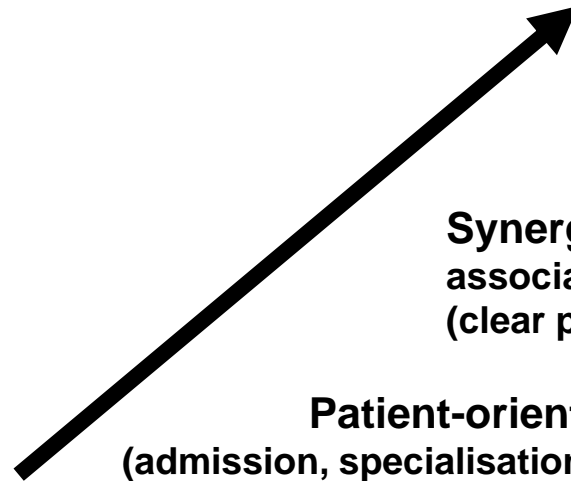


DEVELOPMENT PATHS FOR HOSPITALS ISSUES OF A GROWING STAGE OF AUTONOMY

***Untapped potential
for improvements:
more autonomy granted
under state supervision***

= Autonomy is a MUST



**Forward/backward linkage to
better manage patients flow
(care quality & cost-efficiency)**

**Synergy effects of
associations-corporations-networks
(clear patient care strategy, economies of scale)**

**Patient-oriented care delivery
(admission, specialisation, clinical guidelines, incentive for day care)**

***Today's limited
improvements :***

**Reduce indirect costs of care
(support services: laundry, catering, transport, G & A)**

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EPOS Health Consultants in
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EXPECTED BENEFITS FROM GROWING AUTONOMY FOR HOSPITALS

Sharing infrastructure costs

- **Combined staff management**
- **Shared diagnostic equipment**
- **Single IT systems**
- **Better supervision by state**

Using the overall size of organisation in the «market»

- **Stronger position in contracting**
- **Better attraction of the best staff**
- **Access to capital funds made easier for bigger investments**

Improving supply management

- **Pooling of purchases**
- **Standardisation of supplies**
- **Streamlining of supply management under national rules**

A new process for patient care

- **Step towards shared medical data**
- **Referral system for better care**
- **Clinical guidelines introduced then monitored and improved**
- **Better overall quality management**

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STRATEGIC PLANNING IN HOSPITALS (October 2008)

ADMINISTRATION

OR

MANAGEMENT

Complying with rules before all.....

Rules only as background for action...

Legal

Strongly regulated environment
(budget, staffing, services, investments, procurement)

Less regulations in a healthcare “market”
(hospital=competitor optimizing its assets & budget)

Economic

Economic security and stability
(more patients=more funds)

Economic risks from additional activities
for procurement, investment decisions

Medical

Treatment of patients who are referred
 (“waiting attitude”)

Hospital looks for more patients &
referring physicians for networking

Financing

Unwritten universal contract with the payor
(state-funded purchasing)

Individual contracts with selected payors
(insurance, contracts, packages of services)

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PATHWAY TOWARDS GREATER AUTONOMY: OPERATIONAL FRAMEWORK A COMMUNAL PUBLIC ENTERPRISE UNDER :

- using its present assets belonging to city/state, A general «Hospital Reform Act »
- creating & developing its future own assets through investment-amortization, = with full legal entity enabling assets acquisition and disposal
- having its own governing bodies = a Council of Management
- having its own internal advisory bodies, = a Medical & a Technical Committee
- defining its own budget under oblast supervision ...as a global budget split in 4 chapters + quarterly reporting system
- defining staffing levels & recruiting accordingly ...under national/regional guidelines (≠ norms)
- contracting with oblast/rayons on medical activities ...against a new set of mutually-agreed indicators

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A COMMUNAL PUBLIC ENTERPRISE (1st stage)

...HANDING OVER, BY DELEGATION, SOME OF ITS MANAGERIAL RESPONSIBILITIES ...

...TO A NEW PUBLIC ENTITY “HOSPITAL CORPORATION” (2nd stage)

- * without any transfer of property of already existing assets**
- * but simply managing some of them**
- * and developing them on mutually-agreed terms between members**

IN THE FIELDS OF:

- 1/ definition of medical activities including those to be shared**
- 2/ coordination of commonly-run services (medical and non medical)**
- 3/ shared investment programmes with pooled resources and joint utilisation**
- 4/ organisation of trade-offs between medical activities and budgetary resources,**

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WAY FORWARD WITH SHC REFORM IN THE REGIONS

STARTING FROM 20/10/2008 and under the simulated new status, the Project would carry out in POLTAVA (Policlinic N°4) and in KHARKIV (Lozova + Blyznyuky), test the following proposals:

- 1/ to reconcile existing line-budget with full chart of accounts & with EU standards**
- 2/ to build up a simulated 2009 budget based on this new system**
- 3/ to design and propose financial reporting tools and accounts**

work with: accountants, economists, hospital directors or deputies

- 4/ to understand and check the top-down allocation of budget and its breakdown**
- 5/ to value the existing assets as per bookkeeping recordings in view of amortizing them and developing an investment plan.**

work with: oblast/rayon health authorities in connection with hospitals

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