

The minister wants to know: **“How can it be that two hospitals, having the same budget, can post different performances?”**

We believe that the real question is:

“How can it be that two entities that do not post the same performance receive the same budget?”

Traditionally, the performance of a healthcare system has been evaluated in terms of its social goals. In most member countries of the OECD, these goals are essentially the same—to wit, improvements in: the health of the population, the healthcare system’s rapid response capability, and equity in how it’s funded.

However, while we can measure how well these goals have been met, such indicators provide no information as to how this was accomplished. Is it possible to achieve the same ends using fewer resources? In the project report *Analyse comparée des mécanismes de gouvernance des systèmes de santé de l’OCDE*, Joanne Castonguay, Claude Montmarquette and Iain Scott propose to examine governance mechanisms in order to assess how different countries in the OECD enhance the value of their investments in healthcare.

In the public arena, the purpose of governance mechanisms is to ensure that the government assumes its responsibilities in a fashion that provides maximum bang for the buck. Adequate governance mechanisms include ongoing monitoring of whether the system is administered in the most efficient manner possible, in light of its objectives, those of the parties affected by its projects, and the means available to the government.

The ultimate goal of the report is to test for the existence of a link between the performance of healthcare systems and their governance mechanisms. Consequently, the authors (1) catalogued the governance mechanisms of 18 OECD member countries; (2) grouped these mechanisms by function: planning, incentive, control, and evaluation; (3) assessed the performance of the various countries; and (4) sought a link between performance and governance mechanism.

Main results

In a context of an aging population, all countries of the OECD are grappling with public healthcare costs that are growing faster than GDP. The state of public health is comparable across all of these countries. Differences crop up in the causes of mortality and morbidity, but no country can boast a rising average life expectancy. Rather, these countries tend to differ in indicators such as the per capita cost of public healthcare, resources allocated to the system, the number of cases treated, and the number of institutions. Many countries have opted for improvements to assorted governance mechanisms to attain

their targets of curbing pressure on costs and increasing productivity.

Main recommendations

Based on their results, the authors articulate a series of recommendations designed to create a governance system that will enhance the return to our healthcare expenditures. Reining in the pressure that the healthcare system exerts on the public purse must involve improving productivity, which in turn requires the following transformations in our institutions:

- 1 - Refocus the mission of the MSSS on regulation, systems control, and the implementation of effective governance mechanisms. The role of the ministry should be strategic, elaborating healthcare objectives and policies.
- 2 - Create regional entities, arm’s length from the ministry and free of political pressures, to purchase healthcare services.
- 3 - Change how hospital care is funded to a system based on reimbursing costs at a predetermined rate and on a case-by-case basis.
- 4 - Transfer responsibility for organizing healthcare services to regional bodies tasked with providing hospital services to a given population.
- 5 - Maintain and expand the supply of primary healthcare in private medical clinics. General practitioners could receive mixed compensation (capitation funding and fee-for-service) to ensure that a given population receives services. Their compensation would account for the characteristics of the clientele and be negotiated with the regional healthcare organization. Medical clinics could ensure the liaison with specialists and hospital services for registered clients and benefit from delegating tasks to other healthcare professionals.
- 6 - Abolish the administrative silos in medical practice by introducing an obligation to maintain a certain percentage of medical activity in the public system (possibly calculated as a percentage of income).
- 7 - Tie case management to the observance of therapeutic protocols dictating best practices for the care or treatment of a pathology or medical situation. Develop a mechanism for evaluating and monitoring medical practice.

You will find the report at the following address:
<http://www.cirano.qc.ca/pdf/publication/2008RP-02.pdf>