**97.90**
	Total capital expenditure	**2,311,212**	**2,747,857**	**436,645**	**2,762,905.26**	**-15,049**	**97.90**
	Total budget expenditures of the program	**33,342,128**	**33,654,001**	**311,873**	**33,465,118**	**188,706**	**97.90**

The initial budget planning in this program was in the amount of 33.34 billion ALL, **where the highest share of expenses (88%) is allocated to the budget transfer on account of the FDSKSH** scheme in the amount of **29.46 billion ALL**. The transfer allocated in this program is planned to cover the expenses for funding the hospital healthcare service. Meanwhile, from the state budget for the year 2022, the activity of Memorial Fier and Regional Durrës Hospitals is fully funded, according to the designations outlined in the Decision of the Council of Ministers.

During the year 2022, **the revision of the budget plan** was executed to the greatest extent in the item of capital expenditures, increasing by 436.6 million ALL. **The program is presented with a good execution of its expenses at the level of 97.9%** compared to the revised budget.

Regarding the execution of the budget for this program in terms of products and projects in quantity and cost terms, this report will analyze the performance of the program by dividing separately the products funded from current expenses and separately the products/projects from capital expenses.

In ALL

Product's Code	Product Name	Innitial Amount	Innitial Plan	Cost per unit according to the initial plan	Revised Amount	Revised Plan	Cost per unit according to the revised plan	Actual Amount	Actual Expenses	Cost per actual unit
91304AA	Patients treated in the hospital service	330,000	24,265,498,000	73,532	330,000	24,370,428,000	73,850	277,881	24,286,055,034	87,397
91304AB	Patients treated with dialysis	234,000	2,8000,000,000	11,966	234,000	2,552,325,000	10,907	193,878	2,489,491,080	12,841
91304AC	Patients treated in psychiatric hospitals	934	826,784,000	885,208	934	769,179,000	823,532	1,492	756,528,062	507,056
91304AD	Patients treated by cardiological and cardiosurgical packages	8,600	1,249,000,000	145,233	8,600	1,147,906,000	133,477	9,365	1,143,793,250	122,135

91304AE	Patients treated by renal transplant packages	26	36,780,000	1,414,615	26	30,000,000	1,153,846	13	30,000,000	1,307,692
913044AF	Patients treated with cataracts	4,500	93,150,000	20,700	4,500	61,000,000	13,556	3,790	56,989,755	15,037
91304AG	Patients treated with radiotherapy	26,000	147,300,000	5,665	26,000	119,304,000	4,589	24,933	114,999,999	4,612
91304AH	Patients with Down syndrome	25	25,000,000	25	0	0	0	0	0	0
91304AK	Laboratory examinations	4,600,000	1,340,241,000	291	4,600,000	1,639,002,000	356	4,205,767	1,624,799,783	386
91304AL	Patients treated with QKMZHF	450	84,114,000	186,920	450	77,284,000	171,742	1,506	75,758,229,	50,304
91304AM	Drugs and registered medical devices	820	162,049,000	197,621	820	139,716,000	170,385	3,154	123,974,286	39,307
91304AO	Couples benefiting from fertility packages	4	1,000,000	250,000	4	0	0	0	0	0

The main product of this program for the part of current expenses is the product **"Patients treated in the hospital service"**. In the year 2022, 277,881 patients benefited from treatment in the hospital service out of 330,000 planned by the initial and revised budget for this year. It is acknowledged the significant change in the unit cost of this service, which fluctuates from the average planned unit cost of 73,850 ALL to the actual unit cost of 87,397 ALL, which is 18% higher than the plan. In the official data of MHSP, no arguments are found on this significant change in the cost of the service.
As such, 193,878 patients have benefited from the dialysis treatment service out of 234,000 planned with the 2022-year budget. The product **"Patients treated with dialysis"** has a normal performance in terms of the quantity and the cost associated with it.

The product **"Patients treated in psychiatric hospitals"** turns out to be problematic in terms of the realized quantity and consequently the cost per unit. Likewise, 1492 patients received treatment in these hospitals while 934 such were planned. The large deviation of the number also results in a significant reduction of the cost per unit of service, calling into question either the quality of the service offered to patients or the poor budget planning made by the Ministry of Health and Social Protection.

The products **"Patients treated by the cardiology and cardiosurgical packages", "Patients treated by the renal transplant package", "Cataract patients treated", "Patients treated with radiotherapy"** have a normal performance in terms of quantity and planned cost.

This program also provides for the payment of the concessionaire for the concessionary contract for the provision of laboratory services related to the product "**Laboratory examinations**", according to which 4.2 million examinations have been accomplished out of the 4.6 million planned with 1.62 billion ALL executed for the year 2022 for this service.

The performance monitoring for the products under this program in the initial planning of the year 2022, included the two products **"Patients with Down syndrome"** and **"Couples benefiting from the fertility package"** which, this report confirms that they have been removed during the same year of 2022. In the monitoring reports published by MHSP and MFE, there is no reason or argument presented for removing the funding of these products. This report emphasizes that the product "Couples benefiting from the fertility package" was a new initiative launched by the Ministry of Health and Social Protection as a result of the recommendations received in the Parliament Committees during the approval of the draft budget for the year 2022. The policy was initially financed and after canceled during the year without any fundamental arguments.

Regarding the public investment projects for the "Secondary Healthcare Services" program, this report notes that this is the program with the largest number of public investment projects for the healthcare sector. Indicating the performance during the year 2022, it is found that 5 new products have been started, of which only the product **"Reconstruction of the Pharmacy and Dispensary of Vlora Hospital" represents a concrete project**, while the other products turn out to be expenses related to this project, such as supervision and approval or infrastructure taxes. The performance of this product **"Reconstruction of the Pharmacy and Dispensary of Vlora Hospital"** results according to the plan in financial and quantitative terms.

In ALL

Product's Code	*Product Name*	*Innitial Amount*	*Innitial Plan*	*Revised Amount*	*Revised Plan*	*Actual Amount*	*Actual Expenses*
22AC601	*Reconstruction of the Pharmacy and Dispensary of Vlora Hospital*	*0*	*0*	*330*	*39,066,614*	*330*	*39,066,614*
22AC602	*Supervision and approval for the reconstruction of thepPharmacy and hospital dispensary*	*0*	*0*	*1*	*590,186*	*1*	*590,185*
22AC603	*The new electricity connection for the A2 new building of diseases*	*0*	*0*	*0*	*6,458,386*	*0*	*6,458,386*
22AC604	*Infrastructure tax for updating the building permit for the project*	*0*	*0*	*1*	*4,477,617*	*1*	*4,477,617*
22AC606	*VAT for 5 polyclinics (Gjirokastra+Peshkopi)- loan from the Italian government*	*0*	*0*	*1*	*1,569,170*	*0*	*1,569,169*

Source: The Ministry of Health and Social Protection, annual monitoring report 2022

In ALL

Product's Code	**Product Name**	**Initial Amount**	**Initial Plan**	**Revised Amount**	**Revised Plan**	**Actual Amount**	**Actual Expenses**
18BB007	Reconstruction of the Tirana QKMZHRF	180	10,000,000	180	9,169,600	510	9,169,581
18BB008	Reconstruction of the Tirana Blood Center building	982	54,046,000	982	88,059,200	1,602	88,059,200
18BB024	Supervision and approval for the reconstruction of QKMZHRF	1	1,350,000	1	1,054,717	3	1,054,717
18BB025	Supervision and approval for the reconstruction of Tirana Blood Center building	1	451,000	1	966,184	1	958,600
18BB045	Reconstruction of the old Neonatology building and Obstetrics	1,127	75,537,000	1,127	0		0

18BB046	Supervision and approval for the reconstruction of Neonatology building and	1	4,648,000	1	0		0
18BB052	Reconstruction of the pediatrics of the Durres hospital- contract extension	0	0	0	0		0
18BB057	Reconstruction of the pediatric building of the Elbasan hospital	5,470	107,508,000	5,470	102,646,77 1	12,336	102,646,771
18BB058	Supervision and approval for the reconstruction of the pediatric hospital building	1	3,400,000	2	2,895,757	2	2,895,755
18BB061	Reconstruction of delivery rooms, neonatology ward and …	0	0	530	26,938,691	824	26,938,255
18BB062	Supervision and approval for the reconstruction of delivery rooms, neonatology ward and …	0	0	2	623,281	2	623,281
18BB073	VAT for equipment's in the framework of the fight against COVID	369	41,244,000	0	0	0	0
18BB074	Reconstructions in the Kukes regional hospital – contract extension	0	0	250	0	0	0
18BB075	Supervision and approval for the reconstruction of Kukes regional hospital	0	0	2	0	0	0
18BB076	Works for the technological part of phase II of the Kukes hospital reconstruction	1,568	94,106,000	968	59,405,263	968	59,405,263
18BB077	Supervision and approval for the work\s performance for the part	1	1,360,000	2	1,360,000	1	1,180,968
18BB079	Reconstruction of the Medical Records Archive building at Mother Teresa Hospital	0	0	0	2,500,044	325	2,500,044
18BB080	Supervision and approval for the reconstruction of the Medical Records Archive building at Mother Teresa Hospital	0	0	1	48,791	2	48,791
18BB103	F.V medical equipment for the new hospital built in QSUT with a loan	989	210,809,000	989	204,733,20 0	989	204,733,199
18BB116	Purchased medical equipment for hospitals	55	22,296,000	55	0		0
18BB119	Equipment's for QKMZHRF Tirana	676	23,673,000	676	0		0
18BB123	F.V technological equipment's for the first phase of Kukes hospital	0	0	155	2,301,702	155	2,301,432
18BB124	Supervision and approval for the F.V technological equipment's for the first phase of Kukes hospital	0	0	2	723,325	1	646,552
18BB147	Project-preventive measures for the reconstruction of the patients' pavilion	0	0	1	2,575,000	1	2,574,990
18BB148	F. V furnishing equipment's for the pharmacy and dispensary of the Vlora hospital	0	0	155	3,359,900	155	3,359,900
18BB149	F. V medical equipment, hospital furniture and biomedical equipment	0	0	35	25,000,000	35	25,000,000

18BB150	Supply and placement of biomedical equipment for the hospital ophthalmology service	0	0	25	16,794,000	25	16,669,200
18BB152	Supply and placement of medical equipment for medical services	0	0	5	10,620,000	5	9,640,799
18BB153	VAT for the Japanese Grant	0	0	1	2,883,888	1	2,883,888
18BB154	F.V equipment and furniture for some of the services of QSUT	0	0	0	12,096,000	135	12,096,000
18BB155	F.V UPS for laboratory equipment in Vlora psychiatric hospital	0	0	1	123,000	1	119,500
18BB211	VAT payment for the supervision service for the construction of the hospital	0	0	1	2,400,000	1	2,399,910
18BB212	Local cost for the PIU (Foreign Project Implementation Unit)	0	0	1	2,218,868	1	1,725,308
18BB213	Local cost payments for the supervision service for the construction of the hospital	0	0	1	12,000,000	1	12,000,000
18BB309	Emergency COVID-19 project-loan of the World Bank	1,840	400,000,000	1,840	825,000,000	190	704,705,665
18BB310	F.V technological, electrical equipment for the existing pediatric building	35	27,977,000	35	0		0
18BB311	Infrastructure tax payment for the reconstruction of the building	0	0	1	23,697,664	1	23,697,664
18BB403	Project in the framework of IPA-Interreg "Promoting health in cbc area by	1	15,000,000	1	6,644,500	1	3,000
19AD307	Reconstruction of Infectious Pediatrics at QSUT		0		17,020,605		17,020,605
19AD308	Supervision for the reconstruction of Infectious Pediatrics in QSUT		0		371,542		371,542
20AB606	F.V device for measuring bone densitometry for structures		0		14,160,000		14,160,000
21AA101	Improving the system of drugs and medical equipment's for AKBPM	1	126,360,000	1	117,875,720	1	117,657,720

Source: The Ministry of Health and Social Protection, annual monitoring report 2022

The projects and products with internal funds of this program are numerous in quantity (44 products) and are mainly ongoing projects started since the year 2018. As such, 18 of them are open since the beginning of 2022 and have financial and quantitative performance.

This report indicates the main projects carried out by MHSP in this program which are presented as below referred:

- Improvement of the drugs system and medical devices for the National Agency of Drugs and Medical Devices, executed in the amount of 117.6 million ALL.
- Covid-19 Emergency Project - loan from the World Bank, executed in the amount of 704 million ALL.

- Supply and installation of medical equipment for the new hospital construction in QSUT, executed in the amount of 204.7 million ALL.
- Reconstruction of the pediatric's building at the Elbasan hospital, executed in the amount of 102.6 million ALL.
- Reconstruction of the National Blood Transfusion Center-Tirana building, executed in the amount of 88.06 million ALL.

Additionally, it was acknowledged that the initial budget planning for public investments for these programs is weak, since during the year, funds were reallocated for 14 products which were not funded within the initial budget for the year 2022. The top list is lead by projects/products related to supply and placement of medical equipment's in various QSUT and regional hospitals.

In conclusion, this report cannot analyze the concrete results of these projects/products, as there is no other detailed information in the reports published by the responsible institutions, apart from what the labels allow us to understand.

In ALL

Product's Code	Product's name	Initial Amount	Inntial Plan	Revised Amount	Revised Plan	Actual Amount	Actual Expenses
G037018	Pharem Project		0		0		1,276,220
GM13009	Strengthening the national response towards HIV/AIDS (Global Fund)	1	30,000,000	1	75,000,000	1	115,147,035
GM13020	QSUT reform program, phase II		0		6,000,000		6,803,200
KM13017	Second phase of the implementation of the Master-Plan of QSUT, CEB loan		0		400,000,000		430,948,713
KM13018	Second phase of the implementation of the Master-Plan of QSUT, CEB loan	4,716	415,000,000	4,716	0		0
KM13020	World Bank project (divided into 3 components as follows) LOAN	4,424	292,000,000	4,424	0		0
KM13021	Improving the healthcare system		0		514,000,000		584,892,832
M130333	Local costs (the Albanian Government contribution for the New Hospital QSUT-CEB	1	236,328,000	1	0		0
M130335	VAT, Customs duties (Hospital)	1	28,365,000	1	2,881,974	1	2,881,955
M133471	VAT on the construction of the Internal diseases' hospital	1	89,754,000	1	99,545,342	3	99,545,238

Source: The Ministry of Health and Social Protection, annual monitoring report 2022

In reference, the projects with foreign funds (loans and grants), funds have been allocated for 3 projects at the beginning of the year 2022 (6 products including local costs and VAT), of which 1-grant and 2-loans have performed well during the year 2022 in financial terms. But there is an inconsistency in the reporting of the plan and the fact of these projects. Specifically, the plan is registered in another product's code in the treasury system (KM13018) and the factual is reported in another product's code of this project, the KM13017. In addition to the lack of coherence in financial reporting, which makes it difficult to analyze the performance of these projects, this report notes that in the monitoring reports published by the responsible institutions there is not enough information to analyze the performance of the projects in quantitative terms and concrete results achieved.

The Public Health Services Program

The public healthcare service is provided through national programs of immunization, TB< HIV/AIDS and STI, of epidemiological surveillance and follow-up of infectious disease (chronic disease with public healthcare consequences influenced by environmental conditions, as well as, food safety, control of drinking water and reproductive health.

The purpose of this program is "Protection of health and promotion of healthy life". This program achieves its goal through the following objectives:

1. Ensuring the sustainability of vaccine coverage.
2. Reducing the number of epidemic outbreaks.
3. Inspections coverage in hospitals, local healthcare units and healthcare centers.
4. Coverage of women with breast cancer screening services, as well as, cervical cancer screening.

In ALL/000

Public Health Services Program		Annual Initial Plan Year 2022	Annual Revised Plan Year 2022	Annual Plan Adjustment	Actual Annual Expenses	Plan-Actual Differences	Execution in %
600	Salaries	2,194,767	2,098,977	-95,790	2,076,784.03	22,192,61	99
601	Social Insurance	366,612	348,447	-18,165	342,281.84	6,165.16	98
602	Other goods and services	652,579	556,001	-96,578	524,846.01	31,154.99	94
603	Subsidies	0	0	0	0.00	0.00	0
604	Internal current transfers	0	0	0	0.00	0.00	0
605	Foreign current transfers	3,132,508	1,899,907	-1,232,601	1,874,745.61	25,161.39	99
606	Fam. And Individual transfers	0	37,702	37,702	37,622.40	79.95	100
	Sub-total current expenses	**6,346,466**	**4,941,034**	**-1,405,432**	**4,856,279**	**84,754.10**	**98**
230	Uninvested capital	0	0	0	0.00	0.00	0
231	Invested capital	13,680	13,680	0	13,675.17	4.83	100
	The sub-total of capital expenditures with internal funds	**13,680**	**13,680**	**0**	**13,675.17**	**4.83**	**100**
230	Uninvested capital	0	0	0	0.00	0.00	0
231	Invested capital	0	0	0	0.00	0.00	0
	The sub-total of capital expenditures with internal funds	**0**	**0**	**0**	**0.00**	**0.00**	**0**
	Total capital expenditure	**13,680**	**13,680**	**0**	**13,675.17**	**4.83**	**100**
	Total budget expenditures of the program	**6,360,146**	**4,954,714**	**-1,405,432**	**4,869,955.08**	**84,758.92**	**98**

The initial budget planning in this program was in the amount of 6.36 billion ALL, **where the largest weight of expenses (49%) at the beginning of the year 2022 was held by current foreign budget** transfers in the amount of 3.1 billion ALL. The transfer allocated in this program is planned to cover the costs of vaccine funding against COVID-19. During the year 2022, **the revision of the budget plan** was executed to the greatest extent towards this item, being reduced by 1.2 billion ALL, as the number of patients who received the third dose of the vaccine shot against COVID-19 dropped significantly.

The capital planning expenditure of the program has not been sustainable resulting in deviations from the original project plan. Despite this, the financial funds allocated for this item was been executed at 100% by being reallocated to other products/projects during the same year. This program has not had any projects with foreign funds planned throughout the year 2022. Despite the non-sustainable budget planning referring to current expenditure items related to the funds dedicated to the purchase of the vaccine against COVID-19 and reallocations made to capital expenditure, the actual implementation of the program results in the maximum level.

The program appears balanced in terms of budget planning of products and their execution related to current expenses. The products of the program are sustainable, which means they are in line with the products created by the Ministry of Health and Social Protection in the mid-term budget document 2022-2024 and no new products were introduced during the year 2022. It continues the implementation of the policies initiated by the program, as well as, in previous years without substantial changes. **Meantime, we cannot say the same about public investment products/projects which result in unsustainable budget planning.**

Below is presented the performance of the products of this program in quantitative and financial value (000/ALL) for the year 2022:

In ALL 000

Product's Code	Product Name	Initial Amount	Initial Plan	Revised Plan's Amount	Revised Plan	Actual Amount	Fact
91305AA	Vaccinated children 0-18	203,000	312,508	203,000	298,008	240,000	297,945
91305AB	Control's numbers for epidemiological situations	3,400	2,515,885	3,400	2,350,237	4,010	2,312,732
91305AC	Controls and inspections carried out by inspectors	25,000	423,569	25,000	367,099	22,992	356,519
91305AD	Women screened for breast cancer	4,500	12,383	4,500	12,383	5,423	12,383
91305AE	Inspections carried out by the Healthcare Operator in Hospitals, Unit	710	225,521	710	252,718	405	243,782
91305AF	Women screened for cervical cancer	16,000	36,600	16,000	15,600	10,400	15,108
91305AG	Medical and non-medical personnel incentived for the Covid-19 bonus	0	0	0	14,040	175	13,565
91305AH	Persons vaccinated with the COVID-19 vaccine	2,000,000	2,700,000	2,000,000	1,487,699	534,536	1,462,683
91305AI	Persons vaccinated with the seasonal flu vaccine	250,000	120,000	250,000	114,200	239,570	114,118
91305AJ	Accredited healthcare and social institutions	0	0	20	29,050	260	27,444
18BB507	Reconstruction and building's additions to of ISHP Tirana	206	13,480	206	0		0
18BB508	Supervision and approval for the ISHP building's reconstruction	1	200	1	0		0
18BB605	Purchase of computer equipment for ISHP	0	0	20	487	20	483
18BB606	Purchase aspiration equipment for the ISHP's vivarium	0	0	2	36	2	36
18BB705	Payment of VAT and customs tax for some equipment's and vehicles	0	0	1	4,286	1	4,286
20AB607	F.V. dental unit for children's dental care		0		8,870		8,870

- **240,000 children aged between 0-18** have been vaccinated out of the 203,000 planned for the year 2022, spending 297.9 million ALL from the planned and revised budget of 298 million ALL.
- **4,010 controls for epidemiological situations** were executed out of 3,400 planned, spending 2.3 billion ALL out of 2.35 million ALL planned within the revised budget. An inconsistency is observed between the quantity planned to be realized and the actual execution of this product, inquiring the cost planning of this product.
- **22,992 controls and inspections were carried out by healthcare inspectorates** out of 25,000, spending 356.5 million ALL out of 367 million ALL planned and revised expenses for the year 2022.
- **5,423 women were screened for breast cancer out of the planned 4,500**, spending the entire planned funds for this purpose in the amount of 12.4 million ALL. An inconsistency is observed between the quantity planned to be realized and the actual execution of this product, inquiring the cost planning of this product.
- **405 inspections were carried out by the Healthcare Operator in Unit Hospitals out of 710 planned**, spending 243 million ALL out of 252 million ALL planned with the revised budget. An inconsistency is observed between the quantity planned to be realized and the actual execution of this product, inquiring the cost planning of this product.
- **10,400 women were screened for cervical cancer out** of the planned 16,000, spending 15.1 million ALL out of the 15.6 million ALL planned within the revised budget.
- 175 medical and non-medical personnel were incentived with bonuses for COVID-19, spending 13.5 million ALL for this purpose. It is acknowledged that this product was not planned from the beginning of the year 2022. In the materials published by the Ministry of Health and Social Protection, the arguments for this amendment were not presented.
- **534,536 people have been vaccinated with the anti COVID-19 vaccine out of the 2,000,000 planned with the initial budget for the year 2022**, spending 1.4 billion ALL out of the 2.7 billion ALL planned by the initial budget for the same year, 2022. A duplication of costs is acknowledged for anti COVID-19 vaccine units, initially was planned 1,350 ALL cost/unit according to the initial planning which was altered to 2,720 ALL cost/unit, referring to the actual implementation. **There are no concrete arguments to validate the total cost of anti COVID-19 vaccinations in reference to the unit cost of the initial planning that in principle should have cost much less.**
- 239,570 people were vaccinated with the seasonal flu vaccine out of the 250,000 planned, spending 114 million ALL out of the 114.2 million ALL planned within the revised budget for the year 2022.
- **260 accreditations were carried out by healthcare institutions out of 20 planned**, spending 27.4 million ALL out of 29 million ALL planned within the revised budget. It is acknowledged that this product was not planned at the beginning of the year 2022. In the documents published by the Ministry of Health and Social Protection, the arguments for this amendment are not presented. Furthermore, an inconsistency is noticed between the quantity planned to be realized and the actual execution of this product, inquiring the cost planning of such product.
- Regarding the planning of public investments, it is noticed that at the beginning of the year 2022, a reconstruction project of the ISHP building was planned in the amount of ALL 13.6 million ALL. The project was not executed and the funds were reallocated during the same year to other projects related to purchase of equipment’s and computers. In the monitoring

reports published by MHSP, the arguments why the project was not implemented according to the plan are missing.

The National Medical Emergency Service Program

This program aims to develop the medical emergency service as part of the program National Medical Emergency Service integral to the healthcare system, to ensure the provision of emergency medical assistance in time and quality throughout the country, as well as, to increase the population's awareness on the advantages of the correct use of the emergency medical service. The purpose of this program is "for a medical emergency service at the central level that is effective and responsive to the needs of the population". This program achieves its goal through the following objective:

1. Effectively addressing calls for medical emergencies at the central level.

In All / 000

National Medical Emergency Service Program		Initial Plan	Revised Annual Plan	Annual Plan Adjustment	Actual Expenses	Revised Plan Adjustment Fact	Execution in %
600	Salaries	110,410	107,650	-2,760	105,980.35	1,670	98
601	Social Insurance	15,098	18,221	3,123	17,536.82	684	96
602	Other goods and services	208,654	114,289	-94,365	107,942.75	6,346	94
603	Subsidies	0	0	0	0.00	0	0
604	Internal current transfers	0	0	0	0.00	0	0
605	Foreign current transfers	0	0	0	0.00	0	0
606	Fam. And Individual transfers	0	1,535	1,535	1,534.90	0	100
	Sub-total current expenses	**334,162**	**241,695**	**-92,467**	**232,994.82**	**8,700**	**96**
230	Uninvested capital	0	0	0	0.00	0	0
231	Invested capital	0	0	0	0.00	0	0
	The sub-total of capital expenditures with internal funds	**0**	**0**	**0**	**0.00**	**0**	**0**
230	Uninvested capital	0	0	0	0.00	0	0
231	Invested capital	0	0	0	0.00	0	0
	The sub-total of capital expenditures with internal funds	**0**	**0**	**0**	**0.00**	**0**	**0**
	Total capital expenditure	**0**	**0**	**0**	**0.00**	**0**	**0**
	Total budget expenditures of the program	**334,162**	**241,695**	**-92,467**	**232,994.82**	**8,700**	**96**

The initial budget planning for this program was planned in the amount of 334.2 million ALL. The total amount planned were delivered as current expenses, since there were no public investment projects planned for this program for the year 2022. During the year 2022, the revision of the budget plan was altered to the greatest extent for the expenditure item for goods and services, being reduced to the amount of **94.4 million ALL.**

The program appears balanced in terms of budget planning of products and their execution related to current expenses. The products of the program are sustainable, which means they are in line with the products created by the Ministry of Health and Social Protection in the mid-term budget document 2022-2024 and no new products were introduced during the year 2022. It continues the implementation of the policies initiated by the program, as well as, in previous years without substantial changes.

Below is presented the performance of the products for this program in quantitative and financial value (000/ALL) for the year 2022:

In ALL/000

Product's Code	Product's Name	Initial Amount	Initial Plan	Revised Amount	Revised Plan	Actual Amount	Actual Expenses
91306AA	Cases treated by emergency medical units	650,000	334,162	125,000	241,695	119,728	232,995

As it is noticed, the program has only one product, namely "Cases treated by emergency medical units". 119,728 cases were treated out of 125,000 planned within the revised budget. Meanwhile, 232.9 million ALL was spent out of 241.7 million planned with the revised budget. For this program, it is acknowledged the poor initial planning performance for this product, according to which 650,000 emergency cases were innitially planned to be treated, inquiring the cost/unit planned of this service.

The Social Care Program

This program supports, through cash payments the economic assistance and social services for families and individuals in need who cannot provide the fulfillment of their basic vital needs, the development of personal skills and opportunities, as well as, the preservation of their integrity due to limited economic skills and opportunities, psychological and social demands.
The aim of such program is "building the social protection system through policies and mechanisms to safeguard the citizens in need", which is accomplished by actions under the outlined objectives, as referred below:

1. Reforming the social care program in its three main pillars: Economic Assistance, Persons with Limited Ability (PAK) and the Social Services.
2. Equal social and economic inclusion for men, women and children and the marginalized groups.
3. The social economic reintegration of marginalized groups.

In ALL/000

Social Care Program		Innitial Plan	Revised Annual Plan	Annual Plan Adjustment	Actual Expenses	Revised Plan Adjustment Fact	Execution in %
600	Salaries	528,718	515,147	-13,670	512,114.41	3,033	99
601	Social Insurance	88,313	87,140	-1,173	85,587.27	1,553	98
602	Other goods and services	331,000	304,900	-26,100	300,417.50	4,483	99
603	Subsidies	0	0	0	0.00	0	0
604	Internal current transfers	0	0	0	0.00	0	0
605	Foreign current transfers	0	0	0	0.00	0	0
606	Fam. And Individual transfers	25,750,000	28,759,644	3,009,644	28,571,683.65	187,960	99
	Sub-total current expenses	**26,698,130**	**29,666,831**	**2,968,701**	**29,469,802.81**	**197,028**	**99**
230	Uninvested capital	0	0	0	0.00	0	0
231	Invested capital	20,000	3,640	-16,360	3,180.84	459	87
	The sub-total of capital expenditures with internal funds	**20,000**	**3,640**	**-16,360**	**3,180.84**	**459**	**87**
230	Uninvested capital	0	0	0	42.38	-42	0
231	Invested capital	100,000	20,000	-80,000	20,970.29	-970	105
	The sub-total of capital expenditures with internal funds	**100,000**	**20,000**	**-80,000**	**21,012.67**	**-1,013**	**105**
	Total capital expenditure	**120,000**	**23,640**	**-96,360**	**24,193.50**	**-554**	**102**
	Total budget expenditures of the program	**26,818,130**	**29,690,471**	**2,872,341**	**29,493,996.32**	**196,475**	**99**

The initial budget planning for this program was in the amount of 26.8 billion ALL, **where the highest weight of expenses (96%) was occupied by budget transfers to third parties** in the amount of **25.75 billion ALL.** The transfer allocated in this program was planned to meet the costs of economic assistance and disability and maternity allowance. During the year 2022, the revision of the budget plan has been made to the greatest extent in this item, increasing the budget by 3 billion ALL. This amount allocation was as a result of the budget revision by reallocating the funds for economic assistance and disability from the social resistance packages undertaken by the Albanian Government to mitigate the effects of the ongoing Russia-Ukraine war affecting the Albanian economy. In regard to the current expenses, the performance of the program in financial terms is substaintal with almost **99% executed compared to the revised plan.**

The capital expenditure planning of the program has been in the amount of 120 million ALL, of which 20 million ALL was planned as internal funding and 100 million ALL as foreign funding. The planning of capital expenditures with internal and foreign fundings is not sustainable, resulting in alterations and discrapancies from the initial project planning with almost 80% of the initial value planned to be executed. Despite this, the remaining financial funds after the revisions of the plan for this item has been executed 100%.

The program appears balanced in terms of budget planning of products and their execution related to current expenses. The products of the program are sustainable, which means they are in line with the products established by the Ministry of Health and Social Protection in the mid-term budget document 2022-2024 and no new products were introduced during the year 2022. It continues the implementation of the policies initiated by the program, as well as, in previous years without substantial changes. **Meantime, this report cannot confirm the same about public investment products/projects, which result in unsustainable budget planning.**

Below is presented the performance of the products for this program in quantitative and financial value (ALL/000) for the year 2022:

In ALL/000

Product's Code	Product's Name	Initial Amount	Initial Plan	Revised Amount	Revised Plan	Actual Amount	Actual Expenses
91307AA	Families and individuals in need benefit from the Economic Assistance (EA) scheme	67,000	6,240,000	67,000	6,713,236	62,688	6,664,731
91307AB	Persons with Disabilities (PWD) and caregivers who benefit from the payments	167,000	16,990,000	167,000	18,535,928	161,683	18,436,231
91307AC	Beneficiaries of the social care services offered in the center	450	272,180	450	278,389	210	274,522
91307AD	Baby bonus	35,000	2,200,000	35,000	3,100,000	42,504	3,100,000
91307AE	Child protection monitor reports	1	10,470	1	10,205	1	10,079
91307AG	Persons from disadvantaged groups employed by social enterprises	200	120,000	200	0		0
91307AH	New social services for groups in need offered through units	35	200,000	35	195,368	35	158,818
91307AJ	Children who benefit from services in care institutions	230	253,060	230	240,785	200	237,503
91307AK	Elderly treated in care services	350	202,990	350	185,540	310	184,893
91307AL	Executed court decisions for Persons with Limited Ability	0	0	0	199,895		196,897
91307AM	Persons with Limited Abilities who benefit from care services	197	209,430	197	207,485	198	206,129
18BC201	Modernization of Social Assistance by the WB	1	100,000	1	20,000		21,013
18BC205	VAT of technical assistance for the project "Social Inclusion" IPA II	0	0	0	440		341
18CC006	VAT for reconstruction of Linze Social Center	1	7,800	1	0		0
18CC007	VAT for the reconstruction projects of the Center for children with disabilities	2	12,200	2	3,200		2,840

- **62,688 families have benefited from the economic assistance scheme out of 67,000 planned within the initial budget for the year 2022.** As such, 6.66 billion ALL have been spent out of 6.7 billion ALL planned by the revised budget.
- **161,683 Persons with Limited Ability and caregivers** have benefited from social payments out of **167,000 ALL planned**. As such, **18.4 billion ALL have been spent out of 18.5 billion ALL planned.**
- **210 beneficiaries of social care services have benefited assistance in public residential centers** from the 450 planned within the initial budget. As such, 274.5 million ALL have been spent out of 278 million ALL planned by the revised budget. This report acknowledged the poor initial planning performed for this product, according to which 450 beneficiaries were planned to benefit from services, inquiring the cost/planned unit of such service.
- **42,504 mothers have benefited from the birth bonus** out of 35,000 planned within the initial budget. As such, 3.1 billion ALL have been spent out of 2.2 billion ALL planned by the initial budget for the year 2022.
- **The State Agency for Child Rights and Protection** has performed its normal activity by spending the entire budget dedicated to it with a total fund of 10 million ALL from the 10.2 million ALL allocated within the revised budget for the year 2022.
- **A fund of 120 million ALL and 200 beneficiaries from disadvantaged social groups were planned to be employed in social enterprises**, but this product was revised during the same

year and therefore was not executed. Arguments are missing in the official reports published by the Ministry of Health and Social Protection on the cancellation of this policy.

- **35 new social services have been planned for categories in need**, provided by local units with a total fund of 200 million ALL, a product which is 100% realized in terms of quantity and time.
- **200 children out of 230 planned with the initial budget for the year 2022 have benefited from services in social care centers** and 237 million ALL have been spent out of 240 million allocated by the revised budget for the year 2022.
- **310 elderlies** have been treated with services in social care centers out of **350 planned, spending 184.8 million ALL out of 185 million ALL outlined in the revised budget**.
- **198 Persons with Limited Ability benefited from social services in care centers out of 197 planned within the initial budget.** As such, 206 million ALL have been spent out of 207.4 million ALL, outlined in the revised budget.

In regard to the performance of public investment products, this report acknowledges low level for both projects, with foreign funding, as well as, those with internal funding.
Specifically, the project supported with foreign funds "**Modernization of Social Assistance by the World Bank"** was planned in the amount of 100 million ALL, but was revised during the same year in the amount of 20 million ALL, indicating to an unsustainable budget planning. Other projects with internal funds are obligations of the Albanian Government in the form of **VAT for reconstruction projects of Social Centers or that of children with disabilities** for which detailed information is missing in the reports published by the Ministry of Health and Social Protection on the progress and concrete results achieved from these projects.

The Politically Persecuted Prisoner's REhabilitation Program

This program supports the integration of the former Political Persecuted Prisoners by the communist regime into the Albanian social life. This integration is accomplished by monetary compensation payments to former Politically Persecuted Prisoners.

The policy goal of this program is "the integration into the social life of the Albanian society of the former Politically Persecuted Prisoners from the communist regime, as well as, the financial compensation for the damage caused to them".

This goal is accomplished through the following objectives:

1. Pursuing issues regarding the integration of former Politically Persecuted Prisoners by the communist regime into the Albanian social life.
2. Compensation payments to former Politically Persecuted Prisoners.

In ALL/000

Politically Persecuted Prisoner's Rehabilitation Program		Initial Plan	Revised Annual Plan	Annual Plan Adjustment	Actual Expenses	Revised Plan Adjustment Fact	Execution in %
600	Salaries	18,664	18,197	-467	17,757.19	440	98
601	Social Insurance	3,117	3,039	-78	2,958.18	81	97
602	Other goods and services	11,210	7,089	-4,121	6,630.80	458	94
603	Subsidies	0	0	0	0.00	0	0
604	Internal current transfers	0	3,000	3,000	2,975.00	25	99
605	Foreign current transfers	3,000	0	-3,000	0.00	0	0

606	Fam. And Individual transfers	1,000,000	1,000,430	430	996,919.98	3,510	100
	Sub-total current expenses	**1,035,991**	**1,031,755**	**-4,236**	**1,027,241.16**	**4,514**	**100**
230	Uninvested capital	0	0	0	0.00	0	0
231	Invested capital	0	0	0	0.00	0	0
	The sub-total of capital expenditures with internal funds	**0**	**0**	**0**	**0.00**	**0**	**0**
230	Uninvested capital	0	0	0	0.00	0	0
231	Invested capital	0	0	0	0.00	0	0
	The sub-total of capital expenditures with internal funds	**0**	**0**	**0**	**0.00**	**0**	**0**
	Total capital expenditure	**0**	**0**	**0**	**0.00**	**0**	**0**
	Total budget expenditures of the program	**1,035,991**	**1,031,755**	**-4,236**	**1,027,241.16**	**4,514**	**100**

The initial budget planning for this program was in the amount of 1.035 billion ALL and the total amount was designated for the current expenses, since no public investment projects were planned for this program for the year 2022. The largest part of the expenses is the transfer from the state budget for the compensation of the former political persecuted prisoners, which is planned in the amount of 1 billion ALL. During the year 2022, **the revision of the budget plan** was performed to the greatest extent in the expenditure item for goods and services, as such, being reduced to **4.1 million ALL.**

The program appears balanced in terms of budget planning of products and their execution related to current expenses. The products of the program are sustainable, which means they are in line with the products outlined by the Ministry of Health and Social Protection in the mid-term budget document 2022-2024 and no new products were introduced during the year 2022. It continues the implementation of the policies initiated by the program, as well as, in previous years without substantial changes. Below is presented the performance of the products for this program in quantitative and financial value (000/ALL) for the year 2022:

In ALL/000

Product's Code	Product's Name	Initial Amount	Initial Plan	Revised Amount	Revised Plan	Actual Amount	Actual Expenses
91302AA	Former politically persecuted prisoners rehabilitated and integrated	800	35,991	800	31,755	900	30,746
91302AB	Former politically persecuted prisoners (file) financially compensated	7,300	1,000,000	7,300	1,000,000	6,162	996,495

The product "Rehabilitated and integrated former Politically Persecuted Prisoners" was planned in the amount of 800 people which in fact 900 of them have been rehabilitated. As such, 30.7 million ALL have been spent out of 31.75 million ALL planned by the revised budget. There is an inconsistency in the planning of the quantity plan and actual products, which should be clarified in the monitoring reports.

For the product "Former Politically Persecuted Prisoners (financially compensated files)", 7,300 files were planned to be treated with the 1 billion ALL fund, which were accomplished 6,162 files backed with a fund of 996.5 million ALL.

3. Performance indicators in the Ministry of Health and Social Protection's budget for the year 2022

Conclusions

- **The data published by MHSP and MFE** on the monitoring of the Healthcare and Social Protection's budget **are limited**, making it difficult to analyze the performance of expenditures and products realized in these sectors during the year 2022.
- **The quality of the published monitoring reports is weak**, being associated with an unequivocal **lack of transparency in the use of budget funds**, especially those related to public investment projects.
- **Budget planning for this sector is weak and with high volatility**, which is evidenced by budget discrapancies from the budget planning stage to the implementation stage. The planning of public investments shows a lack of coherence by detailing different projects at the beginning of the budget year and by reviewing them frequently during the same year.
- **Problems with the product's costing** are visible in the main policies of the sector, raising inquiries about the managerial responsibility of the costing healthcare services process.
- **An unequivocal lack of transparency** also appears in the monitoring of Mandatory Healthcare Insurance Fund expenditures, where this report does not find in the monitoring reports published by the Ministry of Health and Social Protection, any data analysis related to the products executed by the fund. This report takes into consideration that the fund is funded not only by the budget transfer but also from the incomes generated by healthcare insurances, for which no analysis was presented on how they are allocated to concrete products of the program.
- **Healthcare in Albania continues to remain the last in the region** in terms of public expenditures in relation to general public expenditures, which continues to remain in force for the year 2022. Healthcare and social protection policies remain underfunded, making that the public expenditures of the sector are executed without prioritization, as well as, without the necessary attention from the Albanian Government towards the usage accountability, thereby exposing the misuse of budget funds.