

## Technical Report No. 14

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# University Teaching Hospital in Zambia: The Strategic Plan Environment\*

*September 1997*

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Partnerships  
for Health  
Reform

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# Abstract

The purpose of this technical effort by the Partnerships for Health Reform was to assess various issues, problems, and opportunities facing the University Teaching Hospital (UTH) in Zambia. This review serves to catalyze and provide input for the development of an effective strategic plan for the UTH and Zambia's health services in general. Findings from this review provide a basis for recommendations on how to effectively address these issues in order to improve management and, ultimately, positively affect efficiency, quality, equity, and sustainability of services.

PHR Consultant George Purvis spent two weeks in Zambia reviewing documents, conducting workshops, compiling observations, and interviewing key management and clinical personnel. Rather than analyzing specific departments, this review focuses on the broader policy level.

Chapter 5 specifically discusses findings, recommendations, and possible technical assistance (TA) in the following areas: general; board/governance; strategic/operational planning and information systems; finance and internal control; leadership, human resources, and management development; efficiency, cost, and productivity; marketing, public relations, and fund development; and quality assurance. This chapter is followed by recommendations for all parties involved in the strategic planning for UTH revitalization and management reconstruction.

Despite the problems facing the UTH, this report also focuses on its opportunities to maintain and enhance its role as a functional and critical institution of Zambia.

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# Acronyms

<b>CBOH</b>	Central Board of Health
<b>CEO</b>	Chief Executive Officer
<b>FMDAP</b>	Free Market Development Advisers Program
<b>GRZ</b>	Government of the Republic of Zambia
<b>MOF</b>	Ministry of Finance
<b>MOH</b>	Ministry of Health
<b>PHR</b>	Partnerships for Health Reform
<b>QA</b>	Quality Assurance
<b>SOM</b>	School of Medicine
<b>TA</b>	Technical Assistance
<b>USAID</b>	United States Agency for International Development
<b>UTH</b>	University Teaching Hospital



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# Executive Summary

This report summarizes the findings and recommendations of a review of the major issues, problems, and opportunities facing the University Teaching Hospital (UTH) in Zambia. This review was part of the Partnerships for Health Reform (PHR) Project.

UTH is an academic medical center/university hospital with approximately 1,800 beds. It provides a full range of primary, secondary, and tertiary health and medical services on both an inpatient and outpatient basis. The hospital supports the mission of the School of Medicine (SOM), which focuses primarily on teaching and research, as well as the School of Nursing and other teaching programs in a number of technical areas. Academic medical centers, with their often conflicting missions of education, patient care, and research, have been cited by many authorities as the most complex institutions in existence and perhaps the most difficult to manage effectively.

The problems facing UTH are similar to the problems facing the total health and medical delivery system of Zambia and include:

- ▲ low levels of funding;
- ▲ inadequate health education, primary health care, and primary medical care services;
- ▲ shortages of drugs, reagents, X-ray film, and medical equipment and supplies;
- ▲ low staff salaries;
- ▲ shortages of critical medical and technical skills;
- ▲ high rates of staff turnover, theft and fraud; and
- ▲ mismanagement of critically short resources.

However, the UTH, as the major secondary and tertiary referral institution for all of Zambia, has become the final destination of the unsolved medical problems of the population. Health and medical problems not treated at lower levels are eventually referred to the UTH to be diagnosed and treated, and the resulting higher cost of managing the patient is borne by the institution. Many of the problems facing the UTH will not be solved until national health reforms are fully implemented and working effectively. Only when primary health care and better primary care and improved secondary care at lower levels are effectively preventing or diagnosing and treating most disease, will the major burden lessen on the UTH. However, although the national strategy is effective, it will take many years to implement. In the meantime, UTH must begin to face its major problems in the short term.

The UTH is a major national asset and resource of the government of the Republic of Zambia (GRZ), but it is in a state of physical, financial, and intellectual deterioration. As a result of significant reductions in funding, ineffective governance and management, political interference, and confusion concerning its role and mission as an institution, the UTH is at a critical stage in development. It will either continue to slide into failure, as have many other university medical centers in other developing countries, or be revitalized by new leadership and management and continue to be a national asset and pride of the country's health and medical services. This is the major issue facing the Ministry of Health (MOH), the Central Board of Health (CBOH), and the GRZ.

The institution has many more strengths than weaknesses. Compared to many other university teaching hospitals in Africa, the UTH is still in relatively good physical condition. Although maintenance and capital budgets have greatly eroded in recent years, the physical structure is relatively

sound and functioning effectively. The medical and nursing staffs are high quality, although many specialist and subspecialist posts are understaffed or lack up-to-date training. Much of the equipment is functioning effectively, but spare parts and maintenance are major problems, and some areas, specifically Radiology and the Dental Department, have mostly dysfunctional and seriously outdated equipment. The financial status of the institution is not strong, and the short-term debt of 5 billion Kwacha, is approximately one-half of a year's operating budget. The relationship between the UTH and the SOM is generally positive, although historically there have been many disagreements. The institution has implemented some innovative programs, such as opening urban clinics and obstetric/maternity midwife programs at outlying locations, which have reduced its primary care activities that are carried out more cost effectively at lower levels.

The solutions to the UTH's major problems are within its own control and are in the areas of:

- ▲ board governance and management leadership;
- ▲ strategic planning;
- ▲ effective financial and internal controls;
- ▲ human resource productivity and accountability;
- ▲ management systems development;
- ▲ efficient resource utilization;
- ▲ restructuring and rationalization of beds, services, and programs;
- ▲ inadequate funding in some areas; and
- ▲ political interference in the operation and management of the institution.

This report discusses the problems in each of these areas and outlines possible recommendations for the CBOH, MOH, and GRZ to consider.

Most of these problems are not unique to Zambia or to the UTH and are inherent in academic medical centers internationally. Many can be solved in the short term, and all can be solved in the long term if the respective leadership is prepared to make the political and management decisions necessary to allow the institution to function effectively in a rapidly changing economic, political, and health-sector environment.

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# 1.0 Objectives

The activities undertaken during this consultancy were intended to contribute to the overall development of a strategy for hospitals in Zambia, but were focused during this visit specifically on the improvement of the University Teaching Hospital (UTH). The objectives were to:

- ▲ Identify and understand the issues facing the UTH through meetings with key interested parties. Meetings included the minister of health and other key Ministry of Health (MOH) counterparts, the UTH director and management staff, members of the UTH Board of Directors, representatives of the UTH Board of Inquiry, United States Agency for International Development (USAID) personnel, and other relevant partners.
- ▲ Conduct a two-day workshop for UTH board and key management staff, which would include the development of an environmental assessment, mission and vision statements, and specific strategies to solve some of the institution's major problems.
- ▲ Prepare a draft plan to initiate the first visible steps to address key problems and to implement self-sustaining solutions.



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## 2.0 Background

The government of the Republic of Zambia (GRZ) is working to implement extensive health reforms aimed at “providing equity of access to cost effective quality health care as close to the family as possible.” Over the past five years, the GRZ has developed and is in the process of implementing major reforms, including decentralizing the management of the health system, developing an essential package of cost-effective health services, introducing user fees, prepayment schemes, health insurance options, and delinking health service employees from the civil service system. One of the biggest changes has been the reallocation of resources from secondary and tertiary care to more cost-effective primary medical care and primary health care activities. These initiatives are well documented in other publications.

The focus of reforms has been at the district and provincial levels, as it was first thought that the hospital sector was generally well managed. However, this was not the case, and the Ministry of Health (MOH) is now developing a strategy to improve secondary and tertiary care institutions. Foremost among Zambia’s hospitals is the UTH, an 1,800 bed institution that provides a full range of primary, secondary, and tertiary patient care, as well as teaching and research activities. The UTH has historically been the biggest cost center in the MOH budget, but since it has undergone a major reallocation of resources to primary care, its share of the health budget has fallen from a historical 25 percent to approximately 17 percent in 1994 and 11 percent in 1997. This reduction has had a major impact on the ability of the UTH board and management to cope with the difficulties of delivering medical services to its catchment population. Hospitals are the most visible part of the health care system, and reductions in resources often result in observable deficiencies in supplies, drugs, maintenance, and equipment. This public visibility turns into unfavorable publicity, which becomes politically difficult for MOH leadership.

This consultancy reflects the desire of the Central Board of Health (CBOH) to develop an effective strategy for all hospitals, including the UTH. Consequently, this review of the UTH is meant to contribute to an overall strategy for hospitals in Zambia. The major focus of this consultancy was a review of the activities, problems, issues, strengths, weaknesses, and opportunities of the UTH in the new health-reform environment.

It is expected that the USAID Partnerships for Health Reform (PHR) Project will continue to assist the CBOH and the UTH with strategic planning for the hospital sector. This report recommends technical assistance (TA) in a number of management areas, especially education and training, which is highlighted in the recommendations section of this report.<sup>1</sup> PHR will work closely with Intersolve, a consulting firm from South Africa that has been contracted to begin the auditing of materials management and that controls development and implementation.

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<sup>1</sup> It should be noted, however, that the amount of technical assistance recommended cannot necessarily be funded by USAID/PHR, and other cooperating partners are encouraged to assist with the process of capacity-building at UTH and within the total hospital system within Zambia.



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## 3.0 Methodology

The following section outlines the findings and recommendations for the UTH, which were developed during a two-week review of the institution's management, board/governance, organization, human resources, physical plant, programs and services, finance, efficiency/productivity, procurement/materials management, information systems, and related areas. The review focused primarily on the policy level, as a detailed analysis of individual departments was not possible in the time allocated.

The findings and recommendations are based on interviews with key management and clinical personnel, review of documents, a two-and-one-half days' workshop with hospital administrative and clinical staff, observation, and the consultant's 25 years of experience with teaching hospitals in developing and developed countries. The review was not meant to be comprehensive, but instead was meant as a beginning effort toward an effective strategy for the UTH. It was also intended to help the CBOH develop a plan for all secondary and tertiary care medical services (hospitals) in Zambia.



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## 4.0 Findings and Recommendations

This section outlines the specific findings and recommendations of the two-week review of the UTH. Each area covers a specific area of management or strategic planning process and includes the full range of governance and management functions. The areas are as follows: general; board/governance; strategic/operational planning, and information systems; finance and internal control; leadership; human resources and management development; efficiency, cost, and productivity; marketing, public relations, and fund development; and quality assurance (QA). Specific recommendations and technical assistance are proposed for each area after the findings and recommendations. TA primarily focuses on education, training, and related consulting activities.

*Education:* The proposed education and training focuses primarily on specific areas of competency-based skill development and capacity-building in institutional problem areas. The educational materials include workbooks, pamphlets, textbooks where appropriate, and other printed materials.

*Training:* This is in the form of workshops and seminars that are highly interactive and include case studies, problem-solving and discussion, as well as lecture material. Participants are expected to produce work plans or other work-related activities in their own work area that relate to the topic. At the end of each session, the participants have a list of related work activities to pursue when returning to the job. With this process participants are more actively involved and have follow-up activities to develop and implement.

*Consulting:* This takes the form of pre- and post-training/workshop activities, and includes identification of specific institutional problems or issues related to the training before the workshop and after-training activities to ensure that participants and management are focusing on development and implementation of specific training skills.

The following sections include a discussion of the topic areas, recommendations on education and training, and the pre- and post-consulting activities.

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### 4.1 General

#### **Findings:**

*Need for improved leadership.* The UTH is a national resource that is in the process of physical, financial, and intellectual deterioration, and it will continue to decline into failure as an institution, like many other African university hospitals, unless major steps are taken by the GRZ, MOH, and CBOH to improve the leadership at board and management levels. Due to the rapidly changing economic and political environment over the past 15 years, the institution has experienced a revolving door of boards, board members, executive and deputy executive directors, and key management positions. Political interference in the operations and management of the institution has prevented the board and management from effectively managing the teaching and patient care activities in an environment of

declining resources. This has led to crisis-oriented management that is hindering the institution's ability to deliver quality medical services in a cost-effective manner.

### **Recommendations:**

GRZ, MOH, CBOH, and UTH management should agree on the mission, role, and goals of the UTH in the total health and medical care system. This process has begun with the development of the draft memorandum of agreement between the SOM and the UTH, whereby there would be one institutional entity with a joint board and management of the institution, with one mission, one set of joint goals, and one chief executive officer (CEO).

- ▲ This agreement needs to be implemented and an effective CEO recruited and appointed;
- ▲ The recruitment, selection, and appointment of a new hospital executive director should be a high priority for the new board. The position should be filled by a professional hospital executive with education, training, and experience in hospital management. The position should not be filled by a clinician without formal management training;
- ▲ A new joint board with more autonomy to govern the institution and less political interference needs to be selected and begin to function effectively; and,
- ▲ The MOH and CBOH should start developing a strategic planning process for all the hospitals in Zambia. The process should include all key stakeholders and a thorough review of the issues and problems facing hospitals in light of the health-reform initiatives at the national and district levels. The process should include a mission and vision of secondary and tertiary care; an environmental assessment (strengths, weaknesses, opportunities, and threats); and critical issues, strategies, and a list of clear goals. This process also should include an overall plan for the total hospital sector as well as individual strategic plans for each secondary/tertiary institution.

The development of a strategic plan for the hospital sector in Zambia is already under way and is being directed by the CBOH with the assistance of cooperating partners. This should be a high priority for the CBOH. An overall country plan is necessary if the UTH is to understand and develop its role in the referral system of Zambia. Many of the problems of the UTH will be corrected only when the referral hospitals at the lower levels begin to diagnose and treat patients more effectively and reduce the level of inappropriate referrals to the UTH.

### **Possible Technical Assistance:**

- ▲ Education and training in the strategic planning process for hospitals, covering national and individual institutional plans. Training should include skills strengthening in developing a mission statement; conducting an environmental assessment of strengths, weaknesses, opportunities, and threats (internal and external); identifying critical issues; and developing a vision statement, strategies, goals, objectives, and programs;
- ▲ Follow-up consulting to hospital management to ensure that the MOH, CBOH, and individual hospitals understand the objectives of the training; and,
- ▲ Assistance in the development of a national strategic vision and plan for hospitals in Zambia in conjunction with other cooperating partners, and possibly a review of individual hospital plans to ensure continuity of individual plans with the national plan.

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## 4.2 Board/Governance

### Findings:

*The UTH board and governance have been generally ineffective over the past decade. The fact that the UTH has eight years of unaudited financial statements clearly reveals a failure to understand or carry out basic governance. Boards and board members regularly come and go and are usually political appointees who may not represent the true trusteeship of the community. New board members are not given an orientation nor are their roles and responsibilities made clear. A review of board committees and board minutes has shown a micromanagement and operations orientation and a crisis approach to governance. The interim situation of the CBOH board also acting as the UTH board is not working well, as communication and governance activities are too limited and the CBOH has too many other responsibilities and priorities.*

### Recommendations:

- ▲ The CBOH should delink itself from the UTH soon and arrange for the appointment of a new board.
- ▲ The new joint board should be given more governing autonomy and be less at the whim of political pressure. The new board chairman and board members should be chosen carefully to ensure that they represent community interests and can devote the time and effort to governance activities. Along with their recruitment, an orientation and training program should be initiated to familiarize them with their roles, duties, and responsibilities as well as the functioning of board committees, evaluation of individual board members, and other areas of effective board and management relationships.

### Possible Technical Assistance:

- ▲ Education and training in board/management relationships.
- ▲ Development of an effective board that focuses on the roles and responsibilities of the chairman and members; the effective development and use of board committees; how to handle such difficult issues as the selection of a CEO and performance reviews, conflicts of interest, strategic and financial planning; and other issues of effective board operations and development.
- ▲ Follow-up consulting activities to hospital board and management to ensure that new board members understand the objectives of the training.
- ▲ Assistance in the development of an effective board/management process. This assistance could include a review of proposed board members' qualifications, discussions with proposed individuals about the time commitment required, and other board selection and orientation activities. (If the appointment of a new joint board is months or years away, the workshop and process could be conducted for the CBOH, which has assumed responsibilities as the board function. This could help the CBOH oversee the board and management relationships and the development of the new institutional board. However, a prolonged role of the CBOH as an interim board is not recommended. Any interim board arrangement could continue to endanger

and delay necessary strategic plans and decisions critical to the long-term success of the institution.)

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## 4.3 Strategic/Operational Planning and Information Systems

### Findings:

*UTH has spent too little time in both operational and strategic planning.* Although a department-based budgeting system is in place, serious cuts in funding have produced apathy among department managers. The institution does not have a formal planning office nor a formal planning function. Information systems are not well developed. Too little data have been produced and analyzed to give management a clear idea of changing economic and primary, secondary, and tertiary referral patterns affecting the institution. Although the SOM has a Ten Year Development Plan, the hospital has no clear strategy for the future. Management has been too crisis- and operations-oriented and has not spent the time or effort required to get out of a crisis mode. Although some of this is understandable, considering the board and governance issues outlined above, significantly more effort and information must go into both the strategic and operational planning process.

### Recommendations:

- ▲ UTH should initiate a planning process, including a formal planning department or planning function that could collect and analyze data, produce reports, and assist management and the board with decisions on key issues affecting the institution.
- ▲ A formal strategic planning process should be initiated in the short term to develop options and strategies for the development of the hospital. This information would be invaluable to the new joint board and management team.

### Possible Technical Assistance:

- ▲ Education and training in operation of and strategic planning for hospitals, to include developing operational plans (linking budgeting to actual cash allocations); mission statement; conducting environmental assessment of strengths, weaknesses, opportunities, and threats both internal and external; identifying critical issues; and developing strategies, goals, objectives, and programs.
- ▲ Follow-up consulting activities to hospital management, in conjunction with the Intersolve South African group. This would include pre- and post-training consulting to help ensure that the UTH and CBOH understand the objectives of the training and that the UTH institutional plan conforms to the national strategic plan for all hospitals in Zambia.

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## 4.4 Finance and Internal Control

### Findings:

*UTH does not have well developed nor effective accounting, financial, or internal controls, policies, and/or procedures.* Although accounting systems are in place and the internal auditing function is operational, the process is accounting-oriented (focused on the past), not finance-oriented (focused on the future). Although a new managerial accounting software package and system had been purchased, it was only partially implemented and lacks the ability to do unit costing (cost per inpatient day or outpatient visit by type of service) and cost finding (identification and allocation of cost by utilization). The internal control function is accounting-oriented and does not adequately protect the institution against fraud and theft (see Commission of Inquiry Report), and it fails to focus accountability for usage of supplies and materials at the department and individual levels.

### Recommendations:

- ▲ The entire process of materials management should be reviewed and strengthened. This includes the identification of needs and the examination of ordering, tendering, procurement, storage, delivery, handling, accountability for charging and utilization, and internal controls at all levels.
- ▲ The development of a finance (future) orientation instead of an accounting (past) orientation should also be a high priority. This has begun with the selection of a new director of finance, but significant training and education of staff are required. More attention and effort should be focused on paying services (revenue-generating services) and developing alternative sources of revenue. The UTH must also begin to take a more active role in marketing, pricing, fund raising and development, and raising more revenue that is independent of the governmental budget and the MOH/Ministry of Finance (MOF) priorities. This should include outreach to the wider community to raise revenues not related to governmental budget decisions.

### Possible Technical Assistance:

- ▲ No TA is recommended in the area of internal control and auditing, as it is the consultant's understanding that the Intersolve consulting group from South Africa has been contracted to begin the auditing of materials management and controls development and implementation.
- ▲ Education and training in the areas of financial management of health care institutions to include ongoing training for the departmental staff on managerial and financial accounting, including areas related alternative sources of revenue, pricing, and marketing. The new director of finance does not have hospital experience and needs to upgrade his knowledge and education, preferably by attending a course in Europe or North America on hospital financial management and accounting in the new health care environment.

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## 4.5 Leadership, Human Resources, and Management Development

### Findings:

*The key management areas of human resources and management development are in need of significant improvement at UTH.* This is a major problem and is due to a number of factors, including the secondment of positions from the MOH, the various employee unions, the variety of specialized technical positions working together on patient care, the teaching and training function of medical students and residents, student nurses, expatriate physicians, differing salary levels, non-competitive wage levels, shift work, and the conflicts inherent in any university hospital with the often conflicting missions of teaching, patient care, and research. The processes for selection, appointment, orientation, performance monitoring and review, appraisal, and discipline and termination are complex and ineffective. In addition, developing accountability and expectations for individual and departmental performance is difficult due to the same factors listed above. There is a general feeling among management that staff are unaccountable and difficult to manage. Inappropriate behavior toward patients and other staff is tolerated and discipline is difficult. All of these human resource problems have led to a poor work environment, low morale, and poor job performance.

### Recommendations:

- ▲ Education and training in human resources and management development. The administrative staff, department and unit managers, and all senior executives should have ongoing training in the effective management of health care institutions. This training should be combined with improvements in performance monitoring and appraisal, discipline, and employee counseling and performance improvement programs. With the delinking of personnel from civil service rules, it should be easier to develop work performance standards, monitoring, evaluation, and discipline guidelines for managers to follow. Significant training in these areas should be a high priority.

### Possible Technical Assistance:

- ▲ Education and training in human resource/personnel management and management development for hospital managers are a high priority. It would include implementing institutional and individual management development plans.
- ▲ Follow-up consulting activities to hospital management, including pre- and post-training consulting to ensure that the UTH management and CBOH board members understand the institutional plan and that it conforms to the human resources development section of the overall national strategic plan for hospitals.

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## 4.6 Efficiency, Cost, and Productivity

### Findings:

*Utilization of resources, cost reduction and cost containment, and productivity at UTH are not well developed.* As a result of the short-term debt and procurement practices, there is significant waste of limited resources. Personnel are required to use inappropriate supplies and materials at higher cost due to an inability to buy the right materials. Managers are not well trained in work standards and productivity measures. Some departments are overstaffed and some are understaffed, and few staffing norms are available. Some personnel are hired even though they do not meet basic criteria, and they often become unproductive. Patient and information systems are not well documented and need professional assistance from system engineers to review, analyze, and improve.

Most of the management and many of the employees are of long service and often complain about reduced funding levels. They see funding as a part of the reform strategy and a solution to all issues. Managing in a reduced-resource environment requires a very different type of management and leadership than in a resource-rich environment. This is a question of attitude, which requires new leadership to encourage “doing more with less.”

### Recommendations:

- ▲ Leaders in the senior management area with experience in providing quality services in a resource-limited environment should be recruited and hired. This is a different type of leadership and requires higher levels of performance from management and non-management personnel. Physicians and other staff members must be brought into the cost-containment process, with all personnel trained and expected to perform accordingly. This means that measurable, objective work standards and norms must be developed in each department.
- ▲ These standards must be incorporated into the annual individual performance reviews, and productivity needs to increase. Personnel can do more if properly managed with good measures and expectations of performance.

### Possible Technical Assistance:

- ▲ Education and training in cost containment, cost reduction, productivity, and efficiency for hospital managers and staff (including the development of cost and efficiency plans). Training should focus primarily on “doing more with less” in a declining resource environment.
- ▲ Follow-up consulting activities to hospital management, in coordination with the Intersolve consulting group, to ensure that training is relevant to needs as identified by management and Intersolve.

This area of TA has been recommended by the acting executive director as a priority for the key administrative staff and department directors at the UTH for the consultant’s return trip in November 1997. (See follow-up plan in next section.)

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## 4.7 Marketing, Public Relations, and Fund Development

### Findings:

*Public relations activities have been relatively well developed at the UTH, and an active public relations function has existed for a number of years. In the past, marketing activities have not been a priority due to the governmental orientation. Marketing essentially means “meeting the customer’s needs,” and this is not well understood at the UTH. With increasing attention to paid services, the entire staff must become more patient/customer oriented. Staff members’ attitudes must change if the UTH is going to be more patient focused. Fund raising, although important at UTH, needs to become a higher priority, as alternative sources of revenue become more important.*

### Recommendations:

- ▲ Public relations and fund development need to become a higher priority and alternative sources of revenue need to be found to allow UTH to be less dependent on government revenue. This will require education and training as well as hiring a fund development professional.
- ▲ Marketing should become a major focus and all personnel (i.e., physicians, nurses, registrars, etc.) must see their job as meeting the customers’ needs. This requires an attitude change that can be developed with education and training.

### Possible Technical Assistance:

- ▲ Companies that offer the types of training and education discussed above could be contracted.

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## 4.8 Quality Assurance

**Findings:** *Quality assurance activities are not well documented nor well developed and are seen as the purview of the medical staff. Although some clinical departments have developed QA reviews and other quality control processes, it is not widespread. No formal QA function exists, and little attention is given to these activities.*

### Recommendations:

- ▲ Quality assurance activities should become a higher priority at the UTH.
- ▲ The process of accreditation and QA capacity-building should be implemented and should include hospital line administrative managers as well as the medical staff.
- ▲ QA standards should be developed and implemented.

### Possible Technical Assistance:

- ▲ Capacity-building and developing and implementing accreditation standards. A review process is now under way with the USAID/PHR Project.

- ▲ TA is recommended in the education, training, and implementation of the accreditation process for hospitals under the PHR Project. One hospital department, possibly OB/GYN, could be selected to work with PHR as a model for the development of standards and for implementation of the accreditation process for QA capacity-building.



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## 5.0 Follow-Up/Next Steps

The recommended next steps and follow-up activities include:

1. The GRZ, CBOH, MOH, MOF, and various related approval bodies need to discuss and review the draft memorandum of agreement between the UTH and the SOM that would create one institution with a joint board and management. Decisions would affect the following steps.
2. The recruitment and selection of a managing director/CEO for the new organization need to be initiated, and the selection of a new board of directors should begin. The new board and management would need extensive orientation and training in effective board/management relationships.
3. After getting settled, the new joint board and management team would need to begin a formal strategic planning for the organization. Two key documents to inform and start the process should be the Ten Year Development Plan for the SOM and the Preliminary Strategic Plan for UTH, which is partially incorporated into this document. The Intersolve Group should have significant input in this process. This process could take three to six months of intensive effort to be completed effectively.
4. The present PHR consultant would return in November 1997 to conduct a two- to three-day workshop for hospital managers on the “Management of Hospital Resources in the New Environment: Doing More with Less,” which would be done in coordination with the Intersolve Group, which is reviewing systems, procedures, and other related areas of management at the UTH over the next three to six months.
5. Alice Davis, an adviser from the Free Market Development Advisors Program, would begin a review of patient flow and related systems in the Outpatient Department, filter clinic and follow a patient through the 24-Hour Admissions Holding Unit to the respective Nursing Unit, with associated visits to laboratory, radiology, etc., and finally through the discharge procedure. The goal would be to document, flow-chart, and note problems and issues needing further development and make recommendations for improvement. This project could be supplemented by having student nurses collect data from patients at the filter clinic about their impressions of the UTH and suggestions for improvements in the outpatient and inpatient areas. This would give the public a visible sign of concern by management for improvement.
6. The PHR consultant would return in November to review the progress of the strategic plan for the UTH and, with CBOH approval, would work on the national strategy for hospitals in coordination with other cooperating partners.
7. During the next visit, UTH management, in consultation with the Intersolve Group and the CBOH, would identify the next priority for training, which would be included in future visits of a PHR consultant. PHR funds are limited and other cooperating partners should be encouraged to assist the UTH and the overall hospital sector with the recommended TA in education and training.



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## Annexes

- Annex A: UTH Questionnaire
- Annex B: Briefing Issues for CBOH
- Annex C: Preliminary UTH Strategic Plan
- Annex D: Scope of Work for FMDAP Adviser



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## Annex A: UTH Questionnaire

Outlined below are some key questions concerning the operation and management of the UTH:

1. With respect to the implementation of the new health reforms, what are the major issues and problems facing the UTH?
2. What are the major obstacles to improving the UTH?
3. What are the strengths and weaknesses of the UTH?
4. What are the opportunities in the new environment that the UTH might take advantage of to bring about effective change?
5. What are your impressions of the management of the UTH?
6. What are your impressions of the UTH board?
7. What suggestions or recommendations do you have for the improvement of the UTH?
8. Other comments and suggestions:



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## **Annex B: Briefing Issues for CBOH**

### **PRELIMINARY FINDINGS AND CONCERNS - UTH**

#### **1. UTH Has More Strengths Than Weaknesses**

- Physical Facility
- Medical Staff and Nursing Staff
- General Equipment Provisions (Except Radiology/Dental)
- School of Medicine and Nursing
- Private Practice with More Rules and Controls

#### **2. UTH Is a National Resource That Is Deteriorating Rapidly**

- Physical Plant and Maintenance
- Financial: Five Billion Kwacha Short-Term Debt
- Intellectually: Reduced Levels of Education/Training
- Work Culture and Morale

#### **3. Board and Management Have Been Revolving Door**

- Governance and Trusteeship Ineffective
- Management Not Planning and Control Oriented
- Political Interference in Management/Operations
- Micromanagement by Board
- Management for Results with Declining Resources

#### **4. Management Systems Are Weak or Non-Existent**

- Controls on Fraud and Theft
- Eight Years of Unaudited Financial Statements
- Controls on Use and Charging of Drugs, Supplies, and Services
- Antiquated Financial and Accounting Systems

#### **5. Leadership, Management, and Accountability Are Weak**

- Management Autonomy and Accountability
- Discipline and Determination
- Selection, Education, and Training
- Evaluation and Performance Monitoring
- Development of Managers
- Productivity and Efficiency

#### **6. Other Needs**

- Rationalization of Services and Programs
- Marketing of Paying Services
- Patient-Friendly Orientation



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## Annex C: Preliminary UTH Strategic Plan

*Note:* The following document was developed at a workshop of key UTH administrators and management staff. It is meant as a beginning document for new management to prepare a more extensive study and final strategic plan. The document is in outline format, as developed at the workshop. Strategic planning brings together the key stakeholders in the institution to develop a common understanding of the issues, problems, and opportunities facing the institution and to develop strategies for meeting the demands of the new environment. The following items are meant to be a beginning effort only.

### **MISSION OF THE UTH**

- ▲ teaching;
- ▲ patient care;
- ▲ referral hospital; and
- ▲ research

### **ENVIRONMENTAL ASSESSMENT**

#### **INTERNAL STRENGTHS AND WEAKNESSES OF THE UTH:**

##### **Strengths:**

- ▲ infrastructure (physically);
- ▲ high concentration of trained manpower (doctors, nurses, technical specialists);
- ▲ size of the institution;
- ▲ track record of excellence;
- ▲ better working conditions; and
- ▲ semi-autonomous board

##### **Weaknesses:**

- ▲ deteriorating infrastructure and equipment;
- ▲ lack of some subspecialists;
- ▲ quality assurance;
- ▲ inappropriately trained personnel;
- ▲ theft and fraud;
- ▲ dependency on government funding for 98 percent of revenue;

- ▲ failure to maximize private practice;
- ▲ inability to raise salaries and conditions of service;
- ▲ space in some areas;
- ▲ no contracts for some staff;
- ▲ lack of respect and recognition by some professions to other professions;
- ▲ political interference;
- ▲ health care as a commodity;
- ▲ waste of supplies and equipment;
- ▲ attitudes among workers;
- ▲ level of funding is too low; and
- ▲ no funds for capital equipment

#### **EXTERNAL OPPORTUNITIES AND THREATS:**

##### **Opportunities:**

- ▲ delinkage of the UTH from the MOH;
- ▲ delinkage of employees from civil service;
- ▲ recognition of consumers of excellence;
- ▲ private practice;
- ▲ research charge-backs;
- ▲ charging other hospitals for services rendered; and
- ▲ funding by other donors

##### **Threats:**

- ▲ private clinics around the hospital;
- ▲ government forgetting about the UTH; and
- ▲ private practice pulling out all of the resources and conflict of interest

## **CRITICAL ISSUES FACING THE UTH**

- ▲ funding and related issues of debt and infrastructure;
- ▲ management and leadership, including the board;
- ▲ decongestion of the hospital from inappropriate primary/secondary care, receiving only appropriate referrals, and harmonizing the relationship with the district level;
- ▲ sub-optimal diagnostic, treatment, and teaching capability;
- ▲ staff attitudes and conditions of service; and
- ▲ need for work standards and improved management systems

## **VISION OF THE UTH**

- ▲ free from political interference;
- ▲ debt relief;
- ▲ improved funding for maintenance and equipment;
- ▲ decentralization of services;
- ▲ improved conditions of service with contracts for personnel;
- ▲ motivated staff;
- ▲ improved interpersonal relationships through increased respect, pride, and recognition;
- ▲ adequate supply of drugs;
- ▲ rationalization of primary, secondary, and tertiary services;
- ▲ retention of staff;
- ▲ improved information systems;
- ▲ improved efficiency and cost management; and
- ▲ improved levels of in-service training

## **STRATEGIES**

1. Improve leadership by selecting and training board members, including board job descriptions, duties, responsibilities, utilization of committees, and appointment of individuals who have the time and ability to represent the wider community in the process of governance and trusteeship of the institution.

2. Improve management through the board selection, the appointment of a new CEO for the UTH with experience and training in hospital administration, and hiring on a contractual basis. Improvements in the salaries and conditions of service for management personnel.
3. Improve the financial status of the institution by bringing in more funds not tied to the governmental budget. Increased fund-raising efforts, improved revenues from improved services, greater financial accountability, and improved public relations to tell the UTH story in the community and put pressure on government for increased funding.
4. Reduce congestion at the hospital by reaching out to the district level and assisting other secondary hospitals improve primary and secondary care to reduce inappropriate referrals, while helping clinics and other primary care institutions improve laboratory, radiology, and other diagnostic and treatment capabilities.
5. Improve attitudes of personnel through increased levels of training, improvements in infrastructure, increased management and accountability at all levels, and better salaries and conditions of service.
6. Improve management systems and personnel performance through the development of work standards and norms, including improved personnel education and training, and performance-based evaluation systems.

### **GOALS AND OBJECTIVES**

These are to be developed for the institution by management and should include overall institutional goals (long term) and specific objectives (short term) and for individual departments within the institution. This is a future activity to be initiated.

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# Annex D: Scope of Work for FMDAP Adviser

DRAFT Aug. 26, 1997

Partnerships for Health Reform

## Scope of Work

### Initial Consultancy on University Teaching Hospital Lusaka, Zambia

*The following draft scope of work may be subject to further modification.*

#### 1. Background

University Teaching Hospital (UTH) is the tertiary care hospital for the Zambian health system. It has nearly 2,000 beds and includes all major specialities. It is the single largest cost center in the Zambian health system. It is the site of medical training for the University of Zambia Medical School. The UTH is a highly visible symbol of the Zambian health system.

The UTH is overseen by a Board of Directors. It has a semi-autonomous status, which gives it a certain degree of flexibility. UTH's personnel, along with almost all government health-sector personnel, began to be delinked from public service Aug. 1, 1997, giving management the ability to hire, fire, reward, and discipline with much greater flexibility.

The UTH has been troubled by rising costs, deteriorating infrastructure, uneven quality of care, shortages of drugs and supplies, inoperative equipment, difficult management-employee relations, a skewed distribution of personnel (some departments are overstaffed, while others are understaffed), and negative publicity.

The recent liberalization of rules concerning private practice has permitted many of UTH's doctors to open private offices in central Lusaka. This has provoked concern that UTH patients and duties may be neglected.

The UTH has been unable to focus on its role as the country's tertiary care facility. It continues to see many secondary and primary patients. The quality of alternative secondary and primary care services in Lusaka is weak and uneven. The casualty department may be how many non-tertiary patients are admitted to the UTH. Ndola and Kitwe Central hospitals have closed their casualties in an attempt to shut off these admissions.

In June 1997 a board of inquiry was looking into irregularities at the UTH. The Central Board of Health (CBOH) temporarily has been given a bigger role in overseeing the management of the UTH as a result. Similar, but less acute, problems plague many of Zambia's other hospitals.

Several activities related to the UTH are ongoing or planned. Danida (Denmark) plans to send a consultant to perform a situational analysis of the hospitals in Zambia. This analysis will enumerate beds, equipment, status of physical plant, and services available. Currently there is no central repository

of this information. The United Kingdom's Department for International Development (DFID) planned to conduct a hospital cost study, but has canceled or postponed it. USAID has funded the Quality Assurance Project (QAP) to help develop the new Zambian Accreditation Council, by assisting in the development of a first set of hospital standards. QAP employed its subcontractor, Joint Commission International, to help with this work. JICA (Japan) recently renovated the pediatric department at the UTH and operates a primary care project in urban Lusaka. A private South African hospital company has been looking into purchasing two ZCCM (the in-the-process-of-being-privatized copper mining parastatal) hospitals in Kitwe and Lusaka to turn them into high-standard facilities that would attract elite paying patients, including expatriates.

The Ministry of Health (MOH) sets overall policy for the Zambian health sector. The CBOH oversees the delivery of health services. Assistance with hospital management problems would fall within the purview of the Systems Development Department of the CBOH.

Zambia has made a number of significant reforms in its health system in the past several years. It has decentralized service delivery to the district level, instituted user cost-sharing, experimented with pre-payment schemes, adopted a new drug policy, and drafted a health financing policy, among other items. Reallocations of government health spending over these years have shrunk the relative allocation to hospitals in favor of greater allocations to the primary and secondary levels of care.

## 2. Statement of Work

The Partnerships for Health Reform (PHR) project will provide the services of a hospital management consultant for a two-week initial visit to Zambia in early September 1997 to work with the MOH, the CBOH, and the UTH board and management. The purpose of the visit is to identify major issues that can begin to be tackled to address the UTH's many problems.

In addition, PHR will cooperate in providing the services of an MBA intern from the Free Market Development Advisers Program (FMDAP) for eight to 10 months, beginning in September 1997. The FMDAP intern's major focus will be to assist with the implementation of the solutions to the UTH's problems. In addition, the intern will work with the Systems Development Department of the CBOH to help prepare a hospital subsector development strategy. This strategy should pull together the strands of the other work related to the UTH (see Background) and other information to form a coherent direction for hospital reforms, consistent with overall sectoral reforms.

The PHR hospital management consultant and FMDAP intern will perform their work as a part of a team, including Dr. Gavin B. Silwamba, director of the Systems Development Department at CBOH, and others members of the staff of that department. Dr. Silwamba will be the overall counterpart for PHR's work at the UTH. Dr. Silwamba will give the PHR team its strategic direction. In addition, he will appoint two others to deal more regularly with PHR personnel, one at the level just below him organizationally, to be a week-to-week counterpart; the second at a day-to-day working level. Dr. Silwamba will arrange for counterparts for the PHR team from among UTH management as well. The PHR collaboration with the CBOH Systems Development Department counterparts will aim to develop their skills so that they eventually will be able to take on hospital management-consulting assignments at the UTH or elsewhere in the health system.

The team will seek to identify a subset of UTH's management issues to be tackled first. This first set of issues should be those whose solution will have high visibility, a demonstration effect toward addressing other problems, and be self-sustaining.

The consultant's visit will be conducted as follows:

- ▶ Identify and understand the issues facing the UTH through meetings with key interested parties. These meetings likely will include the minister of health, other key people at the MOH, the UTH director, members of the UTH board, representatives of the UTH Board of Inquiry, personnel from the USAID Population, Health, and Nutrition (PHN) Office, and, possibly, personnel of other cooperating partners who are interested in the hospital subsector.
- ▶ Visit to the UTH to see the layout of the physical plant, see the hospital in action, and get a feel for the problems and possibilities.
- ▶ Possibly, conduct a one- to two-day retreat for the UTH board and key management personnel (three to four people). This retreat would aim to complete an environmental assessment of the hospital, define a mission statement, and outline a strategy to solve its major problems.
- ▶ Develop an action plan for implementing the initial set of visible, demonstration-effect, self-sustaining solutions to key problems.
- ▶ Set in motion some of the first steps toward solving the initial set of problems. The FMDAP intern will help the CBOH and UTH board and management implement these first steps. A work plan for the FMDAP intern also should be developed and presented to Dr. Silwamba and the chief UTH counterpart.

A draft of the action plan and report of the possible UTH board retreat will be left with the CBOH, the UTH board, the MOH, and USAID for study, reflection, and modification. After receipt of comments and modifications to allow agreement to the action plan, the consultant will return (or identify another consultant with the appropriate skills to address the problems identified) to work with the UTH and the CBOH Systems Development Department to continue to tackle the initial set of problems.

The consultancy will produce the following products:

- ▶ A draft action plan to attack the initial set of problems. (This plan will include a subplan of activities for the FMDAP intern.)
- ▶ A report on the UTH Board retreat (if this activity is retained as a part of the work), including a summary of the deliberations, the main points of the environmental assessment, the UTH mission statement, and the strategy for solving the identified problems.
- ▶ A work plan for the FMDAP intern.
- ▶ A trip report summarizing the consultant's activities, findings, recommendations, and follow-up steps.
- ▶ Debriefings for GRZ and USAID/PHNO personnel at the end of the assignment to summarize activities, findings, and recommended next steps.

### 3. Personnel Proposed

- ▶ Hospital Management Consultant: George Purvis, MBA, a consultant in hospital management with more than 25 years of experience in the United States, Africa, Asia, and the former Soviet Union. Mr. Purvis is a regular consultant to Abt Associates Inc. and has worked with the Aga Khan Foundation and Management Sciences for Health, among other organizations.
- ▶ FMDAP Intern: Alice Davis has a degree in nursing and is a candidate for a master's degree in science in health care management. She has been a commissioned officer in the U.S. Public Health Service since 1991. Her work experience includes positions as a clinical nurse officer coordinating an oncology unit at the U.S. National Institutes of Health; a senior assistant health promotion officer at the U.S. Centers for Disease Control on a Condom Education Program; and an assistant regulatory review officer at the U.S. Food and Drug Administration on medical device approvals.
- ▶ PHR Team Leader (responsible for coordination of all PHR activities in Zambia, including the UTH management consulting assistance): Marty Makinen, Ph.D., a health economist with experience in hospital reform and restructuring in Kenya, Niger, Pakistan, and the Ukraine.

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