VIEWPOINT

Health care in transformation: new horizons

Dr EK Yeoh, JP, Chief Executive of the Hong Kong Hospital Authority, delivered the following keynote address during the opening ceremony of the Hospital Authority Convention 1995, held earlier this year.*

On behalf of members and staff of the Hospital Authority, I am privileged to present an overview of our perspective on health care in transformation and to share with you our vision of the new horizons in this transformation process.

The changes have been radical and monumental, however, I shall limit my discussion to six initiatives which form the foundations of the transformation process. The transformation has been the result of the collective contributions and efforts of members of the Board and the Committees, our 42 000 dedicated staff under the very able leadership of our Chairman and supported by the Secretary for Health and Welfare.

Strategic management

Foremost, the Authority has created a strategic management process which provides a key leveraging tool that will ensure that we continuously serve our purpose and mission in a rapidly changing environment. The Authority defined its mission very early after its formation, and has provided the focus for our strategic planning process. Through a series of workshops, we have conducted an environmental scan to identify key issues, examined major organisational factors, and devised strategies to create opportunities and manage threats. Through this process, we have identified the strategic fit of the organisation with the environment, and crystallised our corporate vision up to the year 2000. This will be accomplished through five strategic directions set out in a five year corporate plan which has been submitted to the Government. The annual business plan of the Authority sets out the strategic corporate plan, setting forth major programme initiatives, key result areas, and explicit targets to be achieved.

The annual business plan of the Authority consolidates the business plans of the 39 hospitals and institutions. The process is broadly participative and interactive, with input from major stakeholders. It begins a year in advance with discussion with the Secretary for Health and Welfare on health priorities and key programme initiatives. Expert committees in the major clinical specialties and head office functional divisions input advice and business proposal initiatives. In a series of workshops, corporate senior executives and hospital chief executives formulate the initial service products for consideration by the Authority's committees. Consultations with the Regional Advisory Committees and District Boards are also conducted in parallel to provide further input on the needs of the community.

The annual plans link resource inputs and the budgetary process with explicit service outputs, patient outcomes, key result areas, targets, and quality standards to be achieved. The finalised hospital business plans are used as one of the prime tools for monitoring and performance evaluation. The consolidated annual business plan of the Authority is published and submitted to the Government and communicated to the community. It serves as a yardstick whereby the Government and the community can monitor and measure the performance of the organisation during the ensuing year. We have consistently achieved in excess of 95% of our published business plan targets in the last three years. The business planning process enables the Authority to be a result-oriented organisation. The key results in our business plan focus not just on structure, input, and process, but also on service quantity and quality expressed as output and outcome of care.

Service product definition

We have defined the outcomes of our services or service products under two key parameters. The first comprises the technical product, patient health outcomes, which includes measurements of both the

* Editor's note: Commencing with this issue, we have a section called Viewpoint. Readers are invited to comment on current medical issues. The Hospital Authority was established in December 1990, with the objective of improving management, the utilisation of resources, and the provision of services in the health care sector.

clinical and functional status of patients. Thirty nine clinical outcome indicators have been developed in all the major clinical specialties for sentinel patient groups and are currently used to monitor and evaluate the quality of the clinical care process.

Our expert committees in the major specialties are currently monitoring and evaluating clinical outcomes as part of the process of quality assurance. We are also incorporating the concepts of continuous quality improvements in the development of clinical protocols which will guide clinical practice in order to achieve agreed and improved outcomes.

Generic hospital outcome indicators include mortality, hospital infection, and readmission rates. These also serve as performance indicators for the quality of clinical care, and have improved in the last year.

The other set of service products pertain to parameters which account for patient satisfaction comprising comfort, convenience, communications, counselling, and choice. Noticeable improvements in hospital environment and in our "hotel services" have provided greater comfort for patients. Waiting times and queuing times have been reduced to provide better access and convenience to patients. Waiting lists for admission to our severely mentally handicapped beds have been eliminated and the list for placement for infirmary care reduced by 40%. The introduction of a patient's charter which sets out the rights and responsibilities of patients and targetted training on customer and communication skills have been instrumental in improving communications with and counselling of patients. We are providing more choice for patients through the introduction of ambulatory services such as day surgery, ambulatory rehabilitation, and semi-private beds. Patient satisfaction has improved, and it is not surprising that the number of letters of appreciation has doubled in the last year.

Delivery system conceptual framework and corporate vision 2000

We also have reviewed how health services may be optimised to maximise health benefits for the community with the available resources obtainable. The Hospital Authority provides 90% of secondary and tertiary medical care, 2% of primary medical care, and almost all institutional medical rehabilitation. The other major providers of health care are the Department of Health and the private sector. The escalating incidence of chronic disease and disability associated with lifestyle changes requires that there should be continuity of health care, to ensure regular scheduled follow-up and appropriate management at each stage of illness. It is also becoming frequent in advancing years to have multiple chronic illnesses and disabilities. In addition, acute intercurrent illness also impacts on pre-existing chronic illness. Co-ordination and collaboration between the different health care providers is of the utmost essence to maximise medical care for patients who move between providers and we are actively seeking to network with other health care providers.

The traditional organisation of health care, separating the provision of primary, secondary, and tertiary care, and rehabilitation services has encouraged hospitals to be viewed as institutions which only deal with the inevitability of death and disability, and health systems to be "disease systems". A health system should be viewed as one entity which seeks primarily to promote health and prevent disease and minimise disability. For the many diseases which we cannot prevent, we seek early detection for effective treatment to avert death, minimise disability, and alleviate discomfort. Medical science and technology has been highly effective in prolonging life, but has been less successful in providing quality survival. Rehabilitation is therefore required to improve the functional status of the chronically ill and disabled, and to maximise their ability to live independently in the community.

We are part of a "health system", not a "disease system". We seek to collaborate with other health care providers and carers in the community in order to maximise health care benefits and meet community expectations. This is our corporate vision for the year 2000.

Medical knowledge has doubled in the past two decades and medical practice has become extremely complex and highly specialised. It is no longer possible for any single hospital to provide the full range of available technologies. It is therefore paramount to restructure the hospital system as a distributive service delivery network. We are able to capitalise on the integration of the public hospital system to achieve economy of scale and scope. Public hospitals are being grouped into clusters and specialty services networked. Hospitals serving the different roles of acute, extended, or rehabilitative care are being grouped into eight general hospital clusters. This serves to facilitate continuous acute and extended care for each patient episode and provides a vertical integration of these care types.

Within each hospital, services are organised into highly differentiated specialties. A horizontal network of these highly specialised services provides the mechanism to ensure that available expertise and resources can be optimised, and improves patient access by providing an efficient referral network. The establishment of territory-wide networks will facilitate the cost-effective and efficient provision of highly specialised services. Networks in neurosurgery, ophthalmology, and ear, nose, and throat specialties have been developed. Others are under development.

We are seeking to collaborate with other health care providers. To bridge the separate public and private health systems, initiatives have been launched by hospitals to develop networks with local private practitioners. This will serve as a communication channel and facilitate continuity of care as patients move between the two systems, seeking care for the same or a separate episode of illness. In parallel, we are pursuing joint clinical management programmes, or shared-care, with primary medical care practitioners to facilitate continuity and improvements in care for patients with life-long diseases such as diabetes mellitus and hypertension.

For many patients with chronic illness, treatment and rehabilitation is a continuous and dynamic process and continues in the community. In order to ensure continuity of care in the community, collaboration with welfare and community organisations is imperative. Community-based specialist outreach teams in geriatrics, psychogeriatrics, psychiatry, and for the severely mentally handicapped have been established. These specialist teams of health care professionals provide outreach programmes to patients with chronic illness and disability in community settings. They have been effective in facilitating continuity of care, and providing early diagnosis and evaluation, timely treatment, and intervention in the health problems of the chronically ill, disabled, and elderly in welfare and community settings.

Health is a state of physical, psychological, and social wellbeing. Health enables us to improve our quality of life. It is essential that every individual should participate in the health care process and assume responsibility for promoting health.

The behaviour and action of an individual has the greatest impact on his or her health. Individuals make decisions about their health by adopting life styles which promote health or increase the risk of ill health, and make decisions whether or not to comply with treatment programmes. Health education is necessary to enable individuals to make informed choices and to adopt behaviour and initiate actions which will promote health and minimise disease and disability. Health promotion and education is a participative process and requires a multifaceted and interdisciplinary approach and should be targetted at the healthy, the chronically ill and the disabled. Collaborative programmes have been initiated with local community groups and self-help support groups for the chronically ill. Every opportunity is taken to inform patients on the ways to improve health and minimise disability. Patient resource centres have been established in ten of our major hospitals to provide the framework required for the psycho-social support needed for the chronically ill and disabled, and is a component of our "Community Carers System".

Organisation of the public hospital system

A new organisation infrastructure was put in place in the first year to prepare for the management transfer of the public hospital system from 16 independent provider organisations in December 1991.

The fragmented public hospital system has been integrated and reorganised into a highly decentralised system. Individual hospitals have been empowered with the authority to manage their operations. Each hospital is accountable to its own governing committee and to the Hospital Authority head office for the management of the hospital. The strategic role of the head office has been redefined to:

1. Providing the strategic direction.
2. Assessing and planning for the overall needs of the community for hospital services.
3. Co-ordinating hospital services.
4. Initiating continuous quality improvements by monitoring and evaluating the performance of hospitals.
5. Providing expertise and support to hospitals.

Management transformation

The critical elements of the management transformation which have been initiated include:

1. Constructing patient-focused cross functional basic operating units wherein clinical management teams support and facilitate a multidisciplinary team to deliver integrated, quality clinical care.
2. Implementing in each hospital a new management structure with clear lines of accountability, participatory management, and teamwork.

3. Transforming leadership and developing new management capabilities and competencies which strengthen the manager's role as coach, facilitator, problem-solver, and interactive leader.
4. Introducing and re-engineering management processes, procedures, and systems necessary to underpin fundamental management functions.

In the transformation process, human resources philosophies and strategies have become an integral part of the Authority's mission and objectives. The development of core competencies required to provide efficient and effective health services has been a major strategy and we have provided training and development programmes for over 13 000 staff.

The Authority also recognises the role of information systems and technology as an enabling tool for process re-engineering innovation, and systems integration. The establishment of key databases and a territory-wide hospital data communication network and an increasing number of applications will provide a patient-centred health information superhighway in support of our corporate vision.

In our business support service we are changing to a more customer-oriented and quality conscious service culture to meet the needs and expectations of our external customers for improved 'hotel services'. Improvements in food and domestic services are examples of some early results. We have an ambitious programme of capital projects to meet community needs and we have also introduced a rolling programme for maintenance and improvements to our physical facilities.

In our resource management we have developed both macro and micro strategies. Our service delivery model enables us to optimise health care resources. Our resource allocation system is now result-oriented and has moved away from a historical expenditure pattern as the only basis. The business planning process is now an integral component of the resource allocation exercise and links resource inputs to service outputs and outcomes. At a micro level, financial management skills have enabled more consistent and improved financial planning, monitoring, and evaluation.

We are in the process of developing a health outcome-based resource allocation system through the development of patient related illness groups (PRG). Fifteen PRGs are being developed which account for significant differences in resource consumption and take into account disease severity and co-morbidities. The development of clinical protocols and the evaluation of agreed patient outcomes for these PRGs will link the resource allocation system to patient health outcomes.

Governance

One major management transformation has been the incorporation of governance in hospitals. Community members have been appointed by the Governor to the Hospital Authority Board to provide policy directions and overview of management. The representative channels for the community also exist at hospital level. Hospitals have individual governing committees to which hospital management is accountable. Three regional advisory committees also provide a channel of monitoring and provide input on the changing needs of the community for hospital services.

The accountability structure is directed to the Government and the community and the fundamental tool serving this function is the publication of an annual business plan. The mechanism for monitoring and evaluating the performance of the organisation is through quarterly reporting and performance reviews of the business plan and financial results with the Government. A consolidated annual report is also submitted to the Government and tabled in the Legislative Council. An internal audit charter and strategy complements external auditing. The Director of Audit is the external auditor of a significant number of hospitals and has statutory powers to conduct an examination into the economy and efficiency of the Authority. The requirement for executives of the Authority to attend legislative forums is part of the accountability system.

Conclusion

Our new value system and organisation culture has been a driving force for the transformation. Our core-value statement is "Patient-centred quality through team-work". The other key elements of the new organisation culture are empowerment and accountability.

The key result areas which the hospital services transformation has brought about include the achievement of 95% of the ambitious business plan targets, productivity gains of HK$230 million in recurrent expenditure which have been reinvested in 300 new and improved service programmes to

enhance the quality of patient care. Through our professional and management training and development programmes and the dedication and commitment of our health care professionals, we have accumulated considerable intellectual resources which have served our community well in providing improved health care, resulting in improved patient satisfaction.

Organisations are social institutions which are set up to serve a purpose. The environment is in a process of constant change and organisations need to anticipate the changing needs of the community to continue to serve their intended purpose. The foundation the Hospital Authority has constructed will enable the organisation to meet the needs of the community for quality health care, and quality hospital services.