

# CHALLENGES, RESTRICTIONS AND QUALITY MANAGEMENT IN HOSPITAL UNITS FROM ROMANIA

**Elena IANCU**

University of Craiova

Email: elenavisan55@yahoo.com

**Ionuț Cătălin NICA**

University of Craiova

Email: ionutzu\_nik@yahoo.com

## *Abstract:*

*In this article we shall attempt to point out the way the hospital units from Romania are managed in the current context. We are speaking about a difficult economic social context, an insufficient funding of the health system, a precarious infrastructure of hospitals and a legislative that seems to restrict rather than help managers in performing an efficient management. How can possibly a hospital manager forecast, organize, coordinate, train, check and assess or in a different way said, how can a hospital manager fulfil or carry out the five functions of management in the conditions when his autonomy is extremely limited? We shall try to emphasize which the restrictions and challenges are and the managers of these institutions must deal with and what they should do so as to be not only efficient but also effective.*

*We shall also not lastly point out that the implementation of a management system of quality in hospital units from Romania will have to become the main pylon around which the management of these units should be rebuilt or rethought about*

*Keywords: management and strategic autonomy, DRG system, medical efficiency indicators, quality management, organizational culture, rationality*

## **1. Introduction**

Hospital as an organisation of strategic importance for the health of a nation, supposes the existence of an atypical management, if, by comparison, we think of the way how a private organisation is run or managed for instance, where the management team seems to be efficient and their activity to be lucrative.

Before approaching the real issue of management in a public hospital, it is important that we should speak about the property form of hospitals from Romania.

Up to 1992 all hospitals were directly subordinated to the Ministry of Health but this thing has been transferred to the local authority for most of them. High performance hospitals, medical institutions as well as the centres for doctors continuing education are still subordinated to the Ministry of Health.

As soon as some hospitals were subordinated to the local authorities, the town hall or the country council was in charge of appointing the management team and they did not always take into account the professional competency as a criteria of appointing.

Nonetheless it does not matter if the real owner of a public hospital from Romania is the ministry or the local authority, it does not matter the professional competency of a management team because the nature of the real issues that the management deals with, is the same for all sanitary units, health centres and so on.

However, to be able to successfully manage a public hospital, regarding the specific activities that are carried out in this kind of institution, we must take into account that the doctors are the ones who produce and the managers are the ones who manage and that both doctors and managers have to cooperate together.

Thus, we are speaking in here about two power poles, one of medical nature whose main objective is the one of being able to perform the medical service in best conditions and this one must have the expected effect upon the patient's health.

We are also speaking about the administrative pole whose main purpose is to provide the financial, human and material resources so that the medical service can take place.

In this article we shall point out that for so many times what the doctor wants is not in agreement with what the manager wants or just like that the manager does not have what the doctors need, this thing having as a result a real chain of dissatisfactions with direct implication over the efficiency of the whole activity.

## **2. Aspects of Hospital Management in specialty literature**

Unfortunately, there are not so many publications that deal with the management issue in public hospitals from our country but in 2006 an important paper was published. This paper was elaborated by the National School of Public Health and Sanitary Management and its title is: "Hospital Management".

The paper was meant to be as an additional course for those who were to have or for those who have had a managing position in administrating or managing the hospitals from Romania.

Having approached all the aspects of the activities from a hospital starting with the management and the organization of health services and continuing with the management of humane and financial resources; the book proved to be „ the first one” at the moment because it was the first time when hospital management was debated in a two-hundred paper and not in articles from the press.

The book can be described as a radiography of the existent situations in public hospitals at the time, of the structure and the way of organization, having special chapters for the way how a hospital activity can be funded, of DRG coding mechanism for medical services and the performance in health system was included, too. However what we cannot find in this textbook, there are those challenges that the managers of these health units encounter, those issues of legislative and financial nature which the managers have to deal with while performing their activity.

Regarding the challenges met in the Romanian health system we can see that there are some people who took a stand such as the former Minister of Health.

Prof. dr. Mircea Cinteza, the Minister of Health from 2004 to 2005, drew the attention in one article over the fact that excepting the insufficient funding, the health system from Romania lacks a long term vision regarding health: "Health is a matter of national security that has to be funded accordingly.....human resource, medical education, medical infrastructure, and also funding should be the basic parts, where a national health strategy should be founded".

It is true that Romania allocates for health only 5 % from GDP, while EU average is 10% and developed countries such as Germany or France allocates 11 percent for health from GDP.

In addition to the problem of insufficient funding of Romania health system, the issue of the infrastructure is, as important as well.

Although investments have been made in high-performance equipment, in rehabilitations of medical spaces in recent years, the fact that no new hospital was built in our country, taking into consideration that European funds could be used to build new, modern hospitals, this fact clearly shows the inability or the lack of interest from the governors' part to think about a national strategy for health which could rebuild the health system from the grounds.

Professor Beuran, a former Minister of Health only for a few months, being a doctor by profession, in 2003 emphasized the necessity of building new hospitals as following: „the investment in a new hospital must always start when the hospital unit exceeds 30-40 years since it was built. This should be like this because the place where all kinds of virus, fungi, microbes and diseases meet is the hospital and we must keep in mind that there is no panacea disinfectant which can destroy everything, all these microorganisms having the capacity of adapting to humane engineering, having their own way of self-defence and on the base of an inadequate intake of medicine especially antibiotics, the fight with these ones becomes unfair”

The third huge issue of the Romanian health system with direct implications over the management of the hospital units is the migration of human resources.

Although, lately the pay issue of the medical staff has been solved by increasing the salaries for all staff categories from hospitals, unfortunately we can still observe that the trend is the same, health professionals are still migrating. Therefore, they have come to the conclusion that the real reason for their migration is not necessarily the financial one, but it would rather be an accumulation of reasons regarding their valorisation, self-development, decent conditions of work which determine them leave for other countries.

The conclusion we shall finally draw is that it is impossible to implement a specialized management system in Romania at present and that the beginning must be given by implementing a quality management of the medical services as well as the organizational culture which would have as an outcome a change of mentality and a real improvement of hospital management.

### **3. Traditional Administration or Management in Romania Hospital Units?**

In order to exactly know and to totally understand what really happens in public hospitals from Romania, regarding the way these ones are run, managed, checked and assessed we used the "interview" as a research method.

We spoke and gathered information from the people who had managing positions (manager, medical director, financial director, health care director) in different hospital units, by asking a lot of questions firstly trying to point out the challenges these ones face all the time and secondly the restrictions, the limitations that they encounter in some processes and situations such as:

- Managing and strategic autonomy
- Rationality

- Responsibility approach
- Performance evaluation
- Checking

Taking into consideration the gathered information we can classify all the challenges according to resources, processes, inputs and outputs, too, as they are found in the Table 1.

**Table 1**

**Challenges encountered in the activity of hospital units from Romania**

Resources	<ul style="list-style-type: none"> <li>➤ Hospitals function in old buildings, sometimes spread in different places, frequent chaotic, renovations and repairs without solving the problems of functionality;</li> <li>➤ Purchasing medical equipment which is not in accordance with the medical need of the people for whom they are purchased;</li> <li>➤ Insufficient, limited and often badly managed financial resources;</li> <li>➤ Insufficient medical staff with an almost non-existent rotation speed.</li> </ul>
Processes	<ul style="list-style-type: none"> <li>➤ A limited or an almost non-existent concern for a strategic planning;</li> <li>➤ The contracting of medical services is made without a real negotiation of the price, volume or quality of medical services;</li> <li>➤ Financial and budget planning is almost impossible to be achieved, having in mind that the assessment of revenue and expenditure budget is made up taking into consideration the old ones and most of the times before making a contract of the medical services;</li> <li>➤ Monitoring, evaluation and the analysis of the processes are incomplete made and without a conclusion;</li> <li>➤ Decreased, almost non-existent managers' autonomy.</li> </ul>
Inputs	<ul style="list-style-type: none"> <li>➤ Unnecessary hospitalization, without being supported by a diagnosis, considered to be „social needs”;</li> <li>➤ Low productivity both among hospitals of the same rank and similar wards from different hospitals;</li> <li>➤ Long hospitalization periods not in accordance with the complexity of the case;</li> <li>➤ Exceeded diagnosis activity, complex and useless investigations without a medical support.</li> </ul>
Outputs	<ul style="list-style-type: none"> <li>➤ Efficiency indicators are differently read from a hospital to another;</li> <li>➤ The monitory system of the activity results is not taken into consideration when strategic decisions are made;</li> <li>➤ There is no real concern to improve the medical efficiency indicators or the financial ones.</li> </ul>

These are only a few issues that every management team has to deal with in a public hospital in Romania and unfortunately these ones are not the only ones. In our opinion the fact that the hospital manager has a limited autonomy, this is the main issue in implementing an efficient management. Management autonomy supposes a wider freedom in identifying the best solution, in using the resources he has in a more efficient way, and this restriction goes in two main directions:

➤ First of all, when it comes to manage the financial resource the hospital manager is restricted by the "state budget law", for example to use the surplus resources from the operating expenses in investments and the other way;

➤ When it comes to human resources management, here we can speak about the most obvious lack of autonomy, meaning that this management team cannot change the organizational structure of the hospital unit unless it has the approval from the Health Ministry, meaning that they cannot give up medical services that are complete inefficient or they cannot found new ones, right away. This process may sometimes last a few months. We can also add to this situation that they find themselves in the impossibility of moving medical staff from an inefficient ward to a lucrative one for more than two months thanks to a provision of the Labour Code and thanks to a powerful union for this kind of activity.

Strategic autonomy also lacks from hospital units as following:

➤ Developing a development strategy in hospital has to have as a foundation the real need of medical services for people and not other political interests or of any kind, resizing the activity on efficiency and lucrative criteria and not on social criteria ( e.g. redundancies, making some wards to no longer exist, etc.);

➤ The development strategy of a hospital unit must be made up according to a clear goal, this one being the growth of medical services quality.

➤ A hospital manager from Romania cannot substantiate a development strategy for more than a year, because they cannot predict what funds for investments they will have next year or what kind of legislative modifications will appear in their field, predictability not being a specific feature for our nation, asking ourselves why health system should be an exception.

When it comes to **rationality**, at the moment we can say that in hospitals we cannot mention a rationality management based on notions such as: cost, productivity, efficiency, profitability, but instead we can speak about one based on the compliance with the law, with legal norms. Rational is considered to be what or that, that goes with the law, internal norms, specific requirements for everyone's position, without being a real concern regarding the cost of the medical act and implicitly the efficiency of the hospital unit.

We cannot move forward to a rationality management unless **the control system** is changed so that this one should not focus on respecting rules but on getting results. Only a control mechanism, based on a continual feed-back, allows the adjustment of activities in due time so that the best results can be obtained, taking into consideration that there are medical efficiency and economic indicators in hospital, and they are clearly defined and measurable ones.

**Performance** in health acquires a series of particular valences comparing to what performance means for a private organisation, namely a relation among objectives, means and outcomes when it comes to efficiency and productivity.

A physician can consider that he is performant as long as he had a great number of patients in a certain period of time and these ones were treated to the best of his knowledge and they were discharged with a real amelioration for their health condition. The physician will never be interested how much the medicine costs, or what costs a certain medical procedure involves, he is only interested in his medical activity that should not suffer because of lack of money. Performance also means performing some complex interventions, getting some remarkable results by the medical team from the hospital units, efficiency and productivity here being approached only in medical terms.

However, a hospital manager must supervise the activity of the medical unit that he runs and manages. This activity must be completely performant, medically speaking but especially financially speaking. Even if we cannot speak about profit or profitable activity in health, a hospital functions according to an approved budget, with budgetary funds that are insufficient most of the time, with a huge pressure both from the medical staff so that they could be provided with what they need to do their activity in optimal conditions and the pressure from the patients side regarding the quality of the medical act.

Identifying all these mentioned above, we can come to the conclusion that hospitals from Romania are administrated instead of being managed and the present situation how a hospital manager is can be resembled with the one of a person who is trying to row a boat without oars in murky and unknown waters.

#### **4. Why a Quality Management would be the solution for an efficient management?**

The growing demand for health services from the people part, as well as the intensifying competition among the medical services suppliers from Romania, demand a new approach from the specialized units so that the „customer”, namely „the patient” in our case, should be in the centre of any strategy and the quality of the given services should become the main priority. The patients' positive experience comes from the organizations that emphasize they care about clients.

In our Health system, the medical service private suppliers have chosen lucrative fields such as dialysis, ambulatory service, medical scanning etc, and the public sector, generally public hospitals must accept all that cost ,much and not lucrative at all.

Financial profitability is expected especially by the private sector that supposes to have the specialization on certain domains meaning those segments that are the most profitable while the public hospital must cover all the range of health care.

Here we can speak about the profitability reason that the private sector is concerned about versus the solidarity reason that the public sector deals with.

Yet, health organizations came to the conclusion that what makes the difference comparing the medical service provided by private institutions and the public ones is "quality".

The customer, the patient in our case, is the one who will make the health provider implement a certain quality management system and take part in the quality process. The process is complex and it takes a lot of time. It supposes a change of mentality for all participants both from the professional ones and from patients.

If the patient is pleased with the given service then he will be loyal to the supplier of the medical services, in this case the development of a loyalty strategy for the patients become essential so that this kind of organization could be successful. What makes the difference in offering medical service to people is the quality of medical care, taking into account all its aspects, namely:

- Professional quality;
- Patient's satisfaction;
- Total Quality management.

If , when we speak about professional quality we can include here both the professional competency of the medical staff and the supplier's technical capacity of medical service, meaning the hospital, patient's satisfaction includes only the quality of the medical act this one being determined by the rank of the professional quality.

Yet, when we speak about the whole quality management (WQM) in a hospital, we are already speaking about an organizational pattern, an organizational culture, based on three principles:

- Focusing on the patient (customer);
- Permanent growth of quality;
- Teamwork (all participants must involve).

Taking into consideration this pattern of quality in total, we can find in specialty literature a three-dimensional quality model, called „Donabedian Model”, after the name of the person who made it up and it has three dimensions:

- Structure;
- Process;
- Outcome

**Table 2**

**Donabedian Model "Structure-process-outcome"**

Structure/Input	Process	Outcome/Output
-physical structure; -humane resources; -capital/financial resource; -information; -organizational structure; -patients; -resource allocation; -equity	-prevention services, diagnosis, treatment; -provider-patient-compliance; - management; -planning ; -forming; -financial management; -efficiency	-morbidity; -pain and suffering; -patient's satisfaction; -behavioural changes; -provider's satisfaction; -financial/moral gains

Source: Donabedian, 2003

The identification of these three dimensions (Table 2) and of the relations among them, by Donabedian, are the base, the foundation of the quality management system for the medical services, giving the hospital managers the opportunity to identify and to find ways so that they could improve quality for each dimension, all these having as a result the possibility to offer quality services.

**Structure or inputs** include the resources of any nature which the medical service supplier can offer and you can act on them directly so as to improve quality by using staff policy, development strategy, mission.

**Processes** are the ones which can make the difference regarding the quality of the given medical services, in our opinion being represented by those activities that take place between the provider and the patient, the manager's decisions must be directed towards the compliance and the forming of the medical staff for the patient.

Being professional, being the best in giving a diagnosis and treatment has as a result the patient's satisfaction, in this way getting the expected outcomes, or outputs, that are in fact the quality measurement of any process.

There is a whole range of instruments, methods that the managers can use so that they could identify, rank and analyse the issues of the process from hospital units: Process Diagram, Cause-Effect Diagram, Pareto Diagram, PDCA Cycle so as to improve the process.

If we refer to Pareto Diagram we can notice how this one, helped one of the interviewed hospital manager to make certain improvement decisions over the activities in a surgical ward.

After analysing the activity of the ophthalmology ward from the Emergency Country Hospital Slatina, analysis made on the first semester 2019, the next results were:

**Table 3**

**The Number of Medical Discharges Ophthalmology Ward**

Doctor	Medical Discharges	Approved for payment	Not approved for payment	ICM approved cases
Doctor I	148	143	5	0,8958
Doctor II	126	121	5	0,9457
Doctor III	64	61	3	1,0356
Doctor IV	48	48	-	1,0935
<b>TOTAL</b>	<b>386</b>	<b>373</b>	<b>13</b>	<b>0,9572</b>

As can be seen from Table 3, during the first semester in 2019, a number of 386 patients were discharged from the ophthalmology ward from the Emergency County Hospital Slatina and 386 patients were in continuous hospitalization, 373 patients were approved and paid by CAS Olt, the value being 534.954 lei.

Analysing the complexity of the cases of continuous hospitalization (ICM- the index of the case complexity) from this ward, it could be noticed that approximately 20% from the cases were "acute and major eye infection", encoded in DRG group with the code C301, this diagnostics group generating 80% of the revenues from the ward.

According to Pareto principle 80% of the effects are due to a 20% of the causes. The analysis was done by the hospital manager together with the ward management ( the chief ward doctor) and the conclusions were the following:

- 80% from the incomes of the ward were due to a small number of cases (20%) whose hospitalization was justified taking into consideration the diagnostics code of the disease;
- Over 70% from the hospitalized patients on the ward did not need continuous, hospitalization because their medical problems could have been solved ambulatory;
- The „forced” hospitalization of these patients cost the ward more than half of their incomes of that semester;
- Analysing the efficiency medical indicators and the economic ones , the conclusion that was drawn, was that this ward has a small number of patients who need continuous hospitalization and the ophthalmology ward tends to become an ambulatory one, rather than hospitalization.

The management decision that was made in the hospital, was the one of reducing the number of beds from the analysed ward, taking into consideration the ascending trend of the number of patients and the one of redirecting the cases to the outpatient clinics from the hospital because the patients did not need continuous hospitalization, excepting a few cases.

This management decision had a direct impact in increasing the patients' satisfaction who could solve their ophthalmological issues in a short time, without being obliged to be hospitalized and at the same time the costs of the ward decreased and the efficiency of their activity increased.

Therefore, there are methods that can be used and must be used by the management teams from hospitals so that quality should become a constant concern and efficiency a consequence of a well-made medical act.

The quality management in health is a permanent process where all the participants from the medical service suppliers market should take part in. It is obvious that this participation is not compulsory. The one who can determine or even compel the medical service supplier to take part in this complex and most difficult process is: the patient himself.

Starting with 2017 in Romania an organisation was founded whose main purpose is the one of ensuring and of permanent improving the quality of Health Services and to be able to keep the patient safe, namely ANMCS- The National Authority of Quality Management in Health.

This one changes somehow the culture from health organisations by standardizing and assessing the medical services. The organisations that do not comply with this standard system, risk losing the accreditation of their activity which has as a result funding ceasing and finally insolvency.

## 5. Conclusions

In this article we managed to speak about only a few challenges that the managers from public hospitals from Romania deal with and the fact that they lack management autonomy has as a result that the management act itself is hardened more.

Taking into account all these challenges, in addition we can speak about the latest legislative modification according to which the market for medical services from Romania is free, capitalized.

In other words, there are private hospitals now, hospitals that are trying their best to have more patients, patients who went only to public hospital until 2007 because they could benefit free charges according to their health insurance and at present they can go to public hospitals in the same conditions.

Thus, we can consider this moment as being „the most challenging one” because, having in mind that the competition among the medical service suppliers increased a lot and knowing what private hospitals and private clinics can offer to patients, we can say that a great number of public hospitals will decline if they are not efficiently managed.

Patients’ migration to the private zone will produce a major imbalance on the medical services market from Romania with a direct impact over public hospitals because fewer and fewer patients will go to them and accordingly the budget deficit will be bigger and bigger. Consequently, taking into account quality as a desideratum, the necessity of a management that must rely more on the outcomes and less on means, would be not only possible but also preferable to be used and applied in our public hospitals, having in mind that there are premises for this thing.

They work according to contractual agreements with assumed indicators, through management contract , quantifiable indicators which can be checked and they can be the base when decisions are made by management, these indicators being not only of medical, economical, financial nature but also of quality one. Of course, the appointing of a professional proficient, management team in hospitals, is more than obvious.

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