

Health Sector Reforms & Change Management

Stimulating Our Thinking. Focusing Our Discussions

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Change Management for Health System Reforms: Stimulating Our Thinking. Focusing Our Discussion

- 1. What are the most important obstacles to meaningful change from health sector reforms?*
- 2. When reforms have been implemented, what are the most important indications that the reforms have been successful?*
- 3. Given the opinions regarding reform obstacles and indicators of success, what are the most important Reform Strategies that most countries need to consider in their “Master Policy Development”?*

Each of these questions should be answered by the policy reform leaders.

Lessons from several other countries can be used to guide a discussion of the challenges for international health policy reform management.

To support successful policy reforms, many health sector organizations will need to change the behaviors of their organizations. This requires a change in the behaviors of the leaders of these many stakeholder groups. Successful policy reform is, therefore, very much related to classic change management strategies.

Modern insights into change management are addressed in the attached paper entitled: “**Understanding People’s and Stakeholder Group Response to Change**”

1. Obstacles to Successful Health Sector Reforms:

Most countries in the world are trying to improve the performance of their health sectors. Unfortunately, these reform efforts often face many obstacles to success. Change champions and managers must engage the leaders of all key stakeholder groups to define practical ways to remove, reduce, and/or work around these obstacles. An action plan for each obstacle is needed. A vision of the positive benefits from the change involved with the reform must also be defined and communicated in ways that gain support and ownership of these benefits by each of the stakeholder groups’ leadership.

1. The political leaders lack agreement on how to measure the results or goals of our reform.
2. Policy makers lack experience designing new, macro health financing systems.
3. The reform goals are not clear enough.
4. Policy makers lack leadership continuity and have too much changing of policy leaders to yield consistent and stable policy.
5. Weak economy frustrates the ability to rely upon market forces to bring better health sector performance.
6. Policy makers do not have a formal plan to design then implement needed reforms.
7. The citizens expect all health care to be provided free by The National Government.
8. Public impatience for fast improvement does not allow enough time for phased implementation.
9. Policy makers lack good cost data to guide new methods of hospital and physician payments.
10. Policy makers do not have good computer information systems for needed new health insurance programs.
11. Policy makers cannot afford needed new medical technology to improve the quality of our health care.
12. Lack of experience in building political coalitions for policy change.
13. The physicians are too concerned with increasing their own income to help reform the overall system.
14. Policy makers spend so much money on hospital care, they cannot spend enough on primary care.
15. The budget and finance officials do not allow use of money from taxes on alcohol and tobacco to help support health sector reforms.
16. Policy makers are trying to decentralize financial burden from the State to local municipalities that are not yet ready for such responsibilities.
17. Policy leaders are too nervous about reelection to implement the needed, but difficult reforms.

18. Reforms are not focusing enough attention on lifestyle changes among our citizens, e.g. stop smoking, weight loss, fitness.
19. Hospital managers are unwilling to change their practices.

2. Indicators of Successful Reforms

Many health sector leaders are not clear about how to determine if their health sector reforms are actually accomplishing anything important. What is your reform leadership team's opinion about practical indications that the reforms are successful, or at least are accomplishing something valuable? Of the following possible indicators of successful reform progress, which ones are the most important? Many of these benefits from reform must be captured in your "Case for Reform" or in your vision of why the reforms are valuable.

1. People are willing to improve their lifestyle for better health status.
2. Physicians are prepared to reduce patients length of time in hospital.
3. Hospitals improve the quality of diagnostic and treatment services.
4. Polyclinics know their detailed costs of each service.
5. Hospitals know the detailed costs of each service and department.
6. Health status of the population is improved.
7. Physicians increase use of home care.
8. Polyclinics improve the quality of their services.
9. People have annual choice of their primary care physicians.
10. People have annual choice of their specialist physicians.
11. General practitioner doctors have more control over referrals to specialists and hospitals.
12. Health insurance companies purchase health services on a per capita basis for a full range of hospital and polyclinic services.
13. People are willing to pay something from their pocket to be a member of an integrated system of high quality physician services.
14. People are more satisfied with the performance of the health sector.
15. Detailed data on service utilization and forecasted demand is available by type of service and by age/sex subgroups of the population.
16. Shared medical record is available for both hospital and polyclinic care.
17. Large percent of physicians are in private practice clinics.
18. Improved continuity of care by primary care physicians following patients into hospital.
19. A new generation of managers exist to do new financial management and risk management within the health program.
20. Physicians are more satisfied with their income.
21. The economy improves so more money is in the health sector.
22. More money is invested in health promotion and health education programming.
23. Hospital leaders close unneeded beds and hospitals to save money for polyclinic care.
24. New medical cost standards exist to guide quality of services in polyclinics.
25. Health care workers are paid bonuses for improved service quality and cost effectiveness.

3 Reform Strategies:

Of the following possible strategies to accomplish meaningful health sector reform, which ones are more important than others? For each of the following potential strategies of reform, some may be more important to you than others. Your change management plan must include many of these strategies if you hope for success in your reforms.

- Allocate more money from national budget into health sector.
- Increase taxes on tobacco and alcohol and dedicate to health sector budget.
- Establish new health insurance company owned by central government with ability to tax employers/employees.
- New laws to privatize hospitals
- New laws to enable private practice by physicians
- New laws to enable private health insurance companies to compete with government insurance.
- New laws to permit “performance based payments” to physicians and hospitals, e.g. “points” or “DRGs”.
- Decentralize control of health care delivery to local municipalities.
- Implement patient co-payments on service costs at the point of service delivery.
- Define Ministry of Health main roles to include health status research, goal setting and performance evaluation of service delivery, not central budgeting.
- New laws for “bond financing” to attract capital into the health sector.
- Encourage leasing and management of hospitals by private corporations as way to improve performance.
- Pay providers on per person per month basis to encourage more cost effectiveness.
- Improve training opportunities in health economics and management.
- Increase the effectiveness of our health institutions’ managers with new economic incentives/bonuses.
- Improve patient satisfaction with better health provider clinical and customer service quality.
- Spend more money on public health and disease control programs.
- Increase physician performance by encouraging them to work in a private practice.
- Improve physician education and training.
- Assure that every citizen has easy access to basic public health education.
- Invest more in diagnostic medical technologies.
- Assure that every citizen pays at least some portion of the cost of care at the time the service is delivered.
- Train and develop more primary care physicians.
- All citizens, regardless of economic class, should get free health care services.
- Expand the role and training of nurses.
- Control our national budget for health so it does not increase faster than the rate of inflation.
- Improve the quality of and access to reasonably priced pharmaceuticals.
- Publish patient satisfaction survey scores on all hospitals in the newspaper.
- Offer national awards for excellent hospital and polyclinic services.
- Allow public hospitals to reduce its workforce and avoid civil service restrictions.
- Decrease the number of hospital beds at most hospitals.
- Encourage more competition among physicians to better satisfy their patients.