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**DEVELOPMENT OF CURRICULUM  
AND TRAINING MODULES**  
THE PROJECT IMPLEMENTATION OFFICE — HOSPITALS,  
HEALTH SECTOR FINANCING PROJECT

Report 44

Prepared for:  
The United States Agency for International Development  
Program Management Unit, Jakarta, Indonesia

September 21, 1991



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## **BACKGROUND FOR THE CONSULTANCY**

The Health Sector Financing Project (HSFP) began in 1986, in response to a great increase in interest in the organization and financing of health care within the Ministry of Health (MOH). With the drop in world oil prices and the subsequent tightening of the Indonesian economy, it began to be apparent that direct government subsidies alone would not be enough to maintain the current efforts in preventive or in curative medicine in Indonesia. It was understood that new sources of revenue for health care would have to be developed and more efficient use of present resources would have to be encouraged. Interest in the former matter (development of new sources of revenue) spurred an interest in health insurance development in Indonesia; interest in the latter (more efficient use of resources) led to an increased interest in improved management and organization of health services, particularly hospitals.

The HSFP was initiated by the MOH and USAID in response to these developments and has had four major sections or activities:

- (a) Health insurance and social financing of health care;
- (b) Hospital organization and management;
- (c) Drugs and pharmaceutical utilization and supply; and
- (d) Health economics research and planning within the MOH.

The Hospital Component (PIO/H) of the HSFP has been involved with a variety of projects to improve hospital efficiency, but in the last year has been particularly concerned with the changes taking place in government hospitals throughout the country as the result of the policy of "Lembaga Swadana." This is a developing MOH policy of relaxing many of the tight central management controls on the country's hospitals, thereby allowing them a greater measure of local management control over their service mix, finances, and personnel. It is hoped that these changes would eventually allow these hospitals to generate most of their financial support locally, thereby reducing or eliminating the need for continuing the present level of central government subsidy to these hospitals.

In preparing for these changes, which are scheduled to begin in 15 government hospitals in early 1992 and eventually involve all 320 government hospitals in the country over the next four years, a great deal of conceptual thinking has gone on within the MOH about what Lembaga Swadana will actually mean in practice and how the country's hospitals will have to be prepared for the changes ahead. The HSFP PIO/H has been involved in these conceptual developments in several ways:

- (a) By the conduct of a hospital diagnostic study in three provinces of Indonesia (West Sumatra; Bali; East Java) in 1990; this diagnostic study was done to determine the present state of organization and efficiency in a sample of the country's hospitals;
- (b) By the development of a number of model management systems (ex. accounting, budgeting, management information systems, patient records, etc.) which have been identified in the hospital diagnostic study as being needed for the future efficient operation of hospitals in Indonesia; and
- (c) By the development of a management training program for the leadership of the 15 government hospitals that have been chosen as the first wave of Lembaga Swadana hospitals in the country; this training program will be aimed at preparing the leadership of these 15 hospitals for Lembaga Swadana and what will need to be done under the new system.

This present consultancy was developed to provide assistance to the contractors and the long-term advisors in the PIO/H who are developing the training program for the 15 government hospitals in the first wave; this training program will be developed in October, November, and December 1991 and will be conducted in January and February 1992. This consultancy was conducted from September 1 - 21, 1991 and was located primarily in Jakarta, with short trips to several other cities in West and Central Java.

### **SCOPE OF THE WORK FOR THE PRESENT ASSIGNMENT**

The scope of work for the present consultancy was described as follows:

- Assist the selected training contractor in the development of the training needs assessment;
- Assist the contractor and the PIO/H long-term advisors in the development of the curriculum, syllabus, and training modules;
- Assist in the identification of potential trainers for the implementation of the training modules;
- Assist in developing the Standard Operating Procedure Manual for the training module implementation;
- Assist the long-term advisors in the development of an implementation time-table and a plan for sustained feasibility of implementation of the training modules in the field.

### **METHODS OF THE CONSULTANCY**

This consultancy was carried out under the direct supervision of the two long-term advisors in the HSFP PIO/H, Professor Dr. Rukmono and Dr. Philip Stokoe. It was also carried out in close association with the contractor that the PIO/H has asked to develop the actual details of the training needs assessment and the training program itself. Mr. Kristanto Santosa of Productivity and Quality Management Consultants of Jakarta. The consultation included interviews with a large number of professionals in the MOH, both in the central office in Jakarta and from individual hospitals throughout the country; these interviews covered subjects relating to the current management and organizational status of hospitals in Indonesia, as well as their perceptions of the needs for training in connection with Lembaga Swadana. In addition, a large number of background papers and reports in the PIO/H were reviewed and discussed with the training contractor and the long-term advisors. Finally, one-day trips were made to several hospitals that will be included in the first wave of 15 hospitals, these hospitals being located in West and Central Java in the Bandung and Solo areas.

### **CURRENT STATUS OF THE TRAINING ASPECTS OF PIO/H**

At the present time, a number of developments have taken place with regards to the training aspects of the Hospital portion of the HSFP. These include:

- (a) The completion of the hospitals diagnostic study of 1990;
- (b) The identification of the important modern management systems ("interventions") that will need to be developed for the future effective management of hospitals in Indonesia;

- (c) The development of the basic principles of Lembaga Swadana by the MOH;
- (d) Development of plans for a MOH training program being planned by PIO/H of the HSFP; and
- (e) The selection of the training contractor by PIO/H and the development of the basic plans for a training needs assessment as well as basic plans for the January/February 1992 training program.

Each of these developments deserves some further comment.

**(a) Hospital Diagnostic Study**

In order to better understand how the HSFP might best help the hospitals of Indonesia, a diagnostic study of a sample of hospitals in three provinces (East Java; West Sumatra; Bali) was carried out in 1989 and 1990; a total of 12 hospitals were surveyed in all. The findings of these diagnostic studies were presented in a National Hospital Workshop held in Bukittinggi in August 1989. Additional in-depth surveys were conducted in selected hospitals to explore and further analyze the initial results; the results of these in-depth studies were reported in a National Workshop held in Bandung in November 1990.

The initial hospital diagnostic study revealed certain interesting findings:

- The hospitals studied seemed to have a generally low occupancy rate and utilization of services;
- The hospitals were heavily dependent (80 to 85% of their budgets) on subsidies from government; there was relatively little generation of revenues from local sources or services;
- The hospital's organizational structure was designed to serve its historical social and services function, but did not provide a solid base for future operation of the hospital as an economic unit;
- A great deal of administrative and management authority and control which should have been exercised by local on-site management was actually carried out by central and provincial authorities who were at a distance from the hospitals;
- The financial systems currently in place were not designed to provide adequate management information about financial resources control, costs per unit or service provided, long-range budgeting, or appropriate pricing of individual services;
- Patient medical records were generally not organized to provide adequate support for either an effective management information system or an adequate quality assessment and assurance program; there was considerable evidence that the actual care being provided was lower in quality than it should have been in a modern era of health care in Indonesia;
- In general, there seemed to be an inconsistent pattern of staffing among the 12 hospitals in the study; there did not seem to be a strong program of personnel/staff/human resources development; staff incentives were poorly structured to contribute to higher morale among hospital workers.

## **(b) Development of Nine Model Hospital Management Systems (Interventions)**

As a result of the diagnostic surveys and subsequent discussions of the results of the Bukittinggi conference, it was determined that a number of “interventions” had to be developed that would help overcome some of the problems identified. In eight cases, these “interventions” should consist of developing model new management systems for hospitals, while in one case the interventions dealt with new legislation and change in regulations that currently govern hospital operations. The model “interventions” have dealt with:

- Organizational structure (i.e., review the current organization formal of hospitals and create new forms and charts of organizational alignment);
- Management information systems (i.e., the development of model data systems for patients and their utilization of services, for finances, for personnel, and for supplies and equipment);
- Medical records (i.e., improved systems of patient records together with organizational changes to re-enforce the importance of medical records to the hospital);
- Accounting systems (i.e., development of new accounting methods that produce the new types of information that will be required for the new management challenges);
- Budgeting systems (i.e., development of new budget systems that allow hospital managers to project their financial needs and the distribution of financial resources among the various services and sections of the hospital);
- Pricing systems (i.e., development of new systems of setting tariffs for individual hospital services, those tariffs being based on willingness of patients to pay, competitors' prices, physician payments, and the actual unit cost for producing the service);
- Quality of patient care/establishment of patient care standards (i.e., development of uniform standards for quality of patient care in hospitals, together with organizational changes necessary to monitor adherence to standards and to carry out improvements where necessary);
- Pharmacy services (i.e., develop improved systems for purchase utilization, and monitoring of drugs and medications in hospitals);
- Law/legislation (i.e., development of a number of changes in the basic laws and regulations that govern hospital organization and functions);

## **(c) Basic Concepts/Principles of Lembaga Swadana**

In the past two years, the major organizational reform in Indonesian hospitals has focused on a concept called Lembaga Swadana. This concept is aimed at improving a number of aspects of health care organization in Indonesia, by reforming certain aspects of hospital management and finance in Indonesia.

The specific objectives of Lembaga Swadana are:

- Reduce government subsidy to hospitals by allowing them to become more self-sufficient with regards to management and financing; the money “saved” in this fashion (i.e., by reduction of government subsidy to hospitals) can then be used for expansion of child survival projects;

- Promote the creativity of hospital administration and management by allowing them to have more direct control over their organizations and operations;
- Improve the quality of patient care in government hospitals in Indonesia;
- Increase community access and utilization of government hospitals by improving quality and expanding the range of services.

In order to carry out Lembaga Swadana, four major efforts at change must be made by the MOH: legal; economic; managerial and organizational; medical/patient care.

The legal changes include new laws and the issuance of Presidential decrees and Ministerial decrees that allow the Lembaga Swadana hospitals to retain and utilize all revenues that they are able to earn or raise locally. (At the present time, these must be returned to the central Treasury, regardless of the financial status of the hospital.) The economic changes involve resource mobilization from the general public by adjusting hospital prices and tariffs, by contracting with health insurance plans to provide better care to covered beneficiaries, and by development of new services and programs that can then be marketed to the public. The managerial/organizational changes involve the development of new organizational structures and the installation of new management systems in areas such as accounting, budgeting, personnel, and patient records/utilization of services. The medical and patient care changes are related to improvement in medical records, codified standards for patient care, and quality assessment and assurance systems.

To be designated a Lembaga Swadana hospital (now being called a “Unit Swadana”) and to maintain that status in the future, a hospital will need to have the following characteristics:

- It would be a non-profit institution;
- It should largely rely on user fees and other self-generated revenues for its operating budget;
- It should be able to produce accurate financial statements and records that allow it to be managed in a cost-effective manner and which also allows for outside audit and evaluation by relevant external ministries and agencies;
- The management/administration of the hospital should have effective local control of the major functions of patient care, financial management, personnel and resource management, and community service.

**(d) Development of the MOH Training Program to Precede the Health Sector Financing Training Project**

In preparation for the change of the first 15 hospitals to “Unit Swadana” concepts, the Directorate General for Medical Care in the MOH has developed a basic training and orientation session for personnel from each of the first 15 hospitals to make the Lembaga Swadana change. Each hospital will send a team of four top-level managers including the medical director, the finance director, the information coordinator, and the administrator (if there is one). Beginning September 23, 1991 and lasting four weeks, the preliminary MOH program will be delivered by government officials from the MOH and other related ministries, and will cover the following basic subjects:

- **Orientation to Lembaga Swadana**
  - The basic concept of “Unit Swadana” together with the basic policies that govern it;
  - The Presidential decree that makes Lembaga Swadana official, together with the various ministerial decrees from the Ministry of Finance and jointly from the MOH, Finance, Interior Affairs, Manpower Planning and others;
  - A review of the general development and planning budget of the Republic of Indonesia, presented by a representative of BAPPENAS;
  - A review of manpower policy in Lembaga Swadana hospitals by the MOH and other ministries involved;
  
- **General Management Issues**
  - Quality improvement methods in hospitals;
  - Social marketing of hospital-based patient care;
  - Reorganization of hospital organization structure and operations;
  - Manpower allocation, use, and monitoring in hospitals;
  - Management information systems in hospitals to fulfill the new management challenges and MOH reporting requirements;
  - Methods of developing perspective operating plans for hospitals, including budgetary processes;
  - The new DRK budget and reporting system.
  
- **Financial Management Techniques**
  - Systems for consolidated reporting and management of revenues from various sources;
  - Methods of simple cost analysis for the production of individual services;
  - Simple accounting systems and accountability principles.

After completing the first four weeks of the classroom training, the trainees/program attendees will return to their hospitals and for the following three months (November, December and January) will participate in on-the-job training; these will take place during three days each month when an external advisor from the MOH will visit each of the individual hospitals to work with the management teams for that hospital on-site. During the on-the-job sessions, the management team at each hospital will be drawing up a hospital-specific plan for that hospital that will cover the actual implementation of Lembaga Swadana in that hospital. In this way, the entire MOH preliminary training program will have a very specific product-development theme or focus throughout the entire training — that “product” being an implementation plan for each hospital, put together by the management team at that hospital.

### **(e) Selection of a Contractor for the Training Program on Lembaga Swadana**

In several previous studies and surveys of hospitals in Indonesia, the PIO/H has used the services of Productivity and Quality Management (PQM) Consultants, a firm located in Jakarta, for several projects, including the hospital diagnostic study. The decision has been made to use PQM again to carry out a training needs assessment and in the design of a detailed training program for management teams drawn from the 15 hospitals included in the first wave of Lembaga Swadana conversion. Mr. Kristanto Santosa, a partner in PQM, is in charge of this consulting engagement and has begun preliminary preparation for the training needs assessment and for the training program to follow.

The PIO/H training program will be conducted January and February 1992 and will include teams of six people from each of the 15 hospitals in the first wave of Lembaga Swadana conversion. Some members of the individual hospital teams (the medical director, for example) will have attended the first MOH Lembaga Swadana orientation program that is scheduled to begin September 23, 1991. The content of the PIO/H training program will focus specifically on the process of change and what needs to be done to make an organization ready for a change as important and far-reaching as Lembaga Swadana; it will also include more detailed descriptions of the model management systems ("interventions") that have been developed and which will eventually be installed in the Lembaga Swadana hospitals.

The schedule for the PIO/H training program will include 14 days of classroom and related training, to be held away from the individual hospital sites; the six-member teams from all 15 hospitals will take part. Following this initial 14 days of classroom training, the teams from a subsample of five hospitals will return to their hospitals for further on-the-job and on-site training; this on-site training at their individual hospitals will focus on plans for the implementation of the various model management systems ("interventions") at their specific hospitals. The installation of these model management systems will take place all through 1992 after the PIO/H training program has been completed in February 1992.

### **OBSERVATIONS AND SUGGESTIONS**

The current plans for the HSFP PIO/H training program seem to be sound in concept, carefully-planned, and moving ahead well. The process that has moved from diagnostic study to group discussion at Bukittinggi, then identification of the model interventions needed and the development of those interventions, and now the development of plans for a training program to implement Lembaga Swadana in general and the model "interventions" in particular. All follows a logical and reasonable developmental progression. Viewed solely in its own process of inter-related activities, the PIO/H training project seems to be aimed at the right objectives and moving forward quite appropriately.

It should be pointed out, however, that the HSFP's hospital training program does not exist in a vacuum just by itself. It is directly affected by events outside itself that are more directly shaping the hospital field in Indonesia.

The main external factor affecting the HSFP hospitals training program is that the entire development of Lembaga Swadana within the MOH is still taking place, at the same time as the project staff and others are trying to design a training program to assist its implementation. Many of the important operating details, policies, and regulations of Lembaga Swadana have not actually been finalized yet, even though the training program must go ahead in many instances as if these had been finalized. (The best parallel would be trying to help people learn how to function in a new office building, even though the building has not been completely built yet.)

This situation means that the Lembaga Swadana hospital training program will have to proceed in a general atmosphere of some organizational uncertainty and probably, change. It will have to try to predict how the final details of Lembaga Swadana may appear in final practice, and then develop training programs accordingly. The training programs and the model interventions that are developed will have to be flexible enough in detail to allow for on-site adaptation as final details appear. It also means that the training programs and the actual installation of the model management systems (“interventions”) may help shape the final operating practices through the experience gained during their installations.

It may be at least partially in response to this atmosphere of uncertainty that has lead PIO/H to be a bit overly elaborate and detailed in some of its planning for training. PIO/H has given a great deal of thought to the context of the training programs and has wanted to create an atmosphere of confidence and stability for the trainees/attendees of the training program. This has lead PIO/H to develop very elaborate and detailed plans, designs, matrices, and flow charts as part of the preliminary work. The unforeseen result in the desire for stability and detail is that it presents the training contractors with a much more detailed set of restrictions, limitations, and guidelines than is really appropriate at this stage of development. The training contractor should be allowed to conduct the training needs assessment and develop the training program outline on the basis of the results of that assessment, while at the same time following the general objectives and directions as initially laid down by PIO/H. The background detail for the training programs is too detailed, complicated, and structured at this point, and the training contractors should be given more flexibility to exert their professional expertise in the development of the ultimate program.

An additional situation that makes the HSFP training project somewhat difficult to plan is that it will directly follow a similar training program currently being planned for the same 15 hospitals and with many of the same trainees/attendees in a division of the MOH. Although the staff members of PIO/H and the division of the MOH that is planning the other training programs are actively cooperating with each other and exchanging information, it must be stated that the two programs are being planned as if they are two separate efforts. An ideal situation would be to have the programs being planned as two parts of a single, carefully-integrated whole. It must be admitted that there are good reasons why this integrated planning may be difficult — short time-tables, different training resources available to the two programs, different organizational sponsorship — but the attempt towards greater integration must be made,

With regards to the proposed training program itself, it has already been said that the basic organization and direction is sound within the limits described above. There are some suggestions about the details of the program, however, that may be helpful to the organizers of the training program itself.

The first suggestion is that some means be found to change the general title or description of the “training program” to something that is more suggestive of institutional development, organizational change and development, and team-building. The term “training program” has about it the sense of teaching individual learners to do something specific and technical (i.e., training to drive a car or operate a computer). The focus here should really be on preparing the organization (i.e., the hospital) for major change. The focus needs to be on the organization and on change, rather than on the individual trainee and his/her training. It may not be possible to change the official title of the proposed program, but certainly the focus of attention and the general atmosphere needs to be altered from one of individual training to organizational change.

A second suggestion is to change the focus from the training of individuals to the development of management teams. Here again, the term “training program” re-enforces the idea of individual learning, when the real purpose is the development of management teams in each hospital. If that is the objective

of the training, then the program must be developed in a way to re-endorse that objective all throughout the program — and afterwards.

One way in which this might be accomplished, one way in which team-learning and organizational development and change can be emphasized would be to organize the program around the development of a plan for institutional change and development at each of the hospitals involved. If each attendee/trainee knows that he/she is part of a management team from their hospital, and if they know that the end product of the training program will be a specific and detailed plan for the implementation of Lembaga Swadana at their hospital, the mutual goals of team learning and organizational change will be greatly enhanced.

In line with this theme of organizational development and change, and in line with the idea of focusing-on an end-product of an institution specific implementation plan for each hospital attending the program, it must be stated that there is nowhere near enough attention being paid in the curriculum to:

- (a) The process of organizational change; and
- (b) The development and management of people in organizations.

The entire concept of Lembaga Swadana is directed towards organizational change and reform, but if that is the case, then the training program have at least some content that deals with these subjects. What can be done to increase the chances of organizational change being successful? What can be done to ensure that all the people in the hospital work to help the process of change rather than hinder it? What steps can be taken to reassure and support organizational leaders who will have to take significant organizational risks if the change is to be successful.

This focus on organizational change must also include a focus on the management and development of people in organizations since it is people who must carry out change. At present the guidelines for the training program focus on technical matters and the transmittal of specific factual material; not nearly enough emphasis is placed on the management of change and the development of people as a part of organization growth and development.

It needs to be pointed out that one of the significant challenges faced in the proposed training program is the integration of the different separate activities that may be taking place at the same time: training needs assessment; model intervention assessment and development; conduct of the training program itself; installation of the model “interventions” in the five sample hospitals. In the best of all circumstances, these developments should take place in a sequential fashion, with one activity building on the previous experience, the next building on the previous two, and so forth. Because of the compressed time-table available for all these various activities, there will be great difficulty in carrying them out in a sequential, logical order; instead, there will be considerable overlap and simultaneous development of the different activities. This will call for great attention to tracking the real progress of each activity very closely; it will also require an intentional effort at integrating as much as possible of each individual activity into the conduct of all the others.

Along with the challenge of integrating the various project activities with one another and with the training program, here will also be another integration challenge to be met: the smooth integration of different speakers and teachers who will take part in the training program itself.

The issue here is that certain proposed subjects or training modules deal with specific technical subjects and it may be required by the MOH that certain specific speakers be used to cover these subjects. These speakers may be not fully integrated into the general purpose, spirit, and “flow” of the training program,

so that they head off into directions that are important to them, but may not follow the general direction of the overall program. There will be a real dilemma for the training contractor here, in that he/she may be required to use certain specific speakers and yet have little control over what they say and how they say it.

There are a number of other important subjects that have been notable by their absence in the details of planning the training program, probably because of their very difficult or delicate nature. It is the responsibility of this consultant to point out some of these important areas, since they will certainly affect the training program and the eventual implementation of Lembaga Swadana.

The first of these issues is the payment to physicians in hospitals, second is the question of whether Lembaga Swadana will change the situation at all. As new sources of revenue are generated in hospitals, can/will they be shared in some way with the physicians who are helping to generate these new sources of revenue? If the revenues are not shared with the physicians, will they continue to participate as actively in the process of change and reform in hospitals? How much authority will an individual hospital medical director have in changing the pattern or the amount of payments to physicians in an individual hospital?

The second issue deals with the very real operating differences between class A and B teaching hospitals and all other hospitals in Indonesia. In the teaching hospitals, the medical staff are not actually employed by the hospital but are rather employed and directed by the medical school/University/Ministry of Education. At the present time, much of the planning is being done as if all the hospitals are the same in organization and operation, which is simply not the case. There is a significant danger that Lembaga Swadana may not work in teaching hospitals, because of their significantly different organization; if it does not work in these hospitals, will this failure seriously impede the overall status and success of Lembaga Swadana in the rest of the country's hospitals?

The third issue deals with unclear and often conflicting messages that are being passed to hospital medical directors with regards to the degree of authority and management flexibility that they will have under Lembaga Swadana. On the one hand, they are being told that Lembaga Swadana will give them a great deal more ability to decide what should be done in their hospital and how it should be carried out; they are also being told that they will be evaluated on the basis of how quickly and successfully they move their hospitals to a self-sustaining condition. On the other hand, they are also being told the ultimate control of prices and other financial matters, as well as control of certain clinical decisions will remain in the central offices and units where they now reside. The question of the locus of real management authority and the range of that authority need to be addressed much more directly than is being done at present.

A specific example of these contradictory messages concerns the medical director's management of personnel in his hospital. If the hospital medical director is to have more active control of his hospital and particularly of the finances of his hospital, he will clearly need to be able to control the costs of personnel and the personnel themselves in what they do. At the present time, however, many of those personnel do not work for the hospital and the medical director, and often are not even paid by him; they may work for another ministry or for the provincial or local government, and may not even see themselves as being responsible to him. If the medical director is to really manage his hospital, really turn it into a self-sustaining Unit Swadana, and really control its finances to the point where it is completely self-sustaining, the issue of administrative and management control of hospital personnel will have to be dealt with much more directly than it is now.

## **FUTURE DIRECTIONS FOR TRAINING AND HUMAN RESOURCE DEVELOPMENT IN LEMBAGA SWADANA IN THE MOH**

Although the focus of this consultation has been on the training program that is being developed for early 1992, it should be clear that there needs to be a continuing process of education, training, and support for Lembaga Swadana for hospitals in Indonesia for the next five or six years, if Lembaga Swadana is to be implemented throughout the country and is to be maximally successful.

At the present stage of development, Lembaga Swadana is to be implemented in the 320 government hospitals according to the following time-table:

1991 - 92	15 hospitals
1992 - 93	45 hospitals
1993 - 94	90 hospitals
1994 - 95	170 hospitals
	320 hospitals.

This suggests that there will need to be two continuing streams of training and support activities over the next few years, the first of which involves the second/third/(possibly) fourth year of support and further training for hospitals that have started to implement Lembaga Swadana and have gone through the PIO/H beginning training program once. The second stream of training programs will obviously have to be for the 45, 90, and 170 hospitals that will be implementing Lembaga Swadana for the first time in the years after 1991-92, and who will need to go through the preliminary/start-up PIO/H training for the first time.

In the first stream of future training programs, the one to be conducted for hospitals in their second, third, and fourth years of Lembaga Swadana implementation, the training will focus on a review of progress made the first year, assistance with solutions for problems that became apparent in the first year, and development of operational plans for future years. These second, third, and fourth year training efforts will also allow for cohorts of hospitals (and their medical directors) to provide feedback to the trainers and to the central MOH personnel, as well as allowing the participants to develop the basis for a network of mutual support and exchange information that could continue for a long time into the future.

The second stream of future training activities should be for those future waves of 45, 90, and 170 hospitals that will be just starting implementation of Lembaga Swadana in their hospitals in 1992-93, 1993-94, and 1994-95. In many ways, their training and preparation will be the same as that carried out for the first wave of 15 hospitals, since their needs for preparation will be just the same.

In two ways, however, the initial training and Lembaga Swadana preparation for these hospitals will be significantly different from that of the first wave. For one thing, as these latter hospitals begin to enter Lembaga Swadana preparatory training, they will be able to benefit from one, two, and eventually three years of Lembaga Swadana experience by those hospitals that have proceeded them. By continuously altering the first year preparation with the addition of practical Lembaga Swadana operating experience from more experienced hospitals, the training program in future years will become much richer and relevant to the hospitals taking part.

The second aspect of training for first-time hospitals that will be different in future years is that there will be a much larger number of them: 45, 90, and 170 per year. Obviously the present smaller group, single-site model of training for this year's Lembaga Swadana hospitals will have to give way to a multi-site training program carried out in quite different fashion. It may be that each of the original 15

Lembaga Swadana hospitals (or some sub-set of them) will be asked to take on the training for the second wave, just as the second wave may be asked to help with the training of the third wave, and so forth.

Whatever models and plan used, however, it is important to stress that this first year's program should be seen as only the first in a multi-year effort that eventually involves all government hospitals in Indonesia. The progress made in the development of a basic plan and basic principles for Lembaga Swadana, as well as the creation of a basic training program has been very significant. The momentum developed in this past year and a half should hopefully be allowed to continue, in order to be able to give maximum support and assistance to this critical development in hospital reform in Indonesia.

**APPENDIX<sup>1</sup>**  
**COMMENTS ABOUT TRAINING NEEDS ASSESSMENT, TRAINING CURRICULUM AND  
MODULES, FEASIBILITY AND SUSTAINABILITY FOR THE FUTURE**

**TRAINING NEEDS ASSESSMENT**

The training needs assessment is scheduled to be carried out in October and November 1991. It will be carried out in the hospitals, R.S. Fatmawadi (Jakarta) and R.S. Tegalyoso (Klatan). The contractor may possibly survey a third hospital, R.S. Pasar Reho (Jakarta) if time permits, but is not required to by terms of his contract. He will also benefit from information gathered in extensive interviews at R.S. Hasan Sadikin (Bandung).

As a first step in the training needs assessment, the contractors will develop a list of possible subjects and themes to be covered. This list of possible subjects will be developed from several sources:

- The list of topics already suggested to be included by the MOH staff planning the training programs for Lembaga Swadana;
- A list of additional subjects suggested to the contractor in the course of interviews with experts and people knowledgeable in hospital management in Indonesia and elsewhere;
- A list of additional subjects generated by the training contractor and his staff, based on their practical experience from many previous training engagements with large organizations in Indonesia

After the potential risk of subjects has been generated, it will form the basis of a questionnaire to the potential training subjects, to determine their impressions about whether particular subjects or topics would be useful to them. In addition to surveying the potential training subjects themselves, this survey will be used in interviews with expert and knowledgeable people, to obtain their opinions about the appropriateness of various subjects for inclusion in the Lembaga Swadana training.

At the same time as the more formal survey questionnaire is being circulated, the contractor will continue to use focus group meetings and leadership interviews to get further in-depth information about the potential trainees' views on training methods, optimal learning approaches, and other matters related to the future design of the training program itself.

Also as part of the training needs assessment, the contractor will review the syllabus for the preliminary MOH training program that is due to begin on September 24, 1991, and will also attend some of the training sessions themselves. The purpose of this observation is two-fold: first, to learn about the actual contents of the Preliminary training program (so the second PIO/H training program can be better integrated with the earlier MOH efforts. The second purpose of the training contractor attending some sessions of the preliminary MOH training program is to assess the readiness to learn of the trainees attending the program, as well as the dynamics of learning and interpersonal interaction that is taking

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<sup>1</sup> Although the final development of the actual training needs assessment is the responsibility of the training contractor, it may be useful to describe the current status with regards to the development of outlines of the training needs assessment and eventual training program. The final program will be developed by the training contractor and this outline is merely descriptive and may be changed significantly before final implementation.

place. This information can be quite useful in the development of the details of the PIO/H training program.

Once a tentative list of training needs is developed, it will be fed back to some of the respondents and some experts, as well as MOH policy leaders at a special meeting that will be convened in October to review and revise the list of training needs. Also at this time, the training contractor will present the general outline and educational approach that will be used for the training program itself. At that meeting, revisions in the training needs and in the training program outline will be recommended and a final format will be agreed upon.

## **CURRICULUM DESIGN AND SYLLABUS**

At the present time, the general outline of the proposed training program has begun to take general shape. The exact final details, the relative proportions of time and effort among the various sections, and the actual training methods are still to be worked out in detail.

In general, it is planned that the first preliminary MOH training program session that is scheduled to begin September 23rd will concentrate on general management principles and general principles of Lembaga Swadana. It is now felt that the later PIO/H training program to be held in January and February will be less concerned with general management and orientation, and instead will focus more on specific implementation of change and installation of the model management systems. The exact details of the interaction with the first preliminary MOH training program are still being developed, but the plan is for there to be a carefully organized linkage between the two.

At present, the general list of subjects to be included in the PIO/H training program is as follows:

- Brief review of general management principles, particularly the leadership role of management;
- Brief review of principles of Lembaga Swadana; more detailed review of the existing Presidential and Ministerial decrees that govern Lembaga Swadana; review of regulations and procedures for various functions related to Lembaga Swadana;
- Extensive discussions and instruction on the process of change in organizations and on the methods of preparing for and implementing change in organizations;
- Training modules for the five major subject areas that have already been identified by the general planners for the Lembaga Swadana training program as being important to cover:
  - (1) Development and use of modern management information system; description of the management information system (one of the model interventions that is being developed by PIO/H);
  - (2),(3),(4) Development and use of modern financial management systems in the three areas of accounting, budgeting, and pricing policy; description of the three financial management systems being developed by PIO/H;
  - (5) Development and use of a modern quality assurance system for hospitals; description of the quality assurance plan for hospitals that PIO/H is developing.

- A review of the new systems of health insurance and social financing that are developing in Indonesia and discussion of their probable impact on Lembaga Swadana hospitals in the future;
- A final portion of the training program will be devoted to helping the trainees/attendees of the PIO/H training program to develop a hospital specific plan for Lembaga Swadana implementation for their individual hospitals.
- The outline for PIO/H training program will also include specific evaluation techniques that will allow for some judgement as to the effectiveness of the training program itself; this evaluation will probably include pre and post-training testing of knowledge levels, and may possibly include some longer-term follows up (six months after completion of training) in order to get a broader appraisal of program effectiveness.

## **OUTLINE OF A POSSIBLE TRAINING MODULE FOR QUALITY ASSURANCE IN MOH HOSPITALS**

The three training modules for financial management and the one training module for management information systems have already received considerable thought and developmental work, and there are fairly detailed outlines for them available at PIO/H. Considerable thought has also been given to the content of the quality assurance module, but the outline of a possible training module has not been developed yet. A tentative outline of such a training module in quality assurance is presented here for discussion purposes.

### **A. General Background**

1. Purpose of quality assurance is to improve patient care by identification of organizational and systematic problems in patient care which, if they are corrected, can improve patient care; it is not an investigation or a test of individual workers or their skills.
2. Quality assurance is a hospital-wide effort involving everyone as a basic philosophy; it is not something that is limited to one department or committee.
3. Quality assurance consists of a wide variety of different types of efforts all throughout the hospital. It is not just one specific program or one specific method carried out in one part of the hospital or just by one group or department.
4. Quality assurance should be carried out as a total hospital effort, one that reports to medical director of the hospital and is coordinated by a patient care committee, that operates under his direct supervision.

### **B. What is Needed to Make a Hospital-Wide, Integrated Quality Management System Work?**

1. A general knowledge and understanding of quality assurance and how it works;
2. An actively interested and supportive medical director;
3. A coordinating committee or group that gather quality assurance information from many parts of the hospital, analyzes it, integrates the various separate results into single, hospital-wide appraisal, and passes this information along to the medical director, together with recommendations for improvement;

4. An effective medical record system that covers all sections, services, and patients of the hospital; and
5. A series of individual quality assurance activities (such as medical audit, review of deaths, drug utilization review, etc.) that take place in various parts of the hospital and which feed back their individual results to the coordinating committee mentioned in (c) above.

C. General Categories of Quality Assurance Methods

It has been mentioned that there are a wide variety of quality assurance activities that can be undertaken in hospitals. In general, they fall into three categories:

1. Those activities that focus on evaluating structural aspects of patient care quality, (e.g., hospital accreditation standards);
2. Those that focus on process of patient care (e.g., medical audit and peer review); and
3. Those that focus on outcomes (e.g., patient satisfaction surveys; examination of tissues removed at surgery).

A broad hospital-wide program of quality assurance should include representatives of all three types of approaches to quality assurance.

D. Specific Examples of Individual Quality Assurance Efforts that Can Be Started in various Parts of the Hospitals as Parts of a Hospital-wide Quality Assurance Program

1. Structural Approaches

- a. Standards for accreditation and licensing of hospitals; and
- b. Credentials review for medical and nursing personnel before their employment.

2. Process Approaches

- a. Medical audit/peer review;
- b. Review of all deaths in hospitals;
- c. Review of "incidence reports" (i.e., accidents);
- d. Drug utilization review;
- e. Review of hospital-acquired infections; and
- f. Review of malpractice legal actions against the hospital and the medical staff as in the United States.

### 3. Outcome Approaches

- a. A review of accuracy of a sample of laboratory tests;
- b. A review of all tissue removed by surgery;
- c. Review of all deaths (may also be a “process” approach);
- d. Patient satisfaction surveys; and
- e. Special surveys following up on patient status several months after discharge from hospital.

A good hospital should have a variety of different activities going on at the same time. Some of these may be required by the MOH (e.g., accreditation and licensing standards; medical audit and peer review). Some may be required by external organizations (e.g., patient satisfaction surveys required by insurance programs). Some may be developed by members of the hospital staff itself on their own initiative because of an interest in a specific problem in their part of the hospital.

### E. Details of How to Conduct Certain Specific Quality Assurance Activities (Most Commonly Used or Required Q.A. Activities)

1. Accreditation and licensing standards;
2. Medical audit and peer review;
3. Drug utilization review;
4. Patient satisfaction surveys; and
5. Laboratory/x-ray retesting for accuracy.