QUALITY AND COSTS IN THE PUBLIC HEALTH SECTOR: TWO SIDES OF THE SAME COIN?

Presentation at CMS Indaba
Theme: The Balance between Quality Health care Services and Costs

Professor Laetitia Rispel
27 November 2013
“The importance of providing quality health services is non-negotiable. Improved quality of care is fundamental in improving South Africa’s current poor health outcomes and in restoring patient and staff confidence in the public and private health care system. Furthermore, if quality is defined as “getting the best possible results within available resources”, then these National Core Standards set out how best to achieve this”.

Minister of Health, Dr Aaron Motsoaledi, Foreword to the National Core Standards for Health Establishments in South Africa. Pretoria: DOH, 2010
OUTLINE

- Context & background
- Quality of care initiatives in public health sector
- Balancing quality and costs
- Concluding comments on quality & costs
Globally, ‘waves’ of health systems reform

- Relatively poor returns on investment in terms of health
- Quest for greater efficiency, fairness and responsiveness to the expectations of communities
- Goals of health systems

Overall political and socio-economic reforms in South Africa
GOALS OF HEALTH SYSTEMS

- Improve and protect *health*
- *Responsiveness* to people’s expectations
- *Fairness* in which people *pay* for health care
- Reducing *inequalities*, in ways that improve the situation of the worst off

WHO 2000 World Health Report
Improving quality important global health priority
  - Medical errors & patient dissatisfaction-costly

Purpose of initiatives:
  - Improve health care quality
  - Ensure patient safety
  - Improve clinical effectiveness
  - Promote public accountability
WHAT IS QUALITY?

- “Getting the best results from available resources’

- “Meeting specified standards”

- “The degree to which health services for individuals and populations increase the likelihood of desired health outcomes, are consistent with current professional knowledge, and meet the expectations of healthcare users.”

Sources: NCS; Donabedian and Deming
OVERALL CHALLENGE

Good returns on investment (health status)

Re-organisation of service delivery platform

Quality of care and responsiveness

Cost-effectiveness

Sustainability

Affordability
**Public Health Sector - Quality Initiatives**

**1994**
- Reconstruction & Development Programme (RDP)
  - High quality, efficient services through decentralized management & local accountability

**1997**
- National Health Act
- Patients’ Rights Charter

**2005**
- National Health Amendment Act - Office of Health Standards Compliance

**2010**
- National Core Standards
  - 7 domains: Patient Rights, Safety, Clinical Governance and Care, Public Health, Leadership & Corporate Governance, Operational Management and Facilities & Infrastructure

**2011**
- Green Paper on NHI Ties re-imbursement & facility accreditation to quality standards

**2013**
- National Health Amendment Act - Office of Health Standards Compliance

**2 White Papers:**
- Transformation of Health System - quality key principle & norms and standards
- Transforming Public Service Delivery - 8 Batho Pele principles - consultation; setting service standards; increasing access; ensuring courtesy; providing information; openness and transparency; redress & value for money

Sources: RDP; Government policy documents
COMMON THEMES

- Major efforts-policy/legislation (implementation)
- Responsiveness to patient and community needs
- Value for money
  - Patient safety & reducing errors
  - Good population health outcomes
- Efficiency and effectiveness
- Accountability
- Optimal health system functioning

Sources: NCS; Donabedian and Deming
### Challenges & Barriers

Source: AG 2010-11 consolidated audit report; PDO=performance against pre-determined objectives

#### Public entities: 51 with PDO findings

<table>
<thead>
<tr>
<th>Category</th>
<th>Good</th>
<th>In progress</th>
<th>Intervention Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective leadership culture</td>
<td>48%</td>
<td>28%</td>
<td>23%</td>
</tr>
<tr>
<td>Oversight responsibility</td>
<td>21%</td>
<td>48%</td>
<td>30%</td>
</tr>
<tr>
<td>HR management</td>
<td>42%</td>
<td>36%</td>
<td>28%</td>
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<tr>
<td>Policies and procedures</td>
<td>23%</td>
<td>36%</td>
<td>42%</td>
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<tr>
<td>Action plans</td>
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<tr>
<td>IT governance</td>
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<td>42%</td>
<td>21%</td>
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<tr>
<td>Proper record keeping</td>
<td>33%</td>
<td>41%</td>
<td>29%</td>
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<tr>
<td>Processing and reconciling controls</td>
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<tr>
<td>Reporting</td>
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<tr>
<td>Audit committee</td>
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<td>30%</td>
<td>30%</td>
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**Legend:**
- **Good**: Green
- **In progress**: Yellow
- **Intervention required**: Red
## Audit of Predetermined Objectives

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<tr>
<th>Issue</th>
<th>Count (Percentage)</th>
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<tbody>
<tr>
<td>Non-compliance</td>
<td>5 (50%)</td>
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<tr>
<td>Variances not explained</td>
<td>4 (40%)</td>
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<tr>
<td>Performance information not useful</td>
<td>4 (40%)</td>
</tr>
<tr>
<td>Performance information not reliable</td>
<td>9 (90%)</td>
</tr>
<tr>
<td><strong>Total number of departments</strong></td>
<td>10</td>
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*Source: Auditor-General, 2010-11 consolidated audit report*
CHALLENGES & BARRIERS

- Governance, Stewardship and leadership
  - Fragmentation of initiatives
  - Lack of change management
- Capacity: numbers, skills, action
- Lack of accountability – feedback loop
- Sub-optimal or lack of culture of quality
- Gap between policy and implementation
- Lack of or insufficient resources and resourcing
- Lack of monitoring and evaluation

Source: Adapted from Rispel & Nieuwoudt
CONCLUSION

- Significant progress into legislation and/or policies & implementation
- Achieving balance between cost & quality-two sides of same coin
- Requires:
  - High-level political & health system stewardship and leadership
  - Awareness among and support from public servants responsible for implementation
  - Dedicated financial and human resources
  - Strong partnerships with civil society (e.g. universities)
  - Good information systems & clear indicators
  - Balancing planning and action on the ground
  - Capacity building
  - Strong accountability mechanisms
  - Monitoring and evaluation