

# **Does size matter? What's the future for hospitals in health systems?**

***Getting It Right First Time, For Patients***

**EUROPEAN HEALTH PROPERTY  
NETWORK, 2019 WORKSHOP**

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# **Structure of the presentation**

1. (and 5) Sinopsis; possible questions for a final Q&A
2. Clarifying “definitions”
3. Policy backgrounds and mistaken models of care
4. Important concepts for the future: Roles and capacities of hospitals

**What do you think?** You might want to think about the particular issues below from your own jurisdictions. We will come back to prompt discussion and questions later on.

1. What is the solution for **small hospitals** - who owns them, who governs them, what they are for, how they network with the rest of the system?
2. Accelerated concentration of **specialized hospital services**? Is that trend at an end?
3. What would you do in relation to **secondary and tertiary care** in your part of the world?. Starting with a blank canvas, what would you build and how would you pay for it?

Program of the Meeting: (A big “elephant in the room”): the **size of and future for exactly what?**

Confusion about ***what a hospital is***

**Categorizations** are often by **attributes** (arguments from correlation, not casualty),

- e.g: "Places where the most severely sick people go",
- The number of beds

Most ***definitions are ad hoc*** (no *explanatory* elements)

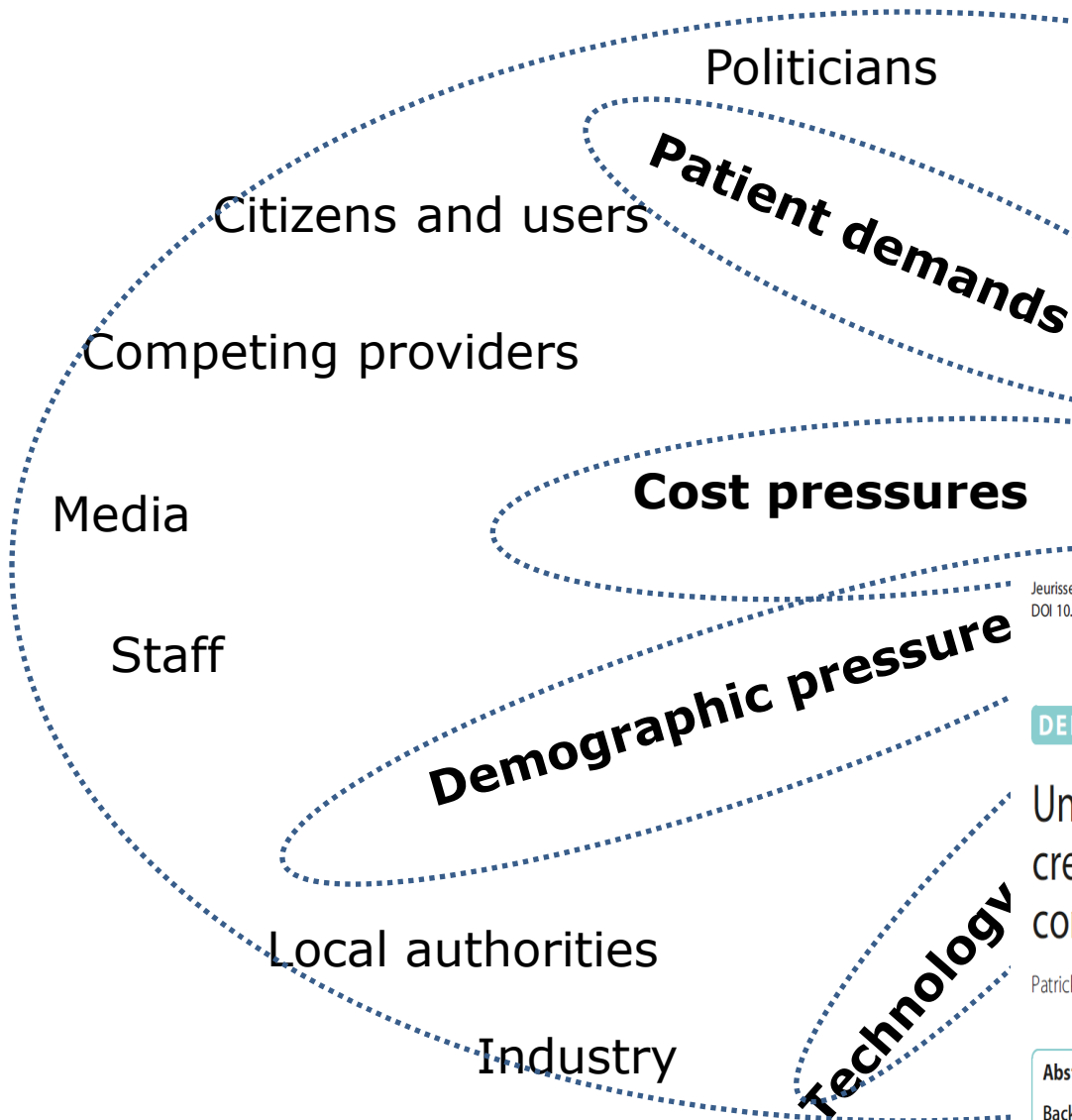
**Oxford English Dictionary:** "An institution *providing medical and surgical treatment and nursing care for sick or injured people*"

**WHO:** "Health care institutions *that have an organized medical and other professional staff, and inpatient facilities, and deliver services 24 hours per day, 7 days per week*"

**Center for Global Development,** 2015: "A healthcare facility *that provides inpatient health services with at least 10 beds and operates with continuous supervision of patients and delivery of medical care, 24 hours a day, 7 days a week*"

**Miller,** 1997: "An institution which *provides beds, meals, and constant nursing care for its patients while they undergo medical therapy at the hands of professional physicians. In carrying out these services, the hospital is striving to restore its patients to health*"

# Beyond traditional hospital running



## Governing Public Hospitals

Reform strategies and the movement towards institutional autonomy

Edited by  
Richard B. Saltman  
Antonio Durán  
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25  
Observatory  
Studies Series

Jeurissen et al. *BMC Health Services Research* 2016, **16**(Suppl 2):168  
DOI 10.1186/s12913-016-1389-3

BMC Health Services Research

DEBATE

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Uncomfortable realities: the challenge of creating real change in Europe's consolidating hospital sector

Patrick Jeurissen<sup>1,2\*</sup>, Antonio Durán<sup>3</sup> and Richard B. Saltman<sup>4</sup>

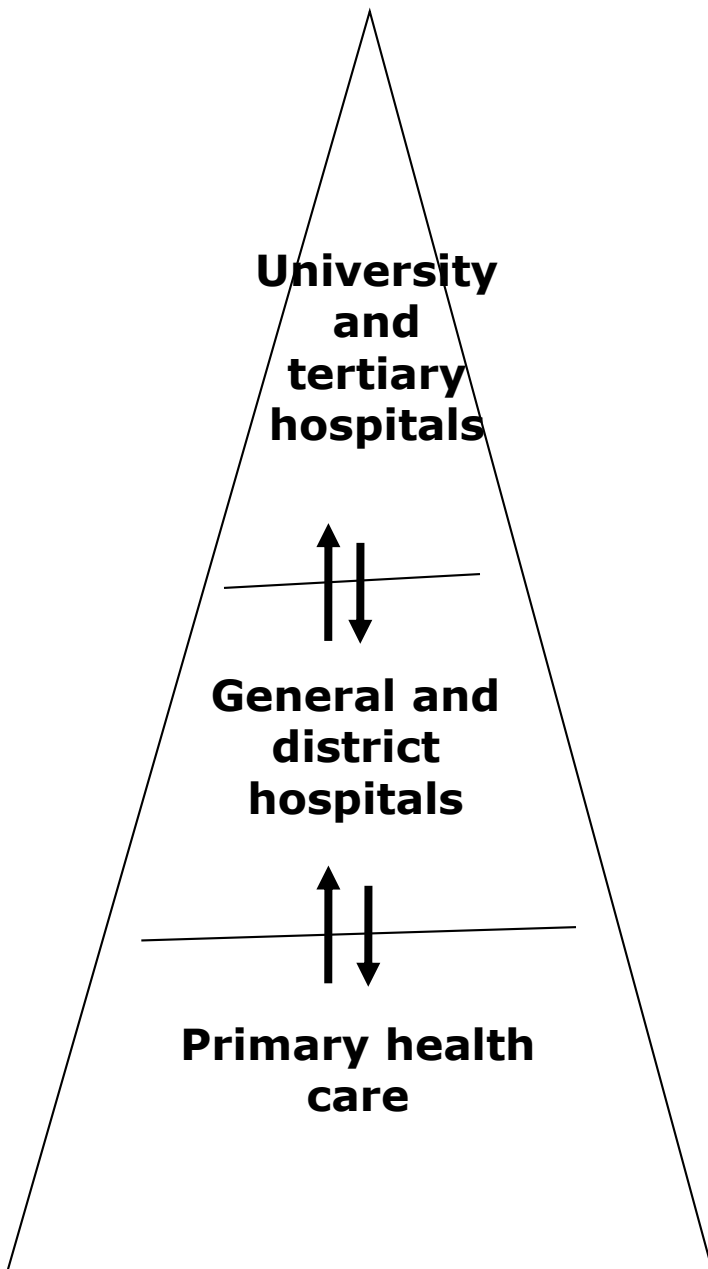
### Abstract

**Background:** This article examines uncomfortable realities that the European hospital sector currently faces and the potential impact of wide-spread rationalization policies such as (hospital) payment reform and privatization.

**'Very complex systems  
scarcely understood,  
extremely expensive and  
filled with inefficiencies'**

Kopach-Konrad, Lawley M, Imran Hasan C, Chakraborty S, Pekny J,  
Doebblening BN, 2007, Applying systems engineering principles in  
improving health care delivery, *Journal of General Internal Medicine*  
22(Suppl. 3), 431-437

***In one Central Asian  
country, 34 categories of  
hospitals with same  
equipment and same  
activity profile!***



Couffinhal A, Duran A, Moreira L, Moreno A, Nurgozhayev A and Socha-Dietrich K, 2017,  
Review of the Health System of Republic of Kazakhstan, Interim Report, OECD, Paris, p.105

When compared with the global average, patients in Africa are **twice as likely to die after surgery**.

Complications occurred in 1977 of 10,885 patients, and 239 of 11,193 patients died. Infection was the most common complication (1156 of 10,970 patients), of whom 112 died.

\* *African Surgical Outcomes Study* -cohort study of patients >18 yrs undergoing any inpatient surgery in 25 African countries from February to May, 2016

Bicard b et al, 2018, Perioperative patient outcomes in the African Surgical Outcomes Study: a 7-day prospective observational cohort study, The Lancet Volume 391, No. 10130, p1589–1598, 21 April 2018



Globally, 1bn women would not get the urgent care they would need in the event of complications with a pregnancy

***Nine in ten people living in developing countries do not have access to safe and affordable surgical care.***

# **Often not easy to clarify what exactly messages on hospitals deal with;**

- (i) all hospitals in all health systems;*
- (ii) public hospitals in publicly funded health systems;*
- (iii) modified /re-structured/ semi-autonomous publicly owned hospitals in tax-funded health systems;*
- (iv) privately owned-not-for-profit hospitals, and/or*
- (v) for-profit hospitals*

# ***In practice, the word hospital includes***

- From small rural facilities to large university clinics, small community centres and giant complexes;
- Several ways for each hospital to be governed, organized;
- Drastic between- and within- countries variation of in-patient and outpatient services mix;
- Ownership by public authorities (national, regional or municipal), operation by government or quasi-independent entities, profit or non-profit objectives.

# **Why such *vacuum of knowledge*?**

Few texts have clear judgements about what hospitals *should and should not do* – within contexts;

Poor understanding of present and future *functions* of hospitals in the health systems, of *core institutional dynamics*, and of how they should be *governed, structured, paid*, etc.;

What part in avoidable mortality and morbidity would be due to hospitals has scarcely been studied.

# **Part of the problem seems linked to mistaken policy considerations...**

*Global Health dialogue* has "moved away" from hospitals -almost always presented as a *problem* ("too costly", "too powerful", etc.) in almost confrontational style.

Some in the health policy community: "*public health and primary care are all that matter*", challenging hospitals' very existence.

Although enormous *potential for change!!*  
Hospitals are: 1. biggest resource users, 2. may obtain unclear returns and 3. source of inequities linked to access and continuity of care, 4. many deliver high cost and insufficient quality services, scarcely accessible.

Hospital wastage is *economically and ethically unacceptable* given resource scarcity problems (but inefficiencies also affect other sectors!!)

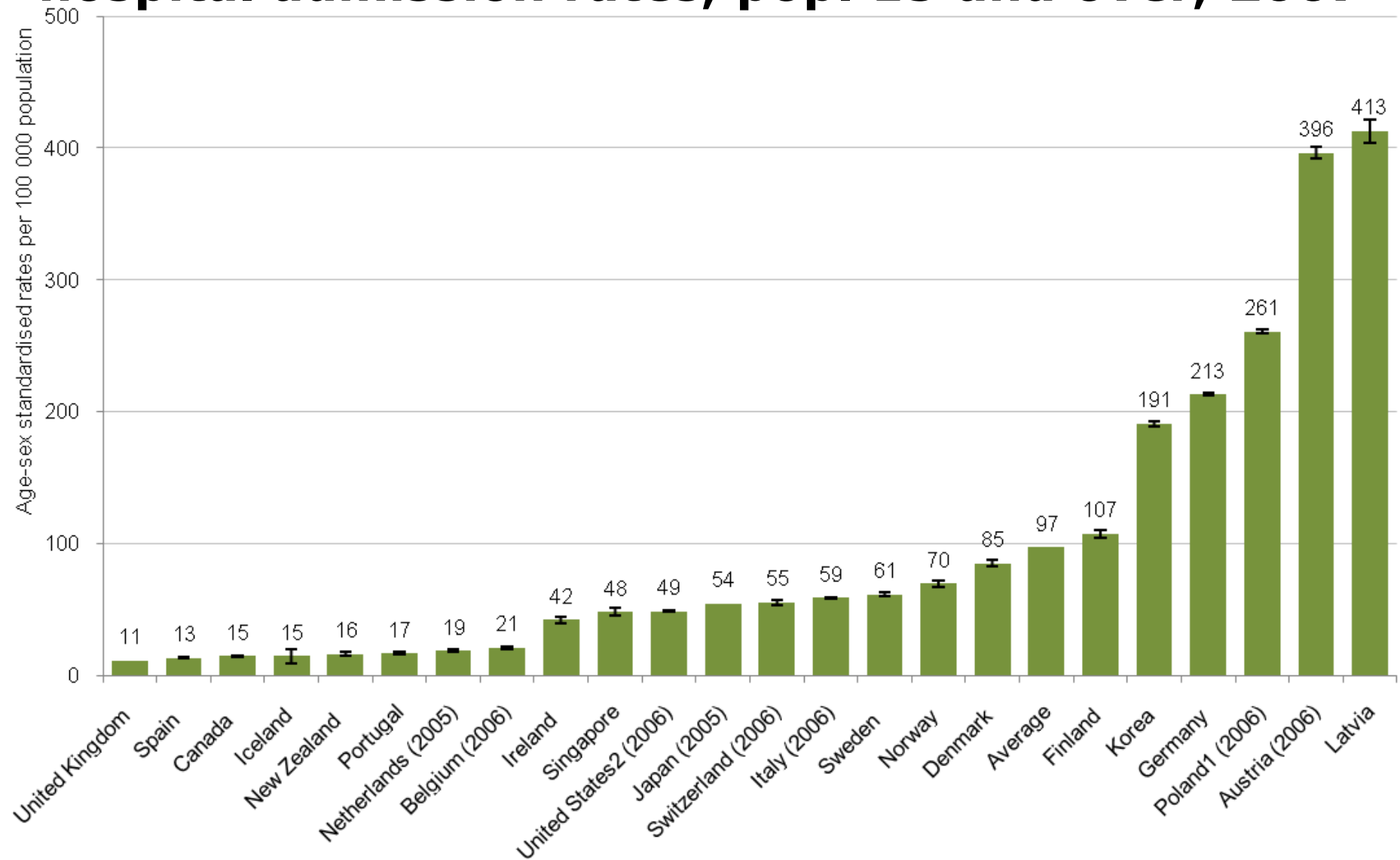
Why the health industry has not articulated (let alone captured) the widespread productivity benefits of new technologies, especially in terms of affordability permitted by “disruptive innovations”?

Christensen, C. 2009, 'The Innovator's prescription. A disruptive solution for healthcare' (New York: McGraw Hill)

(Steve to come down to this in a short while)

Although societal response reflects high esteem  
*(people worships hospitals when disease hits)...*

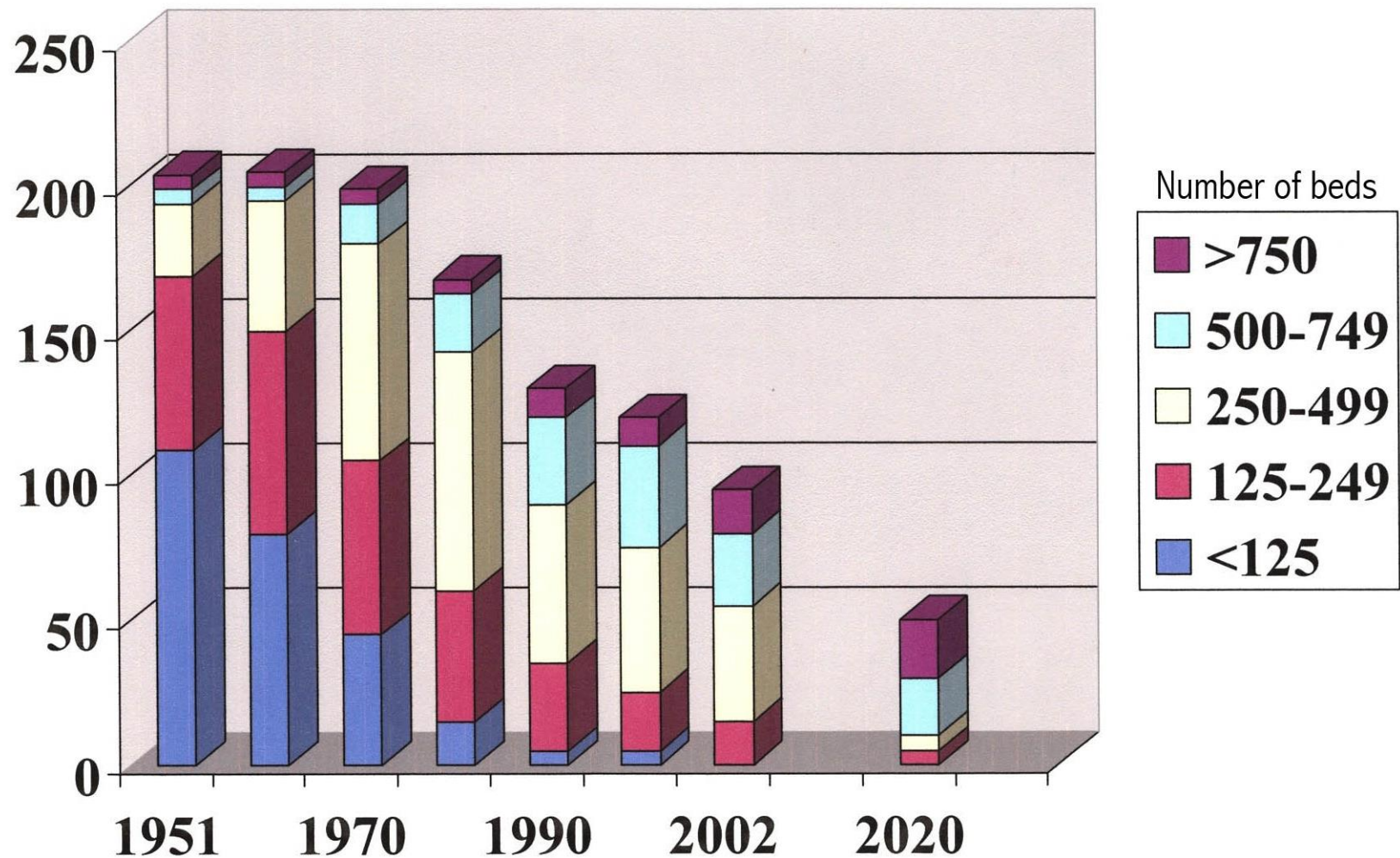
# Professional practice includes enormous “accepted variations” –e.g. Hypertension, preventable hospital admission rates, pop. 15 and over, 2007



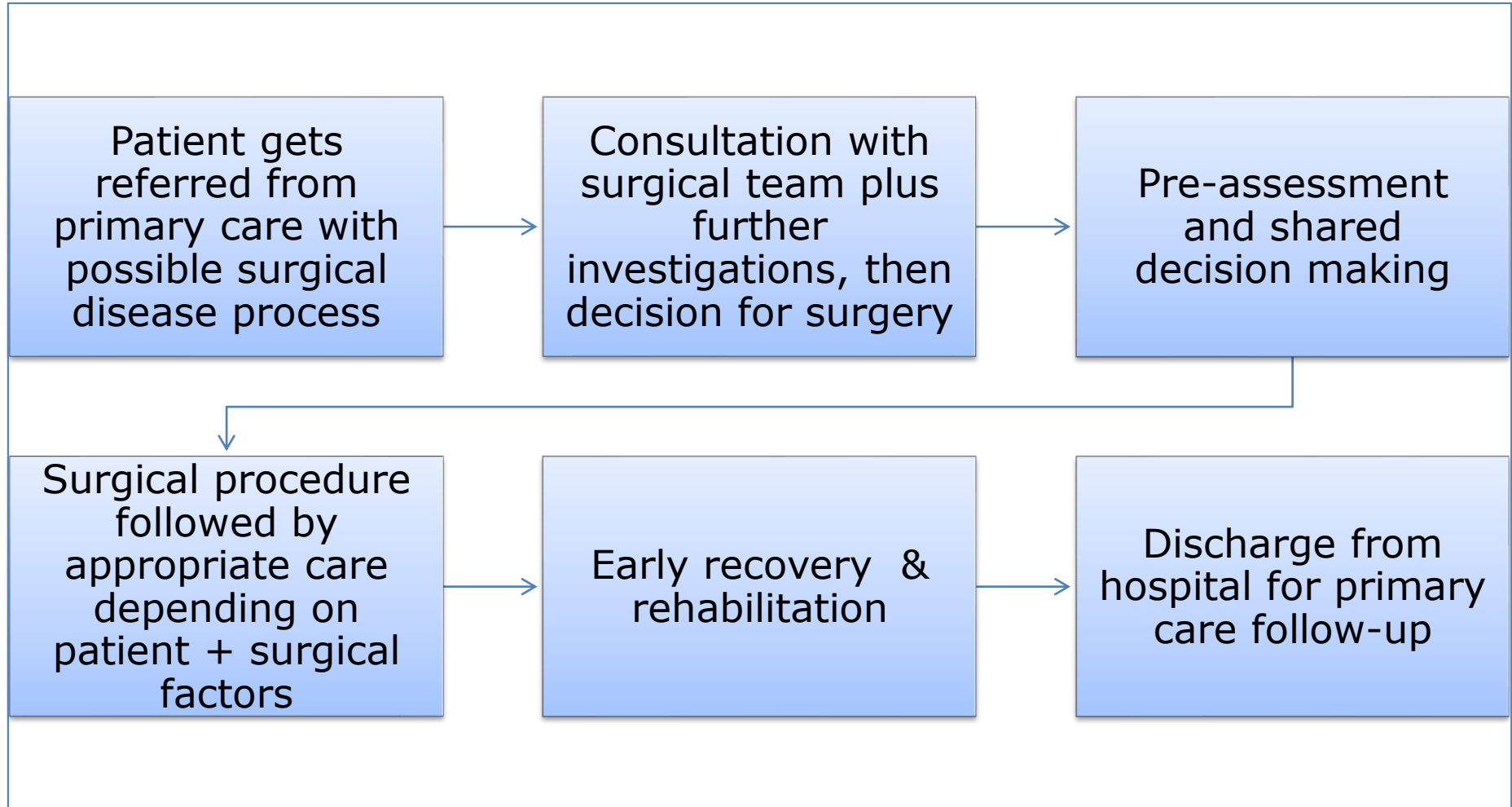
Source: OECD Health Care Quality Indicators Data 2009, OECD, Paris.



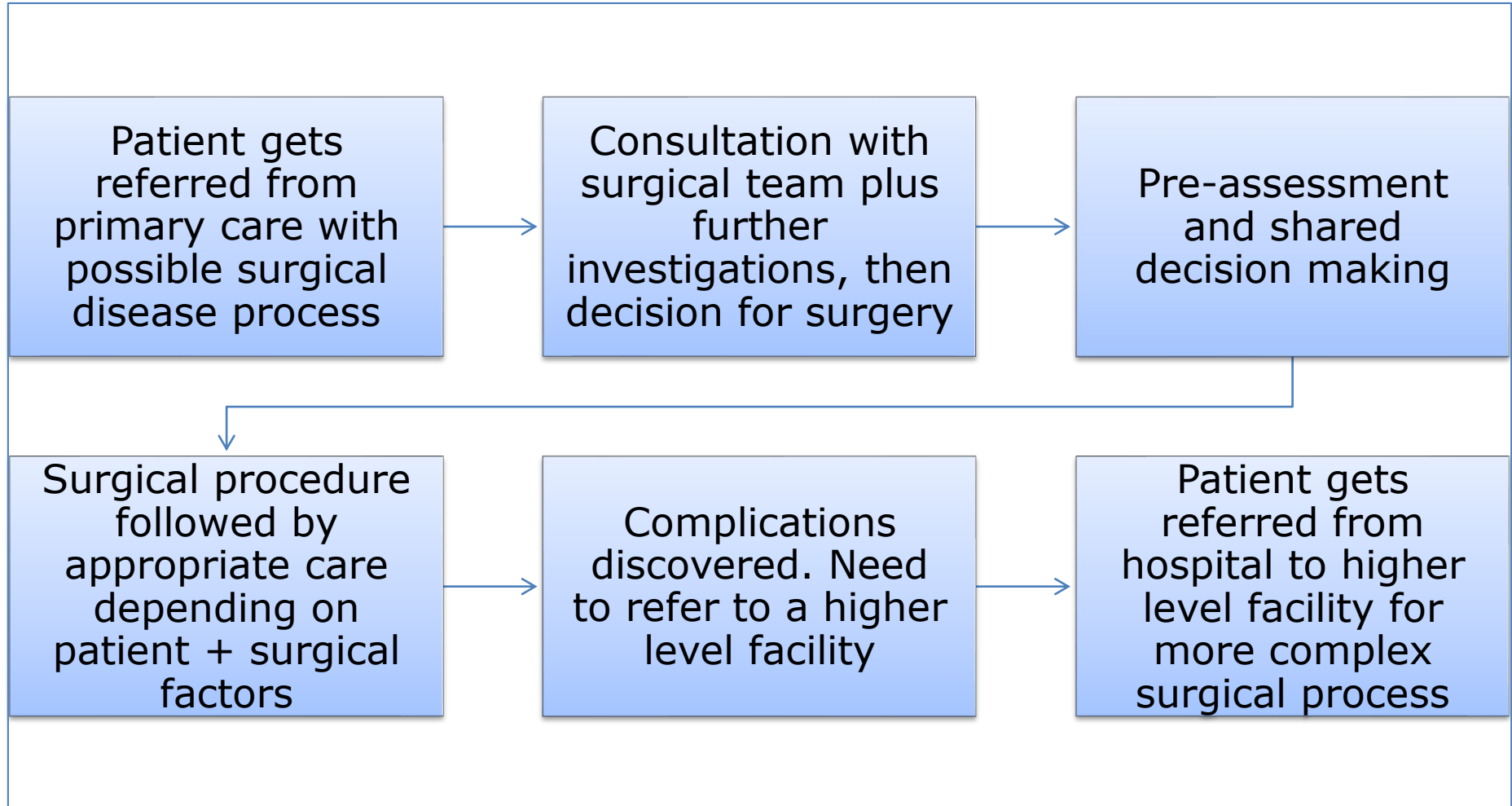
# General hospitals in The Netherlands 1950-2008



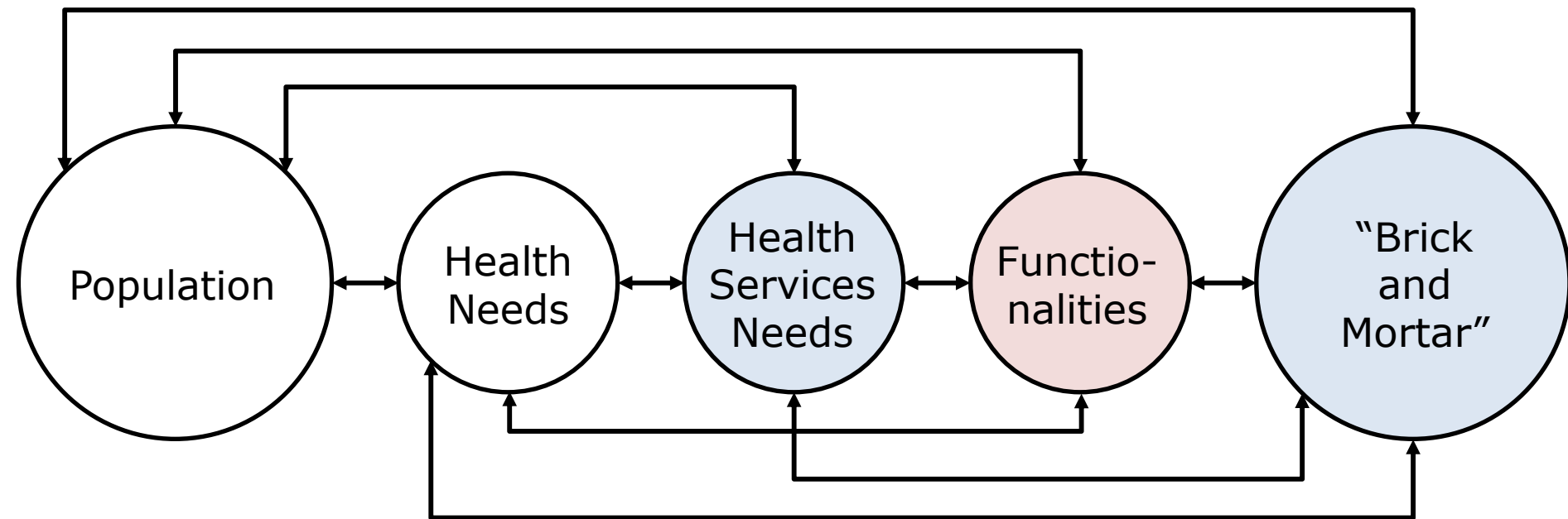
# Exploring Patient Pathways/ elective surgery (1 of 2)



# Exploring Patient Pathways/ elective surgery (2 of 2)



# Macro governance, models of care and business models beyond building facilities



## Governance

Social license to operate/ Regulatory arrangements

## Business Models

The economic arrangements

## Models of Care

The physical models & processes

## Public-private

A spectrum of  
ownerships

## Payment Mechanisms

## Decision-making

Geographical variations

U.S.

Europe

E.M.

FSU

**Role of hospitals;** based around their *governance, business models and systems, and institutional models of care. Contingencies of ownership and payment mechanisms* also count, and all should be put together by reflecting on *decision analysis*.

**Hospitals combine qualified staff, technology and asset-specific investments** (physical capital) as institutions and facilities. ***It is this that enables the hospital, as an institution and a facility, to produce care in a way that other arrangements cannot do, or not as efficiently*** (as a result of clinical or resource economies of scale and/or scope)

**Real capacity of a hospital: its ability to do work**, not determined on the basis of just one parameter.

**Hospitals are complex dynamic systems**, and *pose a system modelling problem*.

**Impossible to state or even calculate what the “capacity of a hospital” *per se* actually is in the current state of knowledge** (so how much of it to build or maintain?)

## ***Final messages; so what?*** (1 of 3)

- ***The hospital isn't going, and shouldn't go, away***, for very good reasons (its delivery of specialized care will remain critically important now and in the foreseeable future).
- The topic requires **disciplined, pragmatic debate** on core issues of private and public health systems and hospitals.



## ***Final messages; so what?*** (2 of 3)

- Focus on **options/ alternatives** in response to challenges in particular areas, suggesting partial solutions -understand the knowledge, resources and technology **which society needs and other providers do not have.**
- **Clarify the current position hospitals find themselves in and why** (cannot just count on traditional powerbases and will not remain the natural centre of future action).

# ***Final messages; so what?*** (3 of 3)

- Need to **find the role hospitals have to play and what should happen within their walls and how;**
  - in what way resources generate value;
  - how they are *governed* within the health system; and
  - The required *public-private balance of resources and guidance tools*.

*Decision analysis* **about the challenges hospitals confront:**...more by Steve next...

***Thanks very much***