



Policy Brief

On Outsourcing of Hospital Non-Clinical Services

Health Reform Implementation Support Group (HRISG)

Meeting Held on February 28, 2014

This policy brief documents results from the implementation of a hospital improvement intervention and recommends to the Ministry of Health to support hospital efforts to outsource non-clinical services

I. Introduction

In February 2012 the HRISG approved the Enabling Equitable Health Reform (EEHR) Project's proposal to start piloting a set of management and administration improvement interventions in three hospitals – Korca and Lezha regional hospitals and Tirana Maternity Hospital #1. Since then hospital teams and EEHR staff and consultants have been working to implement various interventions including in the area of outsourcing of non-clinical services. Outsourcing of non-clinical services such as laundry, food service, grounds and equipment maintenance, security, and transport services, are popular in hospitals of many countries as they manage to improve the quality of service while controlling the cost.¹

Outsourcing enables the hospital to focus its limited human resources on strengthening core clinical functions and capabilities. Lessons learned from the implementation of outsourcing of non-clinical services support the conclusion that outsourcing is a viable strategy for improving the quality of service by entrusting these services to organizations whose specialization, better experience, economies of scale, or other strengths could increase the value of the service while controlling the cost. Before outsourcing, hospitals need to develop detailed standards for operations and performance of their non-clinical services. Perhaps the most important services whose outsourcing should be considered a priority are laundry and food. Both have a heavy impact on the way how the public feels about the performance of public hospitals. The quality of these services is one of the most important factors influencing the frequency and number of visitors to hospitals. Visitors come

¹ Controlling the cost through outsourcing does not mean keeping the cost of the outsourced service the same as it was in the hospital. It means that the quality of outsourced service will improve significantly compared with the cost hospital pays for it.

often to hospitals to change linen and bring food to patients. Improving the quality of the services will reduce the number of visits as it will eliminate their underlying drivers.

II. Outsourcing of Laundry Service

Problem Statement: Public hospitals face a serious challenge of providing clean hospital linen to their patients and staff using existing in-house facilities. Such facilities usually have old equipment which breaks often thus reducing the capacity of hospitals to wash linen regularly and in the necessary quantity and quality. Old equipment is often blamed for ruining new linen. The hospital facilities housing laundry are often located in inadequate places, in disrepair, covered in mold. The laundry detergent and other materials supplied through the procurement process of the Ministry of Interior are of low quality which does not support proper disinfection of linen. All of the above seriously impacts the ability of the hospital to provide good service to its customers and staff.

Results of Intervention Implementation: EEHR worked with the pilot hospitals to provide training, technical and managerial direction and support for an improved laundry outsourcing process. The project worked with the staff and leadership of the regional hospitals of Lezha and Korca to support the outsourcing of the laundry function. Working together with various hospital functions specific requirements for the experience and performance of the vendor were prepared in preparation for outsourcing. In addition, indicators to measure the performance of the vendor for the outsourced service were developed. Monitoring and evaluation of the work of the outsourced service with proper documentation for regular information collection was developed and put in place. The performance of the outsourced service is monitored continuously through inspections and feedback from staff and patients. Monitoring reports are produced regularly, shared with the hospital leadership, and used to inform measures improving the performance of the service.

Recommended Policy Action: Laundry service should be considered a prime target for outsourcing at public hospitals as it is an important step toward improving the overall quality of services, reducing the number of visitors to the hospital, and increasing the customer and community satisfaction with the work of public hospitals. Standards for the performance of the laundry service should be developed ahead of the outsourcing. Hospitals located within geographic proximity from each other could resort to teaming in the outsourcing of services so as to provide economies of scale in the procurement of the service that will enable lowering the cost of the outsourced service.