APPLYING THE PRINCIPLE OF DECENTRALIZATION WITHIN PUBLIC HEALTH SERVICES

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Abstract

The decentralization of public health services should consider the setting up of a system of evaluation and monitoring of quality and performance of public services, system that should be based on the use of performance indicators. To measure the effectiveness of decentralized public health services and to what extent the public services can now comply with strategic objectives, it is necessary to identify and measure some performance indicators. We cannot speak further of decentralization in the health system, we cannot adopt new strategies until we determine whether what has been achieved so far has been a success or not. In this article we aim to identify ways of measuring the parameters targeting the transition from the deconcentrated system to the decentralized one with regard of public health service.

Keywords:
decentralization, deconcentration, public health services, indicators, public services.

JEL classification: H83.

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I. INTRODUCTION

The organisation and the functioning of the administrative system in Romania, coordinated with the trends from Europe have made the decentralization become a constant concern, the importance of this phenomenon being given by the fact that a greater autonomy is granted to local authorities.

The Public Health Service was originally a deconcentrated public service under the Ministry of Health, then was decentralized for a better achievement of tasks that aimed the health status of the population. Applying the principle of decentralization in public health service involved a transfer of decision-making mechanisms and liability from the central level to the local one so that the decision can be taken at the closest level to the citizen. Tasks belonging to the Ministry of Health were transferred to county or local public authorities, at the central level being kept especially the tasks related to strategy, policy development, regulation of the legal framework.

It is necessary today, before adopting new strategies for decentralization of the system, to analyze a series of indicators in order to say whether decentralization in health system was a success or not.

II. THE EVOLUTION OF DECENTRALIZATION OF PUBLIC HEALTH SERVICES

In 1998 were established the National Health Insurance House and County Health Insurance Houses.

The healthcare providers system was decentralized by setting up in local communities of autonomous health professionals (eg: family physicians, outpatient special departments, hospitals, etc.). Decentralization reform continued in 2002 with the transition of public health offices in the administration of the local government, in order to motivate local authorities to make decisions on public health issues.

The Government Emergency Ordinance no. 162 adopted in 2008 provided "the transfer of management of the health centers, hospitals, municipal, and other hospitals with beds, except the Emergency Rooms, from the Ministry of Public Health to local government".

Through the Government Decision no. 562/2009 on decentralization strategy within the healthcare system, hospitals currently subordinated to the Ministry of Health have been transferred to local authorities. The Government Decision was modified by a series of successive acts by which new responsibilities were transferred to the local level.

In the process of transformation of the public health service deconcentrated into public health service decentralized, a redefinition of its
functions was taken into account, by transferring some activities and their reorganization within some local administrative structures or counties. Hospitals have passed from the Ministry of Health to local authorities, the decentralization of this service drawing them closer to the problems of the territory and making possible a more efficient solution in a short time of the issues faced by local communities. Basically, the decentralization strategy attempted that all the tasks related to administrative skills, service, utilities, maintenance of the hospitals to be given the responsibility to the manager of the hospital, respectively to the local council or county council.

In this context, the decentralization reform of public health service aimed through organizational, technical and economic measures and actions to create the right framework for an increase in the quality of health services, to be organized and run at the level of the nearest citizen.

We present below the parties involved in the development of transformation strategy of the health public service deconcentrated in a health public service decentralized.

**Table no. 1** Parties involved in the development of the transformation strategy of the health public service deconcentrated in health public service decentralized

<table>
<thead>
<tr>
<th>Level</th>
<th>Parties involved</th>
</tr>
</thead>
<tbody>
<tr>
<td>At central level</td>
<td>Ministry of Health</td>
</tr>
<tr>
<td></td>
<td>Ministry of Administration and Interior</td>
</tr>
<tr>
<td></td>
<td>Ministry of Public Finance</td>
</tr>
<tr>
<td>At local level:</td>
<td>County Public Health Directions and Public Health Direction Bucharest</td>
</tr>
<tr>
<td></td>
<td>County Councils</td>
</tr>
<tr>
<td></td>
<td>Local Councils</td>
</tr>
<tr>
<td>Partnerships:</td>
<td>National Union of County Councils from Romania</td>
</tr>
<tr>
<td></td>
<td>Romanian Municipalities Association</td>
</tr>
<tr>
<td></td>
<td>Association of Towns from Romania</td>
</tr>
<tr>
<td></td>
<td>Association of Communes of Romania</td>
</tr>
</tbody>
</table>

The table above identifies the institutions that were involved in elaborating the strategy of decentralization in the health sector to improve the exercise of the health service by switching from a state deconcentrated system to a decentralized one. The parties involved were those at both central and local authorities, by transferring powers and duties aiming to achieve an increase of responsibility towards the citizen within the local community.

The Ministry did not involve anymore in local management, the management bodies of the hospitals being in charge with the decentralization of
the service. Departments also subordinated to county councils were transferred
to public health, as directions of healthcare. Subsequently public health directions
were dissolved and replaced by eight regional public health authorities, which
were placed in university centers of the country.

In order to increase the autonomy of local administrations it was taken
the decision of reforming the healthcare system, by continuing the
decentralization process of public health service, which is expected to lead to
increasing quality services according to the changing needs of the population.

In the table below there are stipulated the competences transferred to
county or local public authorities through decentralization of health services, as
they were established by Resolution 562 of May 10, 2009 approving the strategy
of decentralization of the healthcare system\(^2\), as amended and supplemented.

**Table no. 2** Competences transferred to the public county/local authorities by
decentralization of health services

| Decentralized competences that are transferred to the County/Local Councils | Administration of public county/local health units; |
| - Appointment of the manager for healthcare units they hold, on the proposal of the board of healthcare unit; |
| - Management of the healthcare units they hold, consisting of: |
| - evaluating the indicators (established by the Minister of Health) on the work done in public healthcare units; |
| - approval of amendments of organizational structure, reorganization, restructuring, change of location and name for medical units with beds, whose management has been transferred with the acceptance of the Ministry of Health; |
| - Approval of projects of income and expense budgets and quarterly and annual financial statements submitted by public health units subordinated, as well as the budget execution; |
| - Control of the use of funds allocated for medical units they hold; |
| - Coordinating, supervising and ensuring the necessary funds for the purposes of preventive and curative medical activities of medical units or dental offices in schools in the county; |
| - Ensuring the financing for utilities, current repair, overhaul, consolidations, upgrades and acquisitions of inventory, equipment and medical equipment other than high performance ones for public health units they hold, |

\(^2\) Published in Official Monitor no.340 from May 21, 2009

and for health units of local interest that local councils cannot finance;

Coordinating, supervising and ensuring the necessary funds for the proper performance of Roma health mediators and community assistants employed by the county / local council.

Source: Taken from Resolution 562 of May 10, 2009 for approving the strategy of decentralization for the healthcare system

Hence, the process of decentralization of management responsibility from the health system was accompanied by the establishment of their own management structures of health services at the level of the county / local authorities because the existing management structures were not viable before the new reforms, the decisions having to be taken close to the beneficiaries of the medical services.

III. POSSIBILITIES OF MEASURING THE PARAMETERS THAT AIM THE TRANSITION FROM THE DECONCENTRATED SYSTEM TO THE DECENTRALIZED ONE OF PUBLIC HEALTH SERVICE

To say that the decentralization of public health services has been successful or not and if they managed to make this work more efficient and effective, it is necessary to establish a set of indicators to measure it.

The proposed indicators to measure performance in the decentralization of public health services are:

A. Indicators through which we calculate the existing number of strategies, policies, legislation and strategic plans for public health service (such as existing strategies, plans in the field of decentralization of health services, existence of monitoring service, etc.)

By means of these indicators we should demonstrate whether legally speaking, has been created the framework necessary to transfer the public health service activities from the Ministry of Health to local government.

B. Indicators through which we identify how to provide health service, in order to see the evolution of the transfer of responsibilities regarding the provision of this public service from the central level to local government authorities (such as the opportunity of public service, accessibility of public services; degree of separation of decentralized competences of local public administration to efficiently manage the healthcare system).

C. Indicators through which we monitor changes in human resources from the healthcare services, which received new powers in the process of
decentralization of service (such as number of employees, salary levels, appropriate qualifications, adequate experience, quality of care in healthcare - productivity).

The purpose of applying these indicators is to diagnose problems that hinder the development of human resources in accordance with population needs and to find solutions for improving medical services.³

A major obstacle to the provision of healthcare services is the lack of an effective workforce.⁴ We believe that an important indicator that must be analyzed refers to the distribution of employees in the public health services. The expected trend is a decrease in numbers within the decentralized services and possibly within the central administration that coordinates public health service, and an increase in the numbers of human resources in the decentralized health service. To be effective, decentralization of this service must identify some opportunities to attract medical personnel in urban and rural communities isolated or economically disadvantaged.

D. Indicators through which we measure the financial resources of decentralized health service, to monitor financial and fiscal levers that support the decentralization of powers in the service we analyzed (such as a ratio of own revenues of a financial unit and the revenues received from the state budget, local government expenses for the functioning of decentralized public services, the relation between income and expenditure of decentralized public services etc.).

We can say that at present, the biggest problem is accompanying decentralization of the health system of real financial decentralization without which the decentralization of this service will not succeed.

E. Indicators based on which we monitor the involvement of stakeholders in the process of decentralization of public health services.

As indicators analyzed we consider relevant the existing information about the decentralization of public health services and evaluating the satisfaction of citizens in terms of delivery of the service analyzed.

Although we believe that health services will operate more effectively in a decentralized way, since local authorities are able to respond to specific needs of the communities they represent, only on the basis of measurement indicators set out above, we believe that are created the prerequisites for saying whether decentralization of the health service is a success.

In this situation it is necessary, at a central level, the determination and application of performance indicators that will monitor the decentralization of

health service and will help to improve the services analyzed by developing their quality.

IV. CONCLUSIONS

We can say that through the implementation of the decentralization process is intended to ensure compliance with the principles of equity, quality, accountability and centering on the patient in healthcare services system. In recent years decentralization in the health sector was perceived as a means of achieving health systems performance.\(^5\) This principle was, in varying degrees, assumed and accepted by all governments after 1990, while being in accordance with international agreements and documents to which Romania is a signatory part.\(^6\) The hospitals have passed into administration of county councils, the municipal ones in the administration of municipal councils, the town and commune hospitals in the administration of local councils. Subordinated to the Ministry will remain national research institutes, clinical institutes, regional hospitals and some hospitals declared of national interest, where are performed advanced medical acts.

According to the opinions of experts, which we agree, if the decision to decentralize the health system has been taken, the authorities should consider the existence of managerial skills in local communities, because decentralization must necessarily be accompanied by a transfer of knowledge and managerial capabilities.\(^7\)

On the other hand, the indicators that should be fulfilled by the manager will continue to be established by order of the Minister of Health, even though their assessment will be the responsibility of local authorities. We believe that this situation reduces the degree of decentralization of the public health service. Also, the local council or county council, as the case, may approve changes to organizational structure, restructuring, changing the location or the name of hospitals in their subordination, but only with the approval of the Ministry of Health.

Another aspect that we note is that the county council or city council is also in charge of approving revenue and expenditure budgets, quarterly and annual financial statements and budget implementation. At the same time, local authorities will have the right to control how hospitals spend the funds they have available, while the ministry may no longer do this.

\(^7\) Mosca, I., *op.cit*, p. 119.
We believe that one of the most important provisions of the strategy is that local authorities will be required to provide funds for certain areas or utilities, current repair, overhaul, consolidations, upgrades and acquisitions of inventory, equipment and medical equipment with except for high performance ones. However, a decentralized system may have more difficulty in creating a coherent national health system as autonomous local authorities can pursue specific interests which can be an obstacle in achieving national priorities.\(^8\)

In this context, we conclude that although decentralization of public health is positive, we must avoid the danger of exacerbation of decentralization. There must be a balance between central and local level, too much decentralization will lead to fragmentation, the weakening or even the dissolution of state authority. In addition, any decision must be substantiated by measuring indicators with which we can evaluate the results of decentralization of public services, depending on the volume and quality of services, profitability, efficiency and effectiveness of public health services.

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