BRIEFING NOTE #7

PACKAGE OF HOSPITAL SERVICES

OCTOBER 1, 2013

PURPOSE: Establishing a Package of Hospital Services is useful in understanding where hospital funds are used and to provide a basis for changes to the services.

BACKGROUND

The Ministry of Health appointed a Technical Commission composed of representatives of the HII and the MOH with the assistance of a Consultant from the Enabling Equity in Health Reform Project (EEHR) sponsored by USAID. The committee and consultant worked collaboratively to develop a package of services.

The Technical Commission decided that the Package of Services should have two purposes. One is to assist in informing the public (patients, insured people etc) of the range and types of services available at District, Regional and Tertiary Hospitals. The second was to have greater detail so it could be used by the funding agency for purposes of the annual funding contract.

Hospitals in Albania do not report details on services they provide. They do submit reports on the diagnoses of the cases they treat and the departments in each hospital in which patients are treated.

For purposes of informing the public on hospital services, the Technical Commission identified the departments to be found in the various types of hospitals. This provides a high level understanding of the types of cases treated.

For purposes of determining and changing the funding of hospitals each year, the Technical Commission collected and reported the highest frequency cases treated in each department of each hospital and developed profiles of the types of cases treated for each level of hospital. The HII has detail on all services delivered in hospitals.

The Technical Commission also would like to have put costs to all services but it is found that the costs available at this time are inaccurate and unreliable for two primary reasons. One, the reported costs are calculated by allocating the costs (both direct and indirect) of each department of the hospital and dividing that by the number of services performed. Unfortunately, this practice results in costs that include unproductive time of staff and the result is a large range of costs for the same service among hospitals. This range is large because some hospitals have full staffing for a department with very low occupancy and thus few services being delivered. The second issue is that the Ministry of Health assigns prices to certain services for purposes of charging patients. These prices are entered as costs in the hospitals but in fact they are not costs.

Another Briefing Note explains the issue of costing of services in greater detail.

ANALYSIS

It is very useful to have a documented Package of Services available to the funding agency for both purposes, ie informing the public and for establishing funding contracts.

For funding purposes, the following are some of the specific applications:

- The funding agency is able to compare the availability of services by region and district.
- Once service distribution is available it can be determined where there is a need for more

service or less service in each hospital or region.

- Gaps in service can be identified and a logical analysis can be undertaken to fill gaps or reduce duplication.
- The funding agency can use this evidence to have discussions with hospitals as to what changes are necessary and funding may be allocated accordingly.
- The current costs available reflect the costs for each service in each hospital and while not completely accurate they can be used to identify savings by reducing services, costs of increasing services and the funding transfers required to move services from one hospital to another. More accurate costing in future will improve this analysis.

RECOMMENDATIONS

- The EEHR project will improve the costing methodology through a top-down costing methodology being implemented at the three pilot hospitals. When this is available it will assist the hospitals in their internal management and it will assist the funding agency to be more accurate in their decision making.
- Over time, in discussion between hospitals and the funding agency, services should be reduced, increased or transferred to improve the quality of care and to ensure a reasonable availability of services for the public. Funding changes would accompany such changes to services.
- The HII should continue to improve the collection of data and information from hospitals to facilitate their duties.