

DEVELOPMENT STRATEGY OF NATIONAL HEALTH SERVICE IN POLAND

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Abstract

The analysis of the effects of the commercialization process of public health care facilities has a great importance both in the economic and socio-political context. It is important to determine further directions of restructuring public health care, so that its better economic functioning would not be related to the deterioration of access to universal healthcare. In view of the above, the purpose of the article is to present the potential effects of the commercialization process of a public hospital on the example of a facility located in the Silesian Voivodeship. On this basis, the author attempted to answer the research question "Does the commercialization of public hospitals positively affect the quality of their services and patient satisfaction?" In order to search for evidence enabling answering the research question, the case study method - appropriate for the analysis of qualitative phenomenon. Case study allows to formulate conclusions about the causes and results of the real course, economic phenomenon, e.g. organization, management process, its elements or the environment of the organization. The study undertaken by the Author is a single case study, in which the author used various techniques and tools for collecting and analyzing data, i.e. participatory observations, documentation of the examined organization and internet sources. The analysis showed that the commercialization of the hospital has a positive effect on improving the quality of services provided, both before and after commercialization, patients are the most important group for which the hospital provides services.

Keywords: development strategy, hospitals conditions, national health service

1. INTRODUCTION

Institutions from the healthcare sector currently operate under strong social, economic and political pressure. This pressure is related to society's expectations of providing high quality services. On the other hand, the public nature of health services, legal restrictions, the monopolistic position of the payer, orientation towards short-term goals related to the implementation of survival strategies, high costs of the supply of health services and the inefficiency of the public health financing system are the reason for the ineffective functioning of these institutions [1,2,3]. The issue of ensuring better and effective functioning of the Polish health care in the context of free market economy is one of the most serious problems faced by subsequent ruling teams. Changes in the method of financing health care, including the establishment of health insurance funds or the National Health Service (NHS), did not contribute to the improvement of the situation of these institutions, where there is still a lack of funds and indebtedness of many healthcare institutions. At the same time, the system of financing health care facilities based on contracts with the NHS forced competition and the need to manage limited funds more effectively. Health care institutions faced the difficult task of adapting to the new situation of functioning in a free market economic environment instead of the budget financing system. Health care facilities running public hospitals were in a particularly difficult situation. Their basic statutory activity is intended for people requiring round-the-clock or all-day health services. These facilities, due to their size as well as the type and scope of their activity, generate the largest liabilities. As a rule, they exceed the funds obtained by them from the National Health Service, which results in the often deepening debt of such an institution. Despite further attempts to debt relief, no lasting improvement in the economic and financial situation of public hospitals has been achieved [4]. Even hospitals that were already indebted and then indebted are usually already in debt again. Bad financial conditions often force hospital directors to introduce drastic savings and even close entire wards. Therefore, it was necessary to introduce solutions enabling hospitals to function effectively in market economy

conditions with limited funds transferred from the National Health Service, and thus commercializing them.

2. COMMERCIALIZATION IN HEALTH SERVICE

The functioning of the healthcare sector is determined by many factors that significantly affect the condition of health facilities, especially hospitals. The activities of the latter are much larger than of individual clinics. They provide services all day or round the clock [4]. These facilities carry out a number of treatments that require specialized, expensive equipment as well as specialized staff. This situation has a significant impact on the high operating costs of these facilities. Another important reason for the poor situation of hospitality in Poland is the lack of control and the very limited possibility of interference by founding bodies - most often local government units - in the activities of independent public healthcare institutions (SPZOZ). The Voivod or minister competent for health care could only elect directors of SPZOZ, however he had no possibility to influence their functioning [5]. The inability to control, and thus draw consequences from the operation of hospitals meant that the management of these facilities had great freedom in the sphere of spending public money. In addition, the lack of specialist preparation of hospital managers in the area of management was also an additional reason for the malfunctioning of these facilities. The changes to date related to subsequent reforms of the healthcare sector meant that the entire debt fell on the founding body or the State Treasury. Irrational management of owned resources contributed to the fact that many hospitals in various voivodships generated debt often exceeding the value of revenues from contracts with the National Health Service, and even all hospital assets. In connection with the situation that arose before the founding bodies, there was a specter of debt repayment, which would cause a heavy burden or exceed the budget of local government units or liquidation of SPZOZ [5]. An interesting solution in this situation was therefore the commercialization of SPZOZ.

Pursuant to the Act of 30 August 1996 on commercialization and privatization, commercialization involves the transformation of a state-owned enterprise into a company. Unless the provisions of the Act provide otherwise, this company enters into all legal relations the subject of which was a state-owned enterprise, regardless of the legal nature of these relations [6]. The concept of commercialization can be analyzed in a broader sense, where it means achieving economic and economic benefits from non-profit-making activities undertaken by individuals [7]. In addition, in a narrower sense, i.e. the transformation of public entities into commercial law companies. This means that the owner of the given entity is the same founding body (consolidated text). Thus, the owner does not change, but only gains the opportunity to operate on the economic market. Only its organizational and legal form is subject to change. As a result of commercialization, the state-owned company is created in place of a state-owned enterprise [8,9].

The concept of commercialization of SPZOZ met with a negative approach on the part of society. Some of them believe that this process will result in the loss of the social mission of these institutions and orientation only on the commercial aspect, and thus increase of activities, e.g. in the field of more profitable areas, such as plastic surgery. Many people also think that the waiting time for treatments for patients will increase [7]. The negative approach to the commercialization process is the result of low public awareness of this process, as well as confusing it with privatization [11].

The provisions of the Act on commercialization and privatization clearly distinguish these two processes from each other. Privatization concerns the acquisition of shares in the increased share capital of sole shareholder companies of the Treasury formed as a result of commercialization by entities other than the State Treasury or other than state legal persons within the meaning of the Act of August 8, 1996 on the principles of exercising the rights owned by the State Treasury; Disposing of shares in companies owned by the Treasury; as well as disposing of all tangible and intangible assets of the state-owned enterprise or a company formed as a result of commercialization on the principles set out in the Act by: selling the enterprise, bringing the enterprise to the company, putting the enterprise for paid use. The difference between the concept of commercialization and privatization is as follows: commercialization is the transformation of a state-owned enterprise into a company, but

leaving its ownership in the hands of the state; privatization, on the other hand, is a similar transformation, but the owner is no longer a state legal entity. Commercialization of a state-owned enterprise may, however, be the stage preceding privatization itself. SPZOZ may be transformed into a limited liability company or joint-stock company.

At the beginning of the commercialization process, few hospitals were interested in the transformation. The method of transforming SPZOZ into commercial law companies was of great concern. The acts did not specify a uniform procedure allowing for a free transformation of a hospital into a company [11]. This process was to liquidate the hospital and establish a company in its place that would provide the same services as the previously liquidated unit [12]. This concept was met with great resistance from both the public and employees of commercialized hospitals. The solution was only introduced by the Act on medical activity [13], which included certain legal mechanisms intended to encourage entities creating commercialization of hospitals with a negative financial result, but also in such a case these entities have 3 options to choose from - covering such negative result from their funds, liquidation or commercialization [14].

According to the Supreme Audit Office, by 30 April 2014, organizational and legal transformations covered a total of 174 hospitals in Poland [15]. The commercialization of public health services aims to increase its effectiveness and the quality of services rendered. Obtaining an answer on the effects of the commercialization process should help to indicate further directions of restructuring public health care, so that its better functioning in economic terms is not paid for by the drastic deterioration of access to universal health care.

3. MATERIALS AND METHODS

The aim of the study was to present the potential effects of the commercialization process of a public hospital on the example of a facility located in the Silesia Voivodeship. On this basis, the authors attempted to answer the research question "Does the commercialization of public hospitals positively affect the quality of their services and patient satisfaction?"

In order to search for evidence enabling answering such a research question, the case study method - appropriate for analyzing qualitative phenomena - was used. Case study allows to formulate conclusions about the causes and results of the real course, economic phenomenon, e.g. organization, management process, its elements or the organization's environment. The study undertaken by the Authors is a single case study, in which the authors used various techniques and tools for collecting and analyzing data, i.e. participatory observations, documentation of the examined organization and internet sources. The survey, however, is of a pilot and demonstrative nature and is a starting point for further analysis including a larger, representative group of respondents.

The subjects of the study were hospital employees (medical and non-medical) of an independent public health care facility located in the Silesia Voivodeship. Qualitative research was carried out using the interview method conducted with two patients and twenty employees in the first quarter of 2016. These tests were aimed at checking the correctness of the constructed research tool that can be used in a proper qualitative research.

4. RESULTS

In order to present the examined institution, it is important to present its historical outline, because it contributed to the commercialization of this institution. The first mention of the existence of the hospital comes from the 15th century. At that time, the institution was a shelter for the elderly, where simple medical procedures were also performed. In the interwar period, the hospital was the property of the city. In the mid-seventies there was a structural division in the country, which led to the liquidation of districts. In connection with the situation, the hospital came under the tutelage of the provincial authorities. At the end of 1998, the health care institution was restructured, as a result of which the Ambulatory Treatment Center and the District Hospital were separated. In January 1999,

districts appeared again on the administrative map of Poland. The District Hospital, passed under the District Management Board, becoming its organizational unit. In connection with the difficult financial situation, intentional resolutions were adopted by the District Council regarding the establishment of the Private Health Care Center, which were positively evaluated by the Social Council. This situation has led to the initiation of the commercialization process and currently the hospital is a limited liability company in which the district holds 100% of shares and still remains the founding body. The hospital in its structure has the following departments: admission room, internal, surgical, gynecological and obstetrical ward with delivery procedure, neonatal ward, operating theater, hospital pharmacy, diagnostic laboratories, X-ray, central laboratory. Non-public Health Care Facilities (NZOZ) in its area also leases premises where there is, among others: a surgical outpatient clinic for adults and children, as well as a lung disease outpatient clinic.

As mentioned earlier in the 90s, the problems of the healthcare sector related to the continuous indebtedness of units subject to budget financing were constantly increasing [16]. This situation concerned especially public hospitals, therefore it was necessary to introduce solutions contributing to the improvement of the sector's functioning. The aforementioned Private Health Care Institution took advantage of this possibility. The Act on medical activity presents two options for transforming SPZOZ, including voluntary transformation, which is to be prompted by the possibility of receiving an earmarked subsidy and obtaining a write-off of public debt or a "forced" transformation [4].

The transformation of the hospital is possible only and exclusively into a limited company, i.e. a limited company or joint-stock company. This activity, however, is preceded by the determination by the local government of the hospital's debt ratio (it is the ratio of the sum of long- and short-term liabilities, less the hospital's short-term investments, to the sum of its revenues. The high value of this indicator indicates the hospital's excessive debt, which may create the risk of bankruptcy companies after the commercialization process). It is also possible to take over part of this debt in order to reduce the ratio to the level required by the Act 0.5. The next stage of the commercialization process is to prepare a transformation act containing the founding act of the company being created, names of the members of its first organs, as well as preparation of the organizational regulations of the commercialized hospital.

Such an act is prepared by the body that performs the transformation (usually it is the body of a local government unit). The last stage of the process is entering the company in the National Court Register and in the register of entities conducting medical activity in order to continue medical activity by the hospital. From 2013, an independent public healthcare institution started its operations as a limited company. In the context of the commercialization process carried out, it is interesting to obtain the answer whether the actual commercialization of public hospitals would positively affect the quality of services they provide and patient satisfaction, which is reflected in the research presented below. The survey reflected the effects of the commercialization process taking into account such areas as: the quality of services rendered (equipment, service, technical condition), employees' awareness of the commercialization process, cooperation with suppliers, as well as the facility's orientation towards the target interest group.

The largest group of respondents were people aged 36 to 45 - 65% of respondents. In addition, 50% of respondents have lived in the city for 150,000 up to 350 thousand residents, and 70% of them have higher education.

Based on the research, it can be concluded that the employees' awareness of the hospital commercialization process is high. In the study, they stated that the transformation of the hospital into a company contributed to the improvement of the quality of services rendered (Fig. 1).

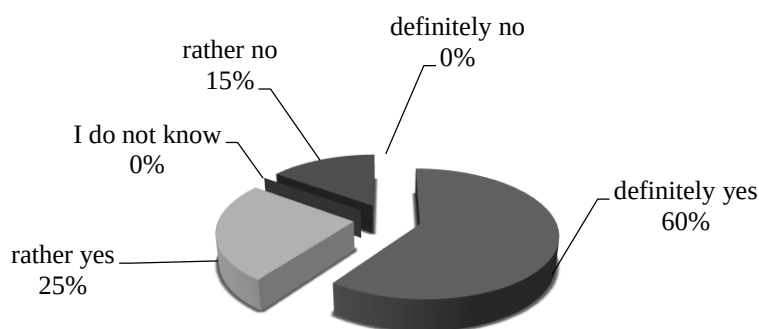


Fig. 1. Do you think that commercialization has improved the quality of services provided by the hospital?

Source: Own study based on: E.Pawlowska, J.Belczyk, "The effects of commercialization of independent public healthcare institutions on the example of a selected hospital", Zabrze 2016.

60% of respondents strongly agree with the fact that commercialization has improved the quality of services rendered. 25% of those polled rather agree with this, while only 15% of respondents are negative. On this basis, it can be concluded that hospital employees notice an improvement in the quality of services rendered after the facility is transformed into a commercial law company.

Another question concerned the modernization of the medical equipment base and the improvement of the technical conditions of hospital rooms (Figures 2, 3).

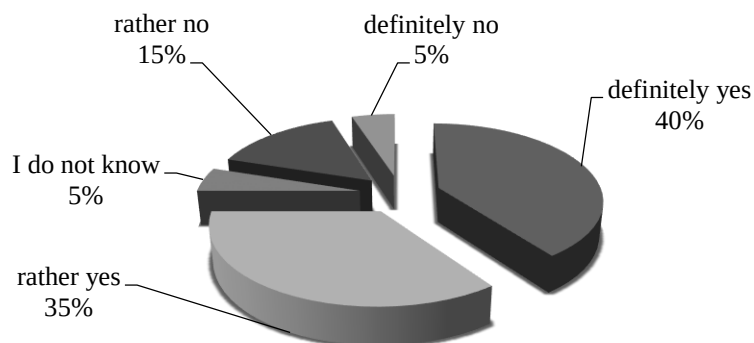


Fig. 2. Do you think that hospital equipment related to medical equipment has been modernized?

Source: Own study based on: E.Pawlowska, J.Belczyk, "The effects of commercialization of independent public healthcare institutions on the example of a selected hospital", Zabrze 2016.

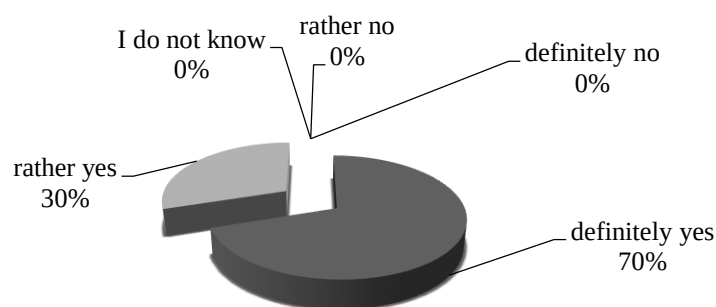


Fig. 3. Do you think that after the commercialization of the hospital, the technical condition of the hospital rooms improved (renovation, refreshment of rooms, etc.)?

Source: Own study based on: E.Pawlowska, J.Belczyk, "The effects of commercialization of independent public healthcare institutions on the example of a selected hospital", Zabrze 2016.

Analysis of the results obtained shows that 40% of respondents strongly agree with the fact that the medical equipment base has been significantly developed. As many as 70% of respondents strongly agree, and 30% rather agree that after the commercialization process there was a general renovation at the facility.

Another area that was analyzed concerned the facility's cooperation with suppliers. The results are presented in fig. 4.

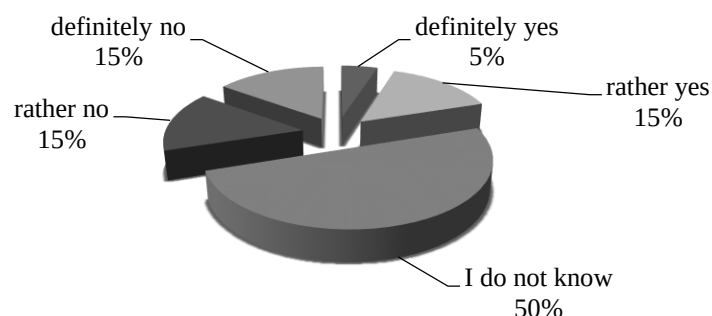


Fig. 4. Has the cooperation with hospital suppliers improved?

Source: Own study based on: E.Pawlowska, J.Belczyk, "The effects of commercialization of independent public healthcare institutions on the example of a selected hospital", Zabrze 2016.

Based on the research, it can be stated that 50% of respondents are not aware of whether the hospital's cooperation with suppliers has improved, 15% of respondents said that they rather not and definitely not. Only 5% of respondents definitely answered. Such a situation may indicate that hospital employees are not informed about such issues, as well as the fact that a significant group of respondents were doctors who are oriented on the treatment process and not on building relationships with suppliers.

An important issue raised in the research was to answer the question whether patients were the target interest group of the hospital (except NHS or suppliers) before the commercialization process and after transformation. The results are presented in figures 5 and 6.

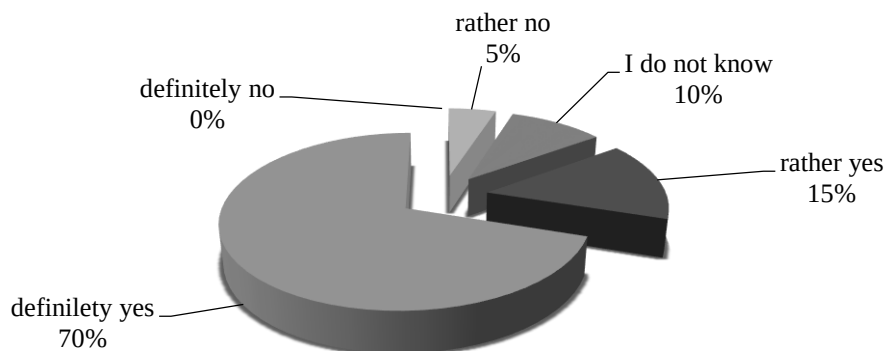


Fig. 5. Were patients targeted by the hospital's interest groups before commercialization?

Source: Own study based on: E.Pawlowska, J.Belczyk, "The effects of commercialization of independent public healthcare institutions on the example of a selected hospital", Zabrze 2016.

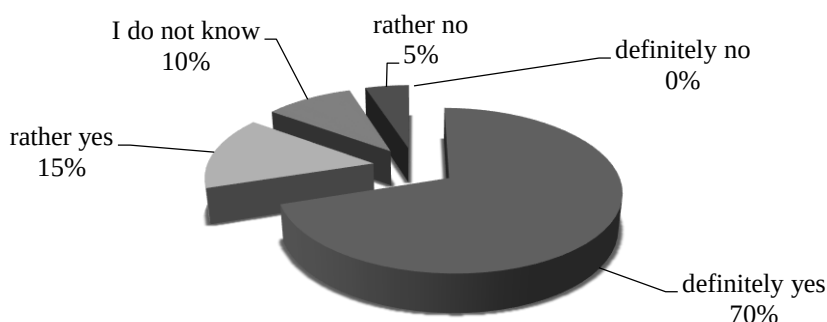


Fig. 6. Were patients targeted by the hospital's interest groups after it was commercialized?

Source: Own study based on: E.Pawlowska, J.Belczyk, "The effects of commercialization of independent public healthcare institutions on the example of a selected hospital", Zabrze 2016.

Research shows that 85% of respondents believe that both before the commercialization process and after the target interest group of the hospital were patients. Such a situation proves that after the commercialization of the hospital, the social mission of this institution was not lost.

5. DISCUSSION AND CONCLUSIONS

The commercialization process involves the voluntary transformation of independent public health care facilities into commercial law companies, in conjunction with their debt relief from public funds. The Act of 15 April 2011 on medical activities not only allows for the possibility of debt relief for commercialized SPZOZ from public funds, but also introduces a threat to the liability of the creating entity for its negative financial result. Therefore, the legislator, by not directly introducing the statutory obligation to transform hospitals into companies, also creates economic constraint, which in the situation of permanent indebtedness and annual negative financial result of most of them may actually induce the entities creating the decision to commercialize their hospitals and their effective operation to avoid the need to cover their obligations. The analysis presented in the article allowed to state that the commercialization of the hospital had a positive impact on the improvement of the quality of services rendered, the hospital was equipped with new equipment allowing for better diagnostics, and the technical condition of the rooms improved. Most importantly, however, the

commercialization of the hospital did not affect the facility's orientation towards the target interest group. Both before and after commercialization, patients are the most important group for which the hospital provides its services. Therefore, it can be concluded that the commercialization of public health care brings many positive effects that contribute not only to improving the conditions of SPZOZ functioning but also to patient satisfaction. The research is only of a pilot nature and is an introduction to further diagnosis of the effects of the commercialization process in other hospitals, including patient assessment and financial indicators, which will allow an in-depth analysis of this phenomenon.

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