Performance management in health systems and services: Studies on its development and use at international, national/jurisdictional, and hospital levels
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Chapter 1
Introduction
Chapter 1

Context

Over the last 25 years, there has been a dramatic growth in the scope and nature of health system performance measurement and reporting efforts worldwide [1]. This growth has been motivated by a number of factors: cost-containment pressures faced by governments; changing public expectations and demand for accountability and transparency; progress in access to more timely, valid, and reliable information at a lower cost; and an increased interest of governments in the performance management paradigm [1].

A driving force for the development of health system performance measurement systems has been the emergence of an era of assessment and accountability anticipated by Relman in 1988 [2]. In addition, the professional resistance encountered by pioneers in the field of performance measurement in health systems such as Florence Nightingale and Ernest Codman [1,3] was progressively overcome, and in the 1980s the concept of systematic outcomes management in health care expanded rapidly. This concept designates the system linking medical management decisions to systematic information about outcomes [4].

Since then, the development of an abundant literature on variations of care [5] and pointed comparisons of variations in quality of care at international level have highlighted the potential to improve performance and meet citizens’ expectations by better managing health system performance [6]. In addition, the consequences of the recent financial and economic crises in Europe and North America coupled with upward trends in health care spending and variations in care delivery have emphasized the need to maintain high-quality standards of care and improve health system performance whilst operating as cost-effectively as possible [7]. Indeed, the need to use performance measurement and scientific evidence to steer health and health system outcomes has become a priority for governments [1] and has contributed to the development of numerous health system performance management efforts such as the National Health System Outcomes Framework in England [8]. The performance management paradigm is underpinned in the health sector by different general objectives: enhancing accountability; managing public services; controlling professional autonomy; containing costs; accommodating rising public expectations; and improving cost-effectiveness in health systems [9,10].

If the concept of health system performance management has become an area of interest for policy-makers, health system managers, and researchers, it is also often poorly defined. **Performance** can be defined as the maintenance of a state of functioning that corresponds to societal, patient, and professional norms [11]. **Performance management** is defined by Daniels as a technology for managing behaviour and results, two critical elements of what is known as performance [12]. In the health sector, Smith defined performance management as a set of managerial instruments designed to secure optimal performance of the health care system over
time, in line with policy objectives [13]. **Health system performance management** includes both the instruments and processes to improve health system performance [14]. Finally, the World Health Organization (WHO) defines **health systems as all actors, institutions, and resources that undertake health actions**—where the primary intent of a health action is to improve health [15]. Health systems encompass personal health services, non-personal health services, and intersectoral actions designed specifically to improve health. Although health systems throughout the world vary widely in their design and organization, they generally share the same core goals of good health, responsiveness to people’s expectations, social and financial protection, efficiency, and equity [1,15]. Health systems have four common functions of stewardship, health services provision, resource generation, and health financing [15].

The emergence of the concept of performance management in health care has been largely influenced by the development of performance measurement efforts and results-based management in the various reforms that have affected the public sector since the 1970s. The performance management paradigm is pivotal to the different waves of New Public Management approaches to better managing public services [16–19]. New Public Management is a concept which developed in the United Kingdom and in North America in the 1970s and 1980s and which is defined as the aim to make the public sector “lean and more competitive while, at the same time, trying to make public administration more responsive to citizens’ needs by offering value for money, choice, flexibility, and transparency” [20].

This concept has been influenced by a variety of theoretical contributions from different disciplines, which can be grouped into three broad categories: neoclassical public administration and public management, management sciences, and new institutional economics [21].

The first stream’s main orientation is the orderly organization of the state, applying empirically derived principles of government organization and collective decision-making. The second (management sciences) advocates the introduction in the public domain of private sector management ideas and techniques. Examples relate to the literature on strategic management and strategy execution [22–32], on target-setting [33–35], on performance and practice benchmarking [36–38], and on innovation applied to the health sector [39]. The third orientation (new institutional economics) views governmental decision-makers as self-interested subjects, working in an environment in which information asymmetry, bounded rationality, and opportunism lead to inefficiencies and agency costs [21]. These orientations have in common the objective to transform services through a greater focus on managing performance and service improvement [40].

This interest in health system performance management challenges the traditional role of governments and requires ministries to go beyond the traditional legislative and regulatory role of governments to focus on achieving better outcomes.
In the health sector, the implementation of the concept of stewardship by national health ministries is an attempt to reconfigure the governing role of the state in the health sector and encourage decision-making in the public sector that is both normatively based and economically efficient [41]. Saltman and Ferroussier-Davis define stewardship as a “function of governments responsible for the welfare of populations and concerned about the trust and legitimacy with which its activities are viewed by the general public” [41]. The values of trust, ethical behaviour, sound decision-making, and efficiency underpinning the stewardship concept [41–43] are consistent with the focus on accountability, performance measurement, and outcomes management outlined earlier. The concept of performance management can therefore be seen at the system level as a paradigm aligned with the stewardship concept and as a possible instrument supporting the implementation of stewardship in the health sector.

It should also be noted that there have been criticisms of the use of performance measurement to manage the performance of the health system [44]. These criticisms pertain to a number of issues: the fact that when utilized improperly, performance indicators used for performance management can result in sub-optimal service delivery [45]; the difficulty of improving performance in targeted areas while ensuring that other non-reported aspects of care or health system performance are not adversely affected [44]; the need to balance formal and informal aspects of performance [44]; the difficulty of improving performance when interrelations and trade-offs between the different dimensions of health system performance are complex and poorly understood [46–48]; and the need to act simultaneously on primary, secondary, and tertiary factors influencing health to achieve better health system outcomes [49].

Overall, health system performance management is a concept drawing substantial attention from governments desiring to pursue better system outcomes and to achieve higher efficiency. It is also a concept in constant evolution in the public sector in general and in the health sector in particular, which requires a detailed examination of its theory and practice. This thesis focuses on the development and use of performance management in health systems and services and more specifically studies the development and the use of performance measurement and management at the international, jurisdictional, and hospital levels.

The issues studied

This thesis examines several issues related to the knowledge field of performance management in the health sector: What is the scope of the health system stewardship function of national health ministries in the WHO European Region and how can we evaluate its effectiveness in managing and improving health system performance? How can international health system performance comparisons be used for performance management purposes, and how can methodological issues and challenges related
to international comparisons be addressed? How can health ministries design and implement health system performance management systems in practice? What is the importance of risk-adjustment for place of residence when using patient satisfaction rankings for accountability and performance management purposes? What performance management model can be developed to support evidence-based decision-making and quality improvement in hospitals in the WHO European Region? What has been the perceived impact of the implementation of this hospital performance management model in eight European countries as well as the perceived enabling factors and barriers?

I researched these issues between 2004 and 2011 when working in different capacities: as a policy adviser for the WHO Regional Office for Europe, responsible for hospital performance measurement and hospital reforms; as a reform lead in Ontario (Canada), responsible for health system performance measurement and management at the Health Results Team for Information Management of the Ontario Ministry of Health and Long-Term Care in 2005 and 2006; as the regional adviser (ad interim) for health policy and equity at the WHO Regional Office for Europe in 2007–2010; and finally as the Vice-President, Research and Analysis, at the Canadian Institute for Health Information (Canada) since May 2010.

Most of my research was carried out in the role of a privileged observer [50,51] during the years 2004–2011, contributing to the development and use of theoretical models related to health system performance measurement and management, based on reviews of the literature from different fields, consultations with governments, and iterative discussions with international experts; and evaluating their implementation in different contexts at international, national, and hospital levels.

**Aims and outline of the thesis**

The thesis aims to contribute to the field by examining the development and use of health system performance management in diverse contexts at international, national, and hospital levels. This thesis addresses the following six research questions:

1. What is the scope of the health system stewardship function of national health ministries in the WHO European Region, and how can the consistency and the completeness of stewardship be evaluated?
2. How can international health system performance comparisons be used for performance management purposes, and how can methodological issues and challenges related to international comparisons be addressed?
3. How can health system performance management approaches be developed and used by health ministries to improve health system performance?
4. What is the importance of considering risk-adjustment for place of residence when using patient satisfaction rankings for accountability and performance management purposes?
5. What performance management model can be developed to support evidence-based decision-making and quality improvement in hospitals of the WHO European Region?

6. What has been the perceived impact of the implementation of this hospital performance management model in eight European countries, and what have been the perceived enabling factors and barriers experienced by participating hospitals?

The thesis is structured in three different sections. After this general introduction, the first part of the thesis addresses the first two research questions (in chapters 2 and 3) by studying the scope of health system stewardship of national health ministries in the context of the WHO European Region and derives from a review of the literature and Member States’ consultations a framework to evaluate health system stewardship; and studies how health system international performance comparisons can be used by national health ministries for performance management purposes.

The second part of the thesis (chapters 4 and 5) addresses the next two research questions and evaluates the development and application of health system performance measurement and management at a jurisdictional level in Ontario (Canada). This part studies how strategy-based performance measurement and management was developed and used at the Ontario Ministry of Health and Long-Term Care to stimulate performance improvement and enhance accountability; and uses statistical methods to evaluate the impact of place of residence on patient satisfaction in Ontario to discuss some of the implications of the possible use of patient satisfaction rankings for accountability and performance management purposes.

Finally, the last part of the thesis (chapters 6 and 7) addresses the last two research questions and studies the development and use of a hospital performance management model, focused on quality improvement; and evaluates the perceived impact of the implementation of this model in several European countries as well as the perceived barriers and enabling factors to implementation. Chapter 8 discusses the findings of this thesis and their implications for research and policy-making.

Chapter 2 makes use of a purposive and multi-disciplinary literature review, of policy analysis, and of a consultative process with senior decision-makers from 53 countries to address the first research question. It attempts to clarify the health system stewardship function of national health ministries and its scope when applied to Member States of the WHO European Region. It proposes an evaluation framework to assess the consistency and completeness of health system stewardship and ultimately the competences and institutionalization of these functions required to manage and improve health system performance.

Chapter 3 uses a purposive review of the literature and a case study of the Organisation for Economic Co-operation and Development (OECD) experience with the Health Care Quality Indicators Project to address the second research question.
It reviews the scope and the various functions of international health system performance comparisons; analyses the methodological issues and challenges in carrying out international health system performance comparisons; and reviews recent experiences to draw lessons about how health ministries can mobilize results from international health system performance comparisons for health system performance management purposes.

Chapter 4 evaluates the experience of the Ontario Ministry of Health and Long-Term Care in Ontario, Canada, in the development and use of a strategy-based performance management framework to improve health system performance. The evaluation was carried out through direct policy observation over three years, document analysis, interviews with decision-makers, and a systematic discussion of findings with other authors and external reviewers. This chapter addresses the third research objective and studies how national or provincial health ministries can develop integrated strategy-based performance management frameworks focused on stimulating accountability and performance improvement.

Chapter 5 uses a conditional regression analysis of stratum matched case-controls to examine whether place of residence for patients living in the Greater Toronto Area or in Ontario outside of the Greater Toronto Area affects patient satisfaction with their experiences during hospitalization. It aims to determine the effect of patients' place of residence on their evaluations of care and to explore related policy implications from an accountability and performance management perspective.

Chapter 6 uses an extensive review of the literature on hospital performance measurement projects, the scrutiny of more than 100 performance indicators, a survey carried out in 20 European countries, and a nominal group technique to develop a multi-dimensional performance assessment framework for hospitals (the Performance Assessment Tool for quality improvement in Hospitals) to better manage their performance.

Chapter 7 evaluates the perceived impact of the Performance Assessment Tool for quality improvement in Hospitals project and the enabling factors and barriers experienced by participating hospitals during implementation in eight participating countries and 140 hospitals in the WHO European Region. The final research question of the thesis was addressed through semi-structured interviews of a sample of participating hospitals (twelve) and of all country coordinators (eight) and an inductive analysis of the interview transcripts, which was carried out using the grounded theory approach.

Chapter 8 concludes this thesis with a general discussion of the findings, outlining some methodological considerations as well as the scientific and policy implications of the findings in the context of the needs and growing knowledge in the field of performance measurement and management in the health sector.
References


Introduction


