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CREATING INCENTIVES TO ACHIEVE RESULTS

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Washington, D.C., July 2002

Problems

- Changing the financing of the most important spenders (the hospitals) is a tough task
- Which are the incentives in place in view of the desired outcomes of the financing system?
- Which are the possibilities to stimulate hospitals to behave in a more competitive way?



Activity Objectives

- To emphasize the need for a well-designed and consistent system of incentives in order to reach the goals set
- To draw some lines of the incentive met during the transition towards a case-based hospital financing mechanism
- To help decision-makers recognize that a systematic approach for achieving consistency of incentives in health care delivery need to be examined starting with the current flaws in the system.

Challenges Faced

- The design of the new system is being made under the pressure of the public, the health care professionals and the government
- There is a history of 11 years of patching the system rather than changing it under controlled terms such as an incentive system
- Cooperation among the main health care institutions and between them and other central and local authorities that should assist the reform is quite poor

How Challenges Were Met

- Pressure can not be removed until some improvement is seen in the system
- The pilot project for the implementation of the case-based financing system for hospitals has been trying to put as much of the entire picture in front of the decision-makers prior to making legal steps in one direction or another
- Led by the Government pressures, there have been meetings and collaboration at the level of the health care system that have improved to some degree the communication and team work in health care sector.

Major Achievements (1)

- Issue papers and final decisions made and implemented on the prerequisites of the case-based financing system
- Consensus of integrated approach of the incentives for hospitals and other health care providers in the reimbursement scheme
- Consensus on integrating hospital financing with organizational and structural reforms

Major Achievements (2)

- Three hi-level decision makers meeting held to gain consensus on next steps
- Weekly meetings of the three major stakeholders in the health care system (the Ministry of Health, the National Health Insurance House and the College of Physicians) starting November 2001
- Changes in the Framework Contract for year 2002 (which regulates hospital payment policies and procedures) based to some extent on incentive mechanisms

Factors of success

- Political commitment to obtain improvement in the field
- Lessons learned from the international experience and from past projects
- High level of expertise in consulting on financing policies obtained through training and several years of experience.
- Lobby from the providers of hospital health care services to implement some changes in the system



Lessons Learned

- Induce and follow a clear political direction
- Embrace crafted solutions addressing the big picture as well as details
- Have real action, even with gradual improvements
- Create consistent incentives across the health care system rather than competing ones



**THANK YOU FOR YOUR ATTENTION,
GREETINGS FROM ROMANIA!**