

Doctors' engagement in the management of hospitals

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Medical practitioners (doctors involved in patient care) can make a significant contribution to the effective and efficient management of public and private hospitals. Doctors can contribute to better management of health costs while ensuring quality patient care and outcomes by being involved in decisions about resource allocation and the purchasing of services for the provision of patient care.

The management of hospitals works best when doctors are engaged in clinical and corporate governance.

Background

Decisions on resource allocation, service provision and patient care are often made too far from the point of actual patient care.

Over time the policy and administrative structures for hospitals in Australia have varied between each State and Territory and between public and private hospitals. Some States have established area/regional health bodies to administer a large number of public hospitals in their area; other States administer their public hospitals through individual hospital boards. The COAG National Health and Hospitals Network Agreement (April 2010) will see Local Hospital Networks replace most of these structures.

Private hospitals usually operate under a board structure although there is also a range of overarching structures in place.

Involving doctors in hospital decision-making in a meaningful way is not dependent on the policy and administrative structures themselves; it depends on a genuine willingness of governments, administrators and doctors to engage and value each others' expertise and input.

Doctors are concerned that if their expertise and clinical judgement is not part of hospital decision-making, it will often be to the detriment of patient care.

Doctors have the ultimate clinical responsibility for patient care and add essential expertise to the management of hospitals, not only regarding clinical issues but also about strategic, budgeting and resource allocation issues. Being involved in the management of budgets allows doctors to contribute to better decision-making regarding the use of resources. In the context of best practice care for patients, doctors can identify potential efficiencies in one area to free up resources for other needs. They can also identify opportunities for quality improvement, which helps to minimise waste.

Overarching principles for doctor engagement

Doctors' engagement and positive patient outcomes are best supported when decision-making about hospital management and health service planning follows these principles:

- there is a genuine commitment by Ministers, hospital owners and/or health administrators to listen to and implement doctors' recommendations about health care service planning and delivery;
- health care services are organised and administered as close as possible to the actual delivery of services and people affected by funding decisions (patients and their families, administrators, doctors, nurses and allied health staff) are involved in them;
- decision-making is evidence-based, equitable and transparent, takes a long-term view and is focused on improving patient health outcomes;

- decision-making facilitates the right care being provided to the patient at the right time and in the right place; and
- ‘red tape’ – such as excessive administration, performance reporting and accountability requirements – does not take precedence in terms of time or resource allocation over the delivery of patient care and health services.

Local doctors’ engagement at the hospital level

Within hospitals, management should use a cooperative team approach in which administrators, local doctors and other health staff work together to achieve the best possible results for their patients and the local community through best practice management, service planning, health care delivery and clinical practice.

Within a clinical unit, doctors should be directly involved in clinical decisions about the diagnosis and treatment of individual patients. Subject to the hospital’s over-riding duty of care to patients and hospital policies, clinical decisions about admission, treatment, transfer or discharge of patients should be left to the doctor.

Doctors’ engagement in clinical practice, administration and resourcing decisions is integral to the effective operation of clinical units within hospitals. For example, within the unit doctors need to be involved in:

- resource allocation and budgeting;
- development of clinical guidelines;
- clinical advisory processes;
- quality assurance processes including investigation and follow-up of adverse events;
- workforce planning and employment decisions;
- accountability processes such as through performance and financial targets; and
- teaching and training of junior doctors.

Central planning in this context should be limited to provision of templates and tools to facilitate local review, decision-making and implementation.

In fulfilling their clinical responsibility for the delivery of services and the quality and safety of patient care, doctors must also have the delegation, the discretion and the flexibility to make timely management and resource decisions in respect of their clinical units.

Local doctors should also play a role in service planning and resource allocation for the clinical services delivered in their hospital. At the whole-of-hospital level, doctors should be involved in the direction and management of their clinical programs within the overall parameters of their hospital’s clinical services plan.

At the whole-of-hospital level, engagement in decision-making should include:

- resource allocation, including budgeting and purchasing decisions;
- resource prioritisation, including capital investment decisions;
- quality assurance, including monitoring of adverse events across the hospital and addressing any whole-of-hospital or cross-unit problems;
- strategic planning;
- hospital-wide training and research; and
- monitoring performance and financial targets.

The exact mechanism for local doctors’ involvement in the management of hospitals will need to vary with the size and setting of the hospital, and the skills and interests of the doctors. However, common elements should include:

- clinical leadership;
- delegated authority for as many aspects of unit management as possible;
- accountability for service delivery; and
- accountability for meeting agreed performance and financial targets.

It is particularly important that hospital arrangements to monitor and review performance targets engender local doctor ownership of the inputs, analysis and results. Mechanisms for

target setting, data collection, reporting and feedback must be developed in consultation with doctors. Doctors must also be supported and adequately resourced to achieve and report on targets and act on information gathered in a constructive way.

Heads of clinical units and one or more elected representatives of the local medical staff should form part of the executive management of the hospital.

A medical advisory group should also inform the governing body. This group could provide advice on:

- clinical policy and matters affecting patient care;
- medical workforce issues;
- the medical technology and capital requirements of the hospital;
- efficient and equitable use of hospital resources;
- actively advancing quality improvement;
- integration of hospital care with community and aged care; and
- any other medical/patient care issues.

Doctors' clinical commitments and participation in management processes must be carefully balanced. Accordingly, terms of employment must recognise, and doctors must be remunerated for, the time spent engaged in the management of the hospitals.

Communication between management and doctors must ensure that timely and meaningful information (including performance and financial information) is provided to doctors so that they are able to make informed decisions and participate fully in management processes.

Doctors' engagement at other levels of the health system

Doctor engagement does not start and stop within the hospital. It is essential that local doctors participate in and inform decisions about health care in their area. The demographics and health care needs of populations differ between areas and drive the types of hospitals and other health care services that need to be delivered. Any governing body making decisions about service planning and patient care for a particular area must therefore ensure that local doctors and other allied health professionals providing health care in the community and in aged care residential facilities are engaged in this decision-making process.

A local practising general practitioner should attend medical advisory group meetings for hospitals in that area. Local general practitioners should also be represented on the governing body itself. Similarly, local hospital doctors should also be represented on bodies overseeing the management of primary health care in that area. This will ensure that care provided in hospitals is integrated with primary health care and aged care, and that local general practitioners and local hospital doctors share information important to providing patients in the local area with better integration of in-hospital and out-of-hospital care. Strong partnerships between different parts of the health care continuum will result in better patient care.

Local area engagement

At the local area level, doctors should have a direct role in contributing to:

- plans for better clinical integration of in- and out-of-hospital services (acute, primary, community-based);
- planning of services;
- resource allocation (where it is appropriate that particular resources be rationalised across the region);
- planning of state-funded out-of-hospital services;
- epidemiological reviews to inform regional planning;
- performance benchmarks and reporting requirements; and
- training and research appropriate to the demographics of the local area population.

Doctors' engagement at the State and Commonwealth government level

At the State and Commonwealth government level, it is important that practising doctors provide medical advice to inform decisions about:

- equitable regional, state and national resource allocation;

- activity based pricing;
- safety and quality standards; and
- performance benchmarks and reporting.

There are already some mechanisms for doctors' involvement in health care governance at the Commonwealth and State levels. Some States operate 'senates' which seek the views of local practising doctors although there is some debate about how effectively these views are heard and taken into account by governments when making decisions about health care policies and practices. At the Commonwealth level practising doctors are represented on a wide range of bodies responsible for making recommendations to government. These include committees that provide advice about new medical technologies and procedures, general practice, aged care, and public health programs.

Doctors should also be involved in providing advice to the new Independent Hospital Pricing Authority and the National Performance Authority which have been established under the COAG National Health and Hospitals Network Agreement, and the expanded Australian Commission on Safety and Quality in Health Care.

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