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Governance: some relevant concepts

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Health Systems, Health, Wealth and Societal Well-being

Assessing the case for investing in health systems

Governing Public Hospitals

Reform strategies and the movement
towards institutional autonomy

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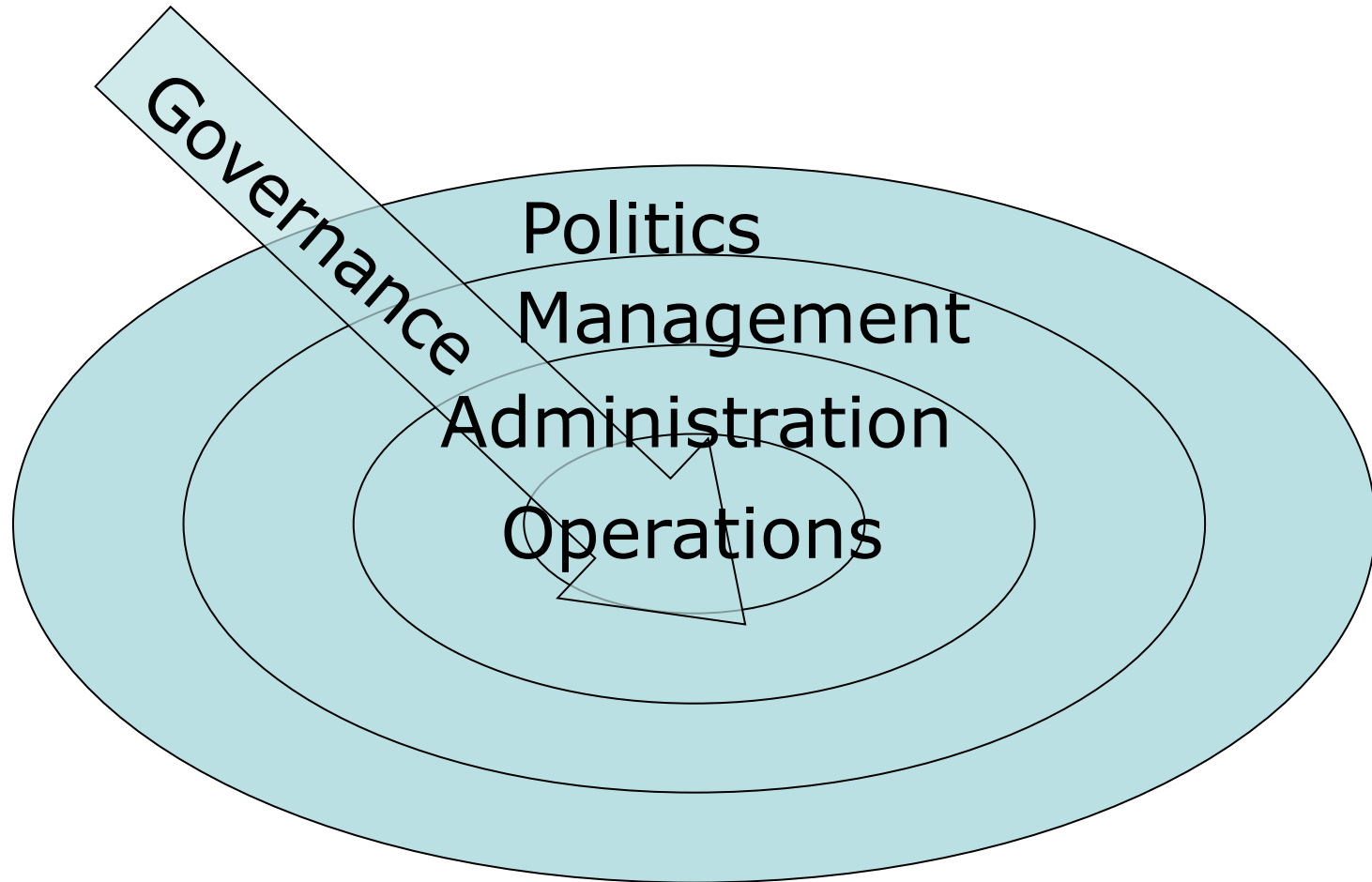
> Governing public hospitals

- Innovative strategies
- Spain's hospital autonomy
- Hospital governance in the Netherlands and Norway
- Legal forms of hospitals in the Czech Republic
- Nudging approaches in public health
- Addressing health workforce challenges
- Pay-for-performance in the former Yugoslav Republic of Macedonia
- Balancing pharmaceutical policies in Bulgaria

Governance: conceptual dimensions

- Understanding the new developments in state-society relationships
- Perceiving the processes of steering, coordination and goal-setting through which society is governed nowadays
- Discovering the mixed systems (markets, hierarchies, networks and communities) involved in (public) services delivery.

Understanding provider *governance* in health care



Hospital “Governance”

Complex interaction between multiple levels

Multi-dimensional and multi-faceted

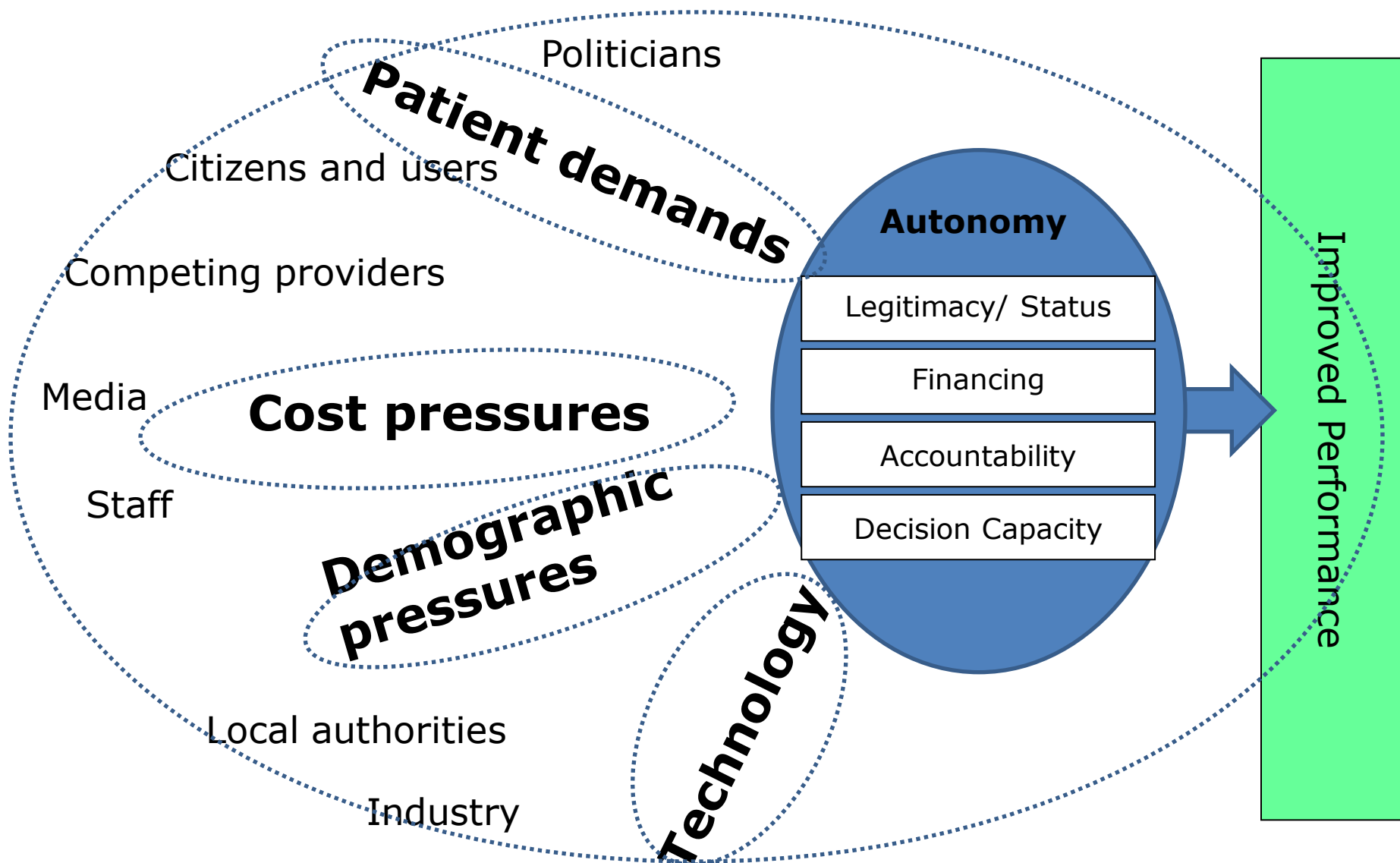
It incorporates:

- *national*: policy, regulation (macro)
- *institutional*: strategy (meso)
- *internal/clinic*: management (micro)

Hospital Governance framework

Attributes	Before	New Emphasis
<i>Status</i>	Political dependence	Autonomy
<i>Organization</i>	Self-sufficient	Networks & Partnerships
<i>Workforce</i>	Corporatist; trade-unions; Civil service	Various status
<i>Style</i>	Command and control	Steering
<i>Goal</i>	Effectiveness and quality of services	Responsiveness (to users)
<i>Accountability</i>	Upwards	Multiple; ethics & standards of conduct
<i>Context</i>	Isolation	Coordination & public leadership
<i>Technology</i>	Information	Intelligence
<i>Boundaries</i>	Facility-based	Flexible boundaries

Serious challenges for hospital management!



No “whim”! Command and control but also traditional management-related tools and ways to run the public sector don't work anymore in this context!

Autonomy

Legitimacy/ Status

Financing

Accountability

Decision Capacity

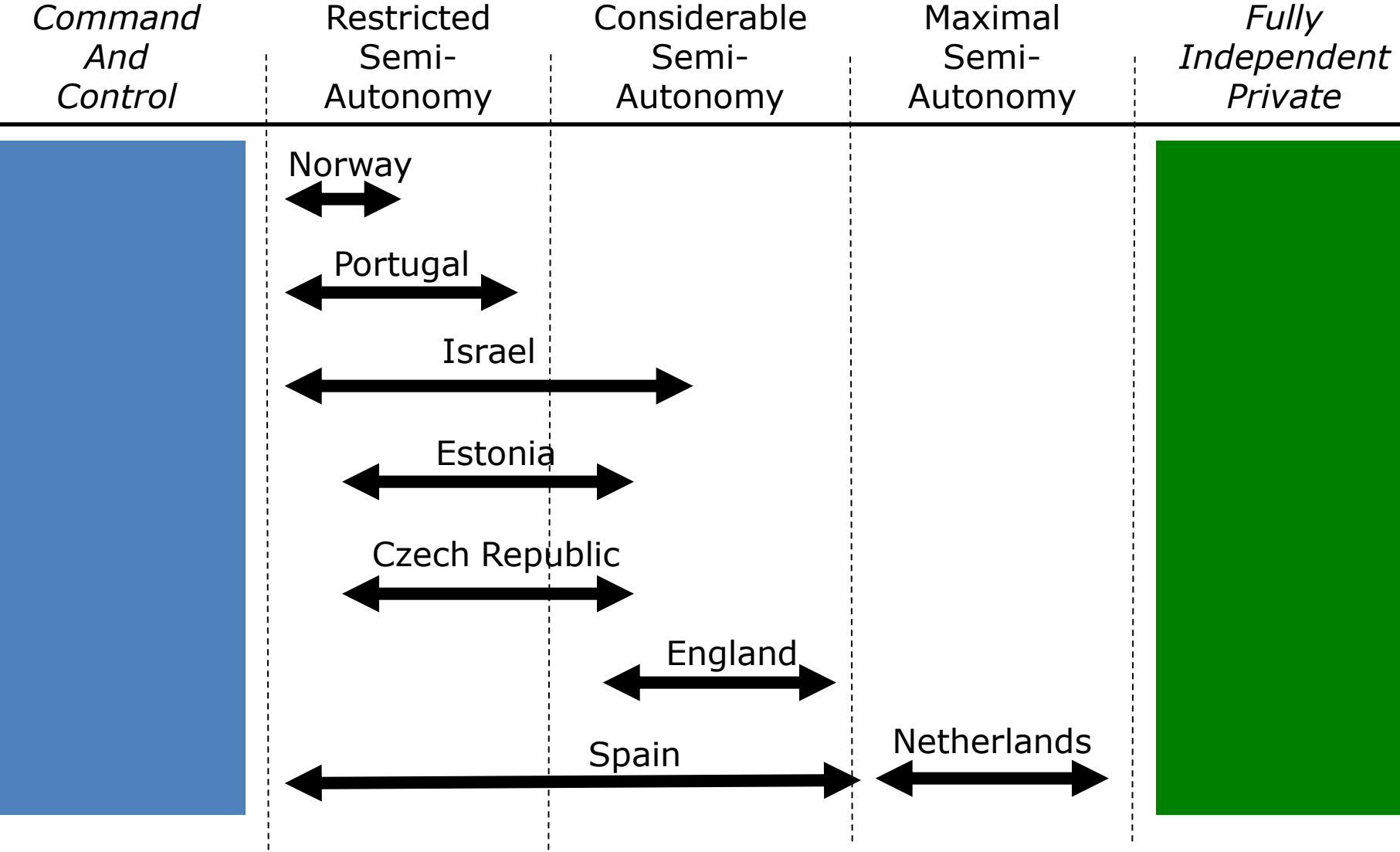
Spain 2011: Hospital autonomy and self-governance

	Public Healthcare Company	Foundation	Consortium	Administrative Concession
Status/ Recognition	Regional law. Portfolio by regional department. Stakeholders: non-statutory staff.	Secondary legislation Some decisions on services portfolio. Stakeholders: non-statutory staff.	Agreements with non profit org. Decide on portfolio Stakeholders: non-statutory staff	Contract with private company. Decide on portfolio. Non-statutory and statutory staff
Financing	Capital investment under public procurement law. Budget: unable to retain surpluses.	Free to invest. High volume contracts, procurement law. Cash flow and pay providers. May retain surpluses for reinvestment.	Free to invest. High volume contracts, procurement law. Activity& capitation payment/ cashflow + pay providers. Reinvest surpluses.	Free on sources of capital. Not subject to procurement law. Capitation. Can retain surpluses but annual profit capped.
Accountability	Board chaired by regional minister No patient involvement or reporting obligations.	Board chaired by regional minister. No patient involvement. Accounts registered annually.	Supervisory Board of participating organisations. Local people in the Board. Annual report.	Joint Committee and Commissioner. No patient involvement as such. Annual report.
Decision Capacity Vs Responsibility	High interference. Some freedom for clinical managers. Free internal monitoring.	High interference. Some freedom for clinical managers. Free internal monitoring.	Low interference. Some freedom for clinical managers. Free internal monitoring.	Low interference. Some freedom for clinical managers. Free internal monitoring.

Conceptual issues in Hospital Semi-Autonomy

- No public hospital is fully autonomous
- Private hospitals (including for-profit), although more autonomous, still have to follow state regulation/expectations
- Semi-autonomy is a good tracer variable for meso-level governance
- Semi-autonomy, typically a formal status
- All hospitals (public and private) fit on a continuum of degrees of semi-autonomy

European Continuum of Hospital Governance Strategies



Saltman R, Durán A and Dubois HFW (eds.) *Governing Public Hospitals. Reform strategies and the movement towards institutional autonomy*, Copenhagen: WHO on behalf of the European Observatory on Health Systems and Policies, p 77

Autonomy as a defence from political interference

Country	Self-governing models
Czech Republic	<i>Joint Stock Companies</i>
	<i>Public Contributory Organizations</i>
	<i>Limited Liability Companies</i>
Estonia	<i>Joint Stock Companies</i>
	<i>Foundations</i>
Israel	<i>Private non-for-profit</i>
	<i>Government Owned</i>
	<i>Sick Fund owned</i>
	<i>Private, Sick Fund Major Shareholder</i>
Netherlands	<i>Non-for-profit Private Foundations</i>

Country	Self-governing models
Norway	<i>Regional Health Enterprises</i>
Portugal	<i>Public Enterprise Entity Hospitals EPE</i>
	<i>Public Health care Companies</i>
Spain	<i>Empresa Pública Sanitaria</i>
	<i>Fundación Pública Sanitaria</i>
	<i>Fundación</i>
	<i>Consortio</i>
	<i>Concesión Administrativa</i>
England	<i>NHS Trust</i>
	<i>Foundation Trust</i>

Keeping political interference at bay

Founders/Owners: set up, close, join, and split the hospital + appoint Supervisory Council;

Supervisory Board: nominate Managing Board + approve plans, budgets, investment & structure + oversee activities + sale land & buildings.

Management Board: suggest to Superv. Board + nominate unit managers + set day-to-day rules + decide use of buildings + lead projects.

Unit managers: ensure everyday activities + make investment & development proposals + follow rules on use of resources + report

Hospital Governance: definition

“Processes and tools related to decision making in steering all institutional activity, influencing most aspects of organizational behavior and recognizing the relationships between multiple stakeholders.

Scope: normative values (equity, ethics), results (access, quality, responsiveness and patient safety) + political, financial, managerial as well as daily operational issues.”

“Governance of health facilities”: several dimensions,

- (i) Effective managerial authority delegated/ assigned to the hospital/facility network, plus
- (ii) Managerial capacity, systems and processes, balanced with
- (iii) Results-oriented external accountability + internal control systems to replace traditional centralized administrative control, supported by
- (iv) Incentives for performance for the health care institution and its leading team.

Thank you very much