

# THE PERFORMANCE EVALUATION OF MANAGERS IN ROMANIAN PUBLIC HOSPITALS

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## Abstract

Performance is the behavior that must be quantified in terms of contribution to achieve the organizational objectives. In Romania, with the introduction of Law no.95/2006 on healthcare reform, the public hospital director position was replaced by the public hospital manager. This position is subject to an annual evaluation process by the superior management of the Ministry of Health. For this they have developed a series of indicators to quantify the management performance in Romania public hospitals. This article examines precisely these nineteen indicators grouped in four main areas: human resources indicators, indicators of resource utilization, economic-financial indicators and quality indicators which characterize the management performance.

**Key words:** performance, evaluation, management, hospital

Performance is a remarkable result in economics, marketing or management field which determines competitiveness, efficiency and effectiveness to organization and to its procedural and structural components.

Performance can not be associated with any results, but only one particular: something higher which was obtained in an earlier period, a higher performance against competitors and superior difference from other objectives (Verboncu I., Zalman M, 2005).

So, we can say that performance is „a certain level of best results obtained” (Bărbulescu C., Băgu C., 2001).

Performance is the behavior that must be quantified in terms of contribution to achieve the organizational objectives. The performance assessment is a process which decides how well a work activity is done by employees in a specific job (Pitariu, H., 1994).

Table 1

**Key dimensions of hospital performance as proposed by the group of experts**

Clinical effectiveness	Technical quality, evidence-based practice and organization, health gain, outcome (individual and population)
Patient centeredness	Responsiveness to patients: client orientation (prompt attention, access to social support, quality basic amenities, choice of provider), patient satisfaction, patient experience (dignity, confidentiality, autonomy, communication)
Production efficiency	Resources, financial (financial systems, continuity, wasted resource), staffing ratios, technology
Safety	Patients and providers, structure, process
Staff	Health, welfare, satisfaction, development (e.g. turnover, vacancy, absence)
Responsive governance	Community orientation (answer to needs and demands), access, continuity, health promotion, equity, adaptation abilities to the evolution of the population's demands (strategy fit)

Source: *Report on WHO workshop, Measuring Hospital Performance to Improve the Quality of Care in Europe: The Need for clarifying the Concepts and defining the Main Dimensions*, Barcelona, Spain, 10-11 January 2003

## MATERIAL AND METHOD

In the evaluation process of hospital management is necessary two categories of indicators: qualitative and quantitative indicators.

The study is the result of a process of deduction and induction, investigation and critical interpretation and comparative studies of many develop nationally regarding the managerial performance in Romanian public hospital.

## RESULTS AND DISCUSSIONS

The managerial performance approach is a process questionable in itself, but justified because of the guidelines that focus the performance in the center of management processes of any organization.

Even more, managerial performance is important in health management. The hospital is a major component of any health system in the world (Petrescu Gh., Boldureanu G., 2009).

The dimensions of hospital performance measurement reveal to us six dimensions (*tab. 1*): clinical effectiveness, patient centeredness, production efficiency, safety, staff and responsive governance: in *Report on WHO workshop, Measuring Hospital Performance to Improve the Quality of Care in Europe: The Need for clarifying the Concepts And defining the Main Dimensions*, Barcelona, Spain, 10-11 January 2003 *table 1*.

Summarizing those aspects of professional, we can say that the measuring of the hospital performance is:

- clinical efficiency obtained by technical and medical quality;
- patient targeting to obtain patient satisfaction;
- the existence of human and financial resources in a continuous and uninterrupted flow;
- the promptness of the suppliers to provide quality medical products and services;
- the orientation to the community oriented needs and its positive response to the needs and requirements of the hospital.

In Romania, with the apparition of Law 95/2006 on healthcare reform, the public hospital director position was replaced by the public hospital manager.

The features of this new managerial development are: (Radu C., Moldovan M., 2008):

- the hospital managers are not necessarily doctors;
- for hospitals with minimum 400 beds, where the hospital manager is a physician, he can not practice the clinical medicine;
- the medical manager works with an executive team that includes a medical director, a financial director, a director of care, eventually a research director,
- between the hospital managers and the Ministry of Health is sign a contract for a period of three years, with annual revalidation of the contract, according to the annual performance of hospital management.

The evaluation of public hospital manager for the previous year shall be made by March 31 of the next year. It is evaluated the managers who are the management contract valid and that led the public hospital over a period of at least six months

in the year being evaluated in order to maintain or suspend the contracts with hospital managers.

According to these European standards, in our country was developed a series of indicators to quantify the performance management in Romanian public hospitals.

The **quantitative indicators** consist of a group of 19 indicators, grouped into four main areas: Human resource management, the use of the service, financial performance and the quality of medical care.

**A. Human resource management.** There are four indicators as follows:

1. The proportion of doctors from total hospital staff

The proportion of doctors in total hospital staff is calculated as the percentage ratio between the numbers of doctors employed in hospitals compared to all persons employed in the hospital.

2. The proportion of medical staff from total hospital staff.

The medical staff includes: doctors, pharmacists, superior health personal: physiokinetherapists; medical bioengineer, biologist, biochemist, chemist, physicist, psychologist, speech therapist, sociologist, physiotherapist, social worker, graduate nurses, midwives, medical equipment technician, dental technician, nurse, health official, medical registrar, medical statistician.

3. The proportion of highly educated medical staff from all medical personnel - is the ratio of medical staff with higher education from the preceding paragraph.

4. The average number of visits to a physician in outpatient is calculated as the ratio between the number of outpatient consultations and the number of physicians providing ambulatory consultations.

It is included in this category: the doctors who provides consulting in integrated ambulatory, physicians providing outpatient consultations in specialized ambulatory (for athletes, students, dental care, etc., the doctors from specialty offices, medical oncology, diabetes, nutrition and disease metabolic, infectious diseases, family planning, tuberculosis dispensaries.

The dates for these indicators are provided by the human resources department of the hospital and are not directly related to the hospital casuistry.

**B. For the use of the service.** There are four indicators as follows:

5. Average length of stay on hospital and in each department calculated as the ratio between the number of man days hospitalization and number of patients hospitalized at the beginning of the period and the number of patients between the period.

6. Utilization of hospital beds and determined by the ratio of the beds used during a period of one year - 365 days.

7. The complexity index of cases is a number expressing the necessary resources in line with hospital patients. The complexity of cases: expressing types of patients treated in hospital according to diagnosis and severity. This index can be calculated for cases where external equivalents.

8. The percentage of patients with surgery of all patients discharged from surgical section, where appropriate.

**C. The financial performance.** There are seven indicators as follows:

9. The budgetary execution against approved expenditure budget means the ratio between the net payments made in the current period (budgetary expenditures made) of the total approved expenditure budget.

10. The expenditure pattern by types of services depending on income sources.

11. The percentage of own income in total hospital income means all own income obtained in contract with health insurance house, including subsidies from the local budget, state budget, donations, sponsorships and other revenues collected by the hospital.

12. The percentage of the total costs of hospital personnel refer to budget provisions for staff expenditure, including expenditure on residents and staff on practice assisted / supervised in relation to the provisions of the budget total hospital spending.

13. The percentage of the total drugs costs relate to hospital budgetary provisions on medicines expenditure.

14. The percentage of the total capital expenditure relates to hospital budgetary provisions for capital expenditure.

15. The average daily cost of hospitalization as the ratio between expenditure incurred and the number of man-days of hospitalization.

**D. The quality of care.** There are four indicators as follows:

16. Hospital mortality rate calculated as the ratio of number of deaths in hospital, any time from internment and until death and the number of patients discharged.

17. The nosocomial infection rate determined by the ratio between the number of patients with nosocomial infections and the number of discharged patients. This indicator is calculated on the total hospital and in each section.

18. The index of diagnosis according during the period of hospitalization means the number of cases where diagnosis code at admission is the same with the diagnosis code at discharge, if both diagnoses are located in the same group of codes at the beginning of each class of disease.

The codes expressing suspicion about the disease, screening, disease contact, organ lesion, joint lesion are considered concordant.

19. The number of complaints / patient complaints.

The **qualitative indicators** are developed to reflect the overall management of the hospital (planning, organization, coordination and control). For each of these hospital management functions are specific dimensions considered by the evaluators.

For each indicator, the notes were between 0 and 6 (0 being a failure and 6 representing the best performance), although for most indicators, note 5 means the best.

The performance evaluation of managers in Romanian public hospital was done directly by the Ministry of Health for hospitals in its direct subordination and by the local Public Health Direction for other hospitals.

## CONCLUSIONS

Since 2008, with the introduction of performance evaluation of hospital managers, it was noted a higher level of transparency and objectivity, because the data used are those provided by hospital and the evaluation process is more objective and transparent.

However, there are plenty of issues still to be improved related to: the weight and importance of indicators chosen; their level of representativeness of indicators, especially those quality; error removing bugs, including the recording or data processing error; choosing the right indicators levels as they were assumed by the management contract.

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