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## IMPROVING HOSPITAL PLANNING AND MANAGEMENT

Hospitals are the most prominent face of the health system. Being highly visible, they critically shape public trust in health services. The growing demand for hospital care is stretching health system resources, creating the urgent need to improve hospital performance.

Improving hospital planning and management is critical because hospitals are at the heart of health systems in many Member States in the Region, both in terms of functions and finances. Current facility-level challenges include weak management, inefficiencies, high costs, and poor clinical governance, quality and safety. Health system level challenges include lack of good service plans, inadequate links with primary health care, perverse financial incentives, rapid private sector growth and weak regulation. Member States can improve hospital performance through a range of policies and actions, on the road to universal health coverage (UHC). Facility level reforms can help hospitals contribute to strengthening core UHC attributes, namely health system quality, efficiency, equity, accountability, and sustainability and resilience. Needed system-level reforms cover the goal, institutional relations, regulation, financing and feedback.

The Regional Committee for the Western Pacific is requested to consider for endorsement the draft *Regional Action Framework on Improving Hospital Planning and Management in the Western Pacific*.

## **1. CURRENT SITUATION**

Hospitals are the most prominent part of health service delivery systems across the Region. They account for a prominent share of health spending. They also train new health professionals, deliver key referral services and provide a benchmark that shapes public perception of the performance of countries' health systems. Although hospitals occupy a pre-eminent place in health service delivery, countries are struggling to ensure the effective planning and management of hospital services, within the broader context of advancing universal health coverage (UHC).

Member States across the Western Pacific Region vary considerably in terms of funding, organization and governance arrangements for hospitals. While the number of hospital beds has not changed significantly in most countries, recent years have seen an increase in the intensity of hospital bed use, partly due to supplier-induced demand.

In advanced economies, increases in hospital volumes, escalating costs, long waiting times, evolving financing mechanisms and inadequate use of information to guide policy decisions are key issues. Challenges for transitional economies include a lack of effective planning and regulation, weak accountability, the use of social health insurance to purchase services, growth of private hospitals and over-specialization of health care. Highly decentralized countries often deal with challenges such as weak governance and planning as well as insufficient expertise, information and resources to effectively oversee, manage and regulate hospitals. Pacific island countries are confronting growing demand and escalating costs for tertiary care, but lack efficient hospital management and effective human resources policies.

## **2. ISSUES**

Hospitals are a core component of service delivery for achieving UHC. Depending on the broader socioeconomic context and health system goals, their role may range across a continuum from a strong focus on multi-specialty, high-tech, complex care services to the delivery of services traditionally provided at the primary care level. Improving hospital planning and management requires policies and actions at the system and facility levels. In addition, the health sector needs to improve its capability to drive this agenda.

Given the diversity in socioeconomic contexts and health system arrangements across Member States, solutions have to be tailored to country-specific contexts. For this reason, the draft

*Regional Action Framework on Improving Hospital Planning and Management in the Western Pacific* provides possible actions that Member States can adopt, depending on their specific contexts, to ensure that hospitals contribute to advancing UHC.

## **2.1 Need to improve hospital planning and management at the facility level**

Hospitals are complex institutions and can be considered a microcosm of the health system. Weaknesses in hospital governance and management can result in poor quality and safety, and high costs. Policies and actions to improve performance at the facility level are therefore needed to enable hospitals to duly contribute to health system performance improvement in terms of the five UHC attributes, namely accountability, efficiency, quality, equity, and sustainability and resilience. Overall, hospitals need to have the right mechanisms and processes in place to strengthen governance, institutional policies and culture, quality and safety, equity-focused and people-centred service delivery approaches and transparent information systems.

## **2.2 Need to improve hospital planning and management at the system level**

At the system level, a useful starting point is deciding on the role of hospitals within service delivery, including for primary health care. A clearer understanding of the role and contribution of hospitals to service delivery objectives drives corresponding policies and actions in other areas to improve hospital performance. It determines the corresponding institutional relationships, regulatory environment, financial arrangements and feedback mechanisms. Given the stewardship role of governments, accountability is the overarching health system attribute for improving hospital planning and management.

## **2.3 Need to strengthen capacity to drive hospital reforms**

Reforming hospitals is core to service delivery reforms to advance UHC. However, in most Member States, the health sector has limited capacity to drive this ambitious reform agenda. Therefore, the health sector needs to build its own capability, at the facility and system level, to lead improvements in hospital planning and management. Capacities needed at the system level include policy analysis, policy planning and design, and implementation and change management. At the facility level, capacity is needed in: leadership; financial and business management; quality and patient safety; human resources management; information management; and partnerships and community relations management.

### **3. ACTIONS PROPOSED**

The Regional Committee for the Western Pacific is requested to consider for endorsement the draft *Regional Action Framework on Improving Hospital Planning and Management in the Western Pacific*.