# Governance and Public Management (Health Sector- Private Hospitals)

Presented by

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### "We Have a Governor"



(Sheikh Mohammad bin Rached Al Maktoum when asked about the secret behind the economic successes of his country- Dubai )

#### Definition of Governance

- Governance, whether public or private has been defined simply as "The General Exercise of Authority" (Michalski, Miller, and Stevens 2001, p.9), where authority refers to systems of accountability and control.
- Elaborating on this idea, public sector governance has been defined as "regimes of laws, rules, judicial decisions, and administrative practices that constrain, prescribe and enable the provision of publicly supported goods and services".

(Lynn, Heinrich and Hill 2001, p.7).

#### Practical Framework

The elements of governance can be linked by a dynamic process which has been termed a "Logic of Governance" (Lynn, Heinrich and Hill) or a "Chain of Delegation" (Loupia and Mc Cubbins 2000).

Consequently we can build an analytic framework which can be used to suggest a chain of interrelation and delegation between different levels of hierarchy, and to integrate findings from various disciplines and fields that would be other wise dispersed.

#### Logic of Governance

(Model developed in Lynn, Heinrich & Hill)

Citizen preferences, interests and needs

Public choice by policy makers : Executive,legislative,judicial

Structures of delegation of authority to subordinates

Discretionary management organization and administration

Service delivery

Outcomes, outputs, results,

Assessments of performance

#### Rule of law

There is a consensus among scholars that governance cannot succeed without the rule of law, which includes lawmaking, its adjudication and its institutional expression.

Einstein has said, "Nothing is more destructive of respect for the government and the law of the land than passing laws which cannot be enforced".

#### Health Policy (Or Strategy)

The role of the state is to establish a national health policy determining:

- 1- The needs of the population in a well researched order of priorities
- 2- The resources available
- 3- The body responsible for execution
- 4- A timetable

The health policy must be revised periodically as needed.

"We believe that the present socio political context may not be favorable for the adoption of an official wide-ranging White Paper that commits the government to a comprehensive health reform plan" (Dr. Walid Ammar DG of MOH, Health System and Reform in Lebanon 2003, preface p.xiv).

#### Choice by Policy Makers

Economics offers a relevant framework for the examination of key issues in health sector.

The interpretation of how best to provide health care within that framework is subject to decision of enlightened policy-makers.

In Lebanon, decision-making processes are fragmented and disseminated among different agencies providing different coverage for the population (MOH, CNSS, Coop, Army, ISF, Private Insurances).

This had led to a bizarre situation where we have different understandings for the same issues. Examples are abundant.

#### Structures of delegation of authority

Public administration in Lebanon is plagued by political interference and favoritism.

Competent employees are advised sometimes not to be overzealous and politically backed subordinates cannot be sanctioned by their superiors for wrong doings.

Traffic of influence is common with often occult relations.

This sadly confirms a concept defended by some scholars who contend that civil servants never serve the state, but instead pursue only their own rational self-interest, which in turn is fuelled by a greedy private sector prepared for unlawful behaviors in return for an easy profit or a quick fix.

#### Discretionary management

Historically, many attempts have been done to reform the public administration in Lebanon. None was successful and any new attempt in the foreseen future is doomed.

Consequently a health reform must transcend the existing structures by creating an independent body from the private, public and academic sectors.

Example :" Haute Autorité de Santé" in France

#### Service Delivery (Hospitals)

The beds presently available for hospitalized patients are distributed as follows:

Public Hospitals, short stay

beds: 1270

Private Hospitals, accredited by MOH, short stay

beds: 8681

Total beds: 9951

Private Hospitals ,long stay , members of the

Syndicate of Hospitals beds: 4000



#### Service Delivery - Table 1:

Accredited Private Hospitals 2007 (Short Stay)

#### Geographic Distribution

<u>Mohafazat</u>	<u>Number of</u> <u>Hospitals</u>	<u>Number of Beds</u>
Beirut	11	1683
Mount Lebanon	38	3112
Bekaa	17	1216
North	18	1309
South	17	1361
TOTAL	101	8681



## Service Delivery - Table 2: Accredited Private Hospitals 2007 (Short Stay)

#### Geographic Distribution / Category

<u>Mohafazat</u>	<u>A &amp; B</u>		<u>C</u>		<u>D</u>	
	No of Hosp.	No of Beds	No of Hosp.	No of Beds	No of Hosp.	No of Beds
Beirut	5	1313	5	320	1	50
Mount Lebanon	15	1954	10	657	13	501
Bekaa	5	558	7	460	5	198
North	7	709	8	438	3	162
South	3	431	12	815	2	115
TOTAL	35	4965	42	2690	24	1026



# Service Delivery - Table 3: Accredited Private Hospitals 2007 (Short Stay)

#### Capacity / Category

No of Beds	<u>A &amp; B</u>	<u>C</u>	<u>D</u>	TOTAL
< 50	2	18	17	37
From <i>51</i> to <i>100</i>	11	20	7	38
From 101 to 200	17	4	0	21
> 200	5	0	0	5
TOTAL	35	<b>42</b>	<b>2</b> 4	101

#### Service Delivery

Delivery of medical services must be checked by establishing a compulsory Medical Chart ( Carte Sanitaire ) which determines the nature and , if necessary, the importance of the installations and activities of care needed for the population

Unless we can efficiently activate health tourism the present number of available hospital beds can be reduced by 20%.

The proliferation of laboratories and radiology centers must be curbed and they must be submitted to accreditation standards and to a more effective control.

There is a need for a clear policy to control abusive drug import, pricing and prescription.

OVERSUPPLY AND THE ABSENCE OF EFFECTIVE STATE CONTROL HAVE LEAD TO CONTROVERSIAL BEHAVIORS.

#### Outcomes, Outputs, Results

Despite all the persistent difficulties, the population in Lebanon still enjoys cheap and good medical care in the hospitals.

A controversial report by the World Health Organization (WHO) published in 2000 based on inaccurate data collection and truncated conclusions has stigmatized health care in Lebanon as expensive and low ranking on a comparative scale with other countries.

Though we publicly challenged its results on many occasions unfortunately the damage persisted because of some politicians citing it frequently without any real comprehension of the indicators used and the resulting numbers.

#### Table -1- Cost of Hospitalization in Lebanon

(Compared to France)

Total Hospitalization cost in Lebanon per year (USD)*	Cost per capita (USD)	Total Hospitalzation cost in France per year (USD)**	Cost per capita (USD)
600 000 000	150	90 000 000 000	1500
GDP Lebanon (USD)	Hosp. Bill / GNP	GDP France (USD)***	Hosp. Bill / GNP
20 000 000 000	3%	2 223 000 000 000	4%

<sup>\*</sup> MOH: 140 Million USD, CNSS: 160 Million USD, Coop, Army, ISF...: 100 Million USD Private Insurers and health schemes: 150 Million USD, Out of Pocket citizens: 50 Million USD.

<sup>\*\*</sup> Website MOH Fance, for the year 2005.

<sup>\*\*\*</sup> IMF

### Outcomes, Outputs, Results

- The private hospitals care for over 400 000 admissions per year (90 % of the total)
- They succeeded in meeting Accreditation Standards put forward by a specialized Australian agency (OPCV).
- The first survey was done in 2001 2002, 43 hospitals out of 136 succeeded in meeting the Standards.
- In 2005 2006 all 136 hospitals were surveyed again and 101 did succeed this time around.

#### Assessment of Performance

"More than 92% of hospitalized patients declared having had no difficulty to be admitted to hospitals, while 6.4% declared having had to wait a long time before being admitted. Only 0.8% declared that they had to go to many hospitals before finding an available bed". (Health System and Reform in Lebanon p. 88)

#### **Conclusion**

We don't have a Governor but we have a resilient, clever, efficient Private Sector

**IMAGINE WE HAD BOTH**