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HEALTH CARE INSTITUTION TARGET MANAGEMENT UNDER THE CONDITIONS OF PUBLIC-PRIVATE PARTNERSHIP IMPLEMENTATION

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Abstract

The objective: to substantiate the methodological approaches to the target management (TM) of a health care institution (HCI) in the context of the implementation of public-private partnership (PPP). **Materials and methods.** General scientific methods of analysis, synthesis, interpretation of scientific data, as well as systemic and structural-functional approaches were used in the work. **Results.** The article developed methodological approaches to HCI's TM in the context of PPP, the features of using the system of target indicators are presented, a scheme for improving the production efficiency of medical activities, an informative map of indicators and methods for monitoring, calculating and analyzing individual targets is given. **Conclusions.** Formation of TM mechanisms is the priority direction for the development of HCI in the context of PPP. Implementation of TM will provide employees with a deeper understanding of an organization and its divisions aims, and consequently, a more conscientious fulfillment of their duties, improve interaction in the management system and enable subordinates to have more powers, clarify existing norms and standards and create conditions for a more objective control and encouragement of workers, and as a result, will increase the effectiveness of HCI.

Key words: target management, health care institution, public-private partnership.

Introduction. In recent years significant institutional changes have taken place around the world in previously owned and governed industries, such as health care, public utilities and the like.

It became clear that for the formation of competent economic policy, increase of innovative activity, development of economic and social infrastructure, it is necessary to develop effective institutions of interaction between the state and business [1].

Today, the modernization of the medical sector necessitates the entry of private capital into the health care field, which is a worldwide trend.

The application of public-private partnership mechanisms in health care is able to:

- to reduce the cost of construction and purchase of equipment by attracting private investors;
- to ensure the implementation of socially significant projects in the shortest possible time;
- to increase the efficiency of projects through private business participation, as a rule, more efficient in the market than in public institutions;
- to reduce the burden on the budget by attracting private investment;
- to attract the best personnel, medical equipment and technology; and as a consequence to improve the quality of patient care [2].

It should be noted that the increasing costs of medical care, low treatment efficiency and the patients' dissatisfaction are manifestations of the state health care system crisis and necessitate its modernization [3].

There are the prerequisites of economic, organizational and legal nature mechanisms use for reorganization of the health care system in Ukraine with the use of PPP.

Introduction of advanced management technology, namely programmatic and TM, which is particularly important in the context of PPP, is one of these prerequisites.

The programmatic approach to managing the effectiveness of HCI functioning under PPP conditions has economic orientation and practical advantage among other approaches to social sphere management [4, 5, 6].

Target management, as one of the most effective and efficient management methods, requires certain conditions for its realization and implementation [7].

The objective: To substantiate methodological approaches to the target management (TM) of health care institutions (HCI) in the context of public-private partnership (PPP) implementation.

Materials and methods. In order to achieve the objective mentioned, common scientific methods of analysis, synthesis, generalization, interpretation of scientific data, as well as systemic and structural-functional approaches have been used in the work presented.

Results and their discussion. Process management, from target setting to assessment of their implementation, has been called target management (TM).

TM is a democratic style of leadership, combined with strict personal responsibility for the design and implementation of all TM activities, such as:

- creation of psychological comfort for the developers of TM system within the limits of corporate culture created in the enterprise, which allows to obtain the synergy effect;
- ensuring a clear coordination of all types of work using an automated system for monitoring the performance of works and the degree of inconsistency between *the target standards and targets*;
- development of an effective system of moral and material incentives for participants to work on targeted programs;
- constant attention *on the part of all senior management* to the work fulfillment, rapid response to deviations and facilitating their elimination.

TM should ensure HCIs' good progress with the use of Key Performance Indicator (KPI) and Balanced Scorecard (BSC).

KPI's use is the most relevant and appropriate when manage business processes in HCIs based on PPP principles. KPIs are measures of productivity and efficiency of business processes.

*A balanced scorecard is a strategic management system for HCIs based on measuring and evaluating effectiveness of its work with a set of optimally selected indicators that reflect all aspects of the organization's activities, both financial and non-financial.

TM technology involves the following steps:

- analysis of what has been done at the moment, determining the desirable characteristics of the future result, detailing what, why and how it should be done, what corrective actions and at what time it is necessary to carry out in order to achieve the set goals;
- the logical justification for decomposing the main goal to a lower level goal - building a "goal tree";
- the creation of a so-called declaration, i.e. a document that articulates the individual or collective goals of employees of the organization (unit);
- alignment of the "goal tree" with the management system;

- use of lower-level goals as a starting point and basis for all further managerial influences;

- summarizing the activities of employees to achieve the goals.

Program-target management is carried out through the implementation of target programs that ensure the achievement of promising goals and key objectives [8].

In order to ensure that the objectives are met, it is necessary to organize targeted operational management using a number of tools, namely:

- to develop key analytical indicators of activity that characterize each of the tasks set, as well as the methodology for their monitoring;

- to develop a matrix of responsibilities for the implementation of key analytical indicators by structural units and positions;

- to formulate target values for selected key analytical indicators of activity;

- to create a system of analysis of management reporting by strategic goals and objectives;

- to form a system of motivation and bonuses of the personnel on the results of achievement of key analytical indicators.

TM system can be presented in a hierarchically interrelated way, objectives and key analytic indicators for evaluating their achievement. In Fig. 1. an example of TM system aimed at improving the production efficiency of medical activities is shown.

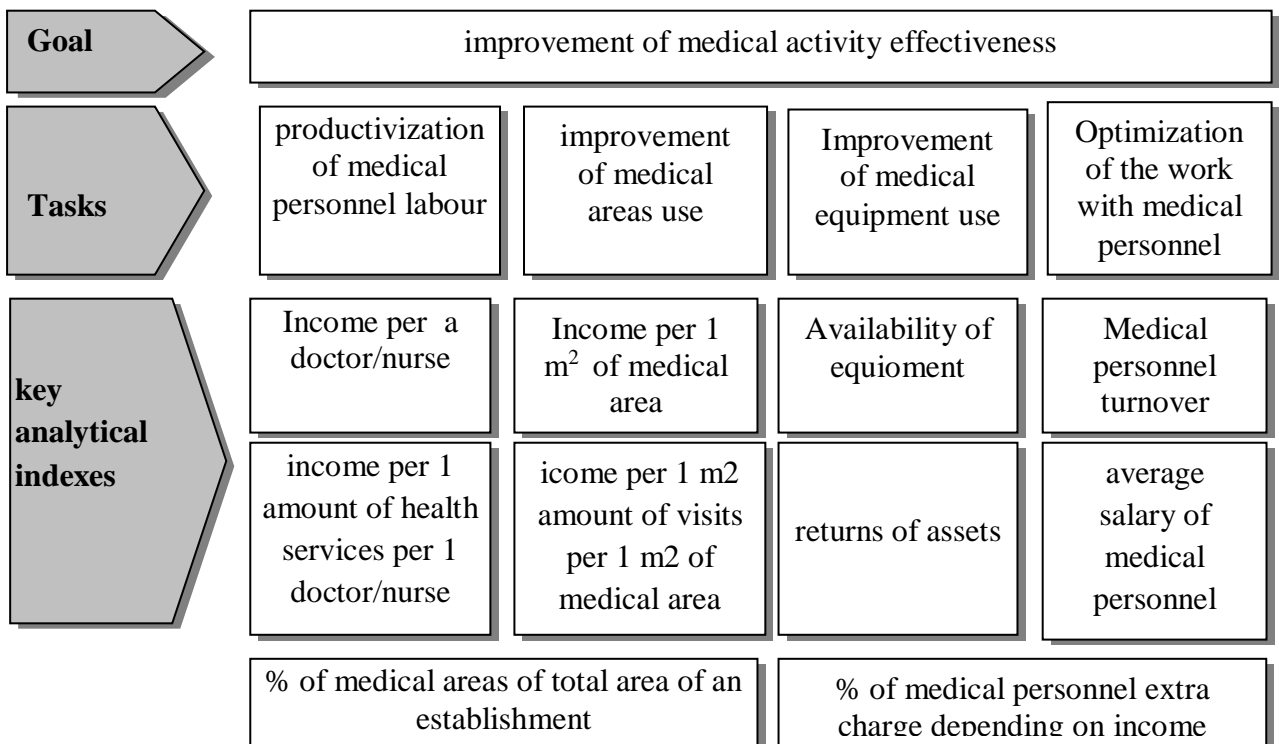


Fig. 1. Scheme of target management

This approach allows the strategic goal to be decomposed to the level of operational indicators detailing various aspects of the functioning of HCL.

For the implementation of TM for each indicator it is necessary to create a matrix of responsibility in which to define and display the reachability, realisticness of the indicators and those responsible for their implementation by establishing the owners and customers of the indicators. Also it is necessary to create the information map in which to specify each indicator, its dimension, frequency, degree of detail and depth of the analysis.

For example, the matrix “Improving the productivity of medical personnel” (Fig. 2) determines that the financial service and medical statistics department are responsible for information collection and metric analysis, and for their analysis and execution - chief medical officer and heads of departments .

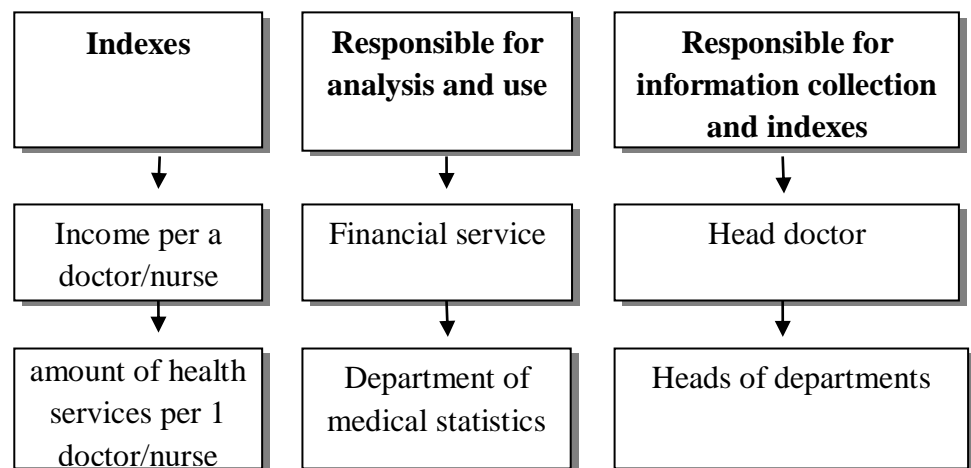


Fig. 2. Informational map of indexes – “improvement of medical personnel labour productivity”

An example of estimation, monitoring and analysis of separate target indexes is given in Table 1.

The process of calculating, monitoring and analyzing of indexes

N	index	Technology of estimation	Who analysis	Depth of analysis	Periodicity	Source of data	Target index
1	Income per 1 doctor/nurse	Income/average amount of medical personnel	doctor	By medical specialty	Per month	Medical informational system	Defined when planning activity
			Nurses	By departments			
2	Amount of medical services per 1 doctor/nurse	Amount of medical services given/ average amount of medical personnel	Doctor	By medical specialty	Per month	Medical informational system	Defined when planning activity

Conclusions

System of health care institutions target management under the conditions of public – private partnership is an effective tool for structuring production processes, focused on the realization of strategic goals, objectives and performance of targets.

The article presents the peculiarities of target system use, outlines the scheme of improving the production efficiency of medical activities, information map of indicators and methods of monitoring, calculation and analysis of individual target indexes.

Targeted management, as the most detailed mechanism of implementation of managerial activity in the health care institutions under the conditions of public-private partnership allows to evaluate the effectiveness of private investment in the public health sector.

The prospects for further researches: the results obtained should be used for substantiation and development of health care institutions models based on public-private partnerships.

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