Several countries in the Eastern Mediterranean Region of WHO have started a process of hospital reforms which is already showing some positive results. The hospitals have improved their technical performance, and are gradually adopting a more transparent and participatory management culture. But the gains remain fragile and need to be further consolidated.

In WHO's Eastern Mediterranean Region, Morocco and Tunisia - as well as Egypt and Jordan - have undertaken reforms to increase the autonomy of their hospitals, and similar reforms are planned as part of a project in Lebanon supported by the World Bank. "Hospital autonomy" refers to reforms that decentralize authority, to varying degrees, to the health facility level for a variety of financial and managerial decisions. These reforms are aimed at improving the overall pattern of resource allocation within the country's health system and the performance of public hospitals. As hospitals become more "self-financing", government health spending can be reallocated to more cost-effective non-hospital services. By decentralizing management responsibility to the hospital level, the flexibility and responsiveness of day-to-day operational management can be improved. Thus, increasing the autonomy of public hospitals has the potential to strengthen the health sector as a whole by making it more cost-effective and less wasteful.

The Tunisian experiment

The experiment in Tunisia is now in its fifth year. The political decision to tackle the question of hospital autonomy emerged from the general context of financial difficulties experienced by the public hospitals during the economic crisis in the early 1980s. User charges began to be imposed in 1983 as part of an effort to reduce hospital deficits and encourage more citizens to participate in health financing. These charges have been periodically increased. Towards reforming the health sector, a pilot experiment in autonomy and cost recovery was undertaken at a new university hospital, the Habib Thameur, which benefits from foreign assistance.

The changes were made within the framework of reform which had three essential components: strengthening the primary health care system; restructuring the university hospitals; and promoting greater private sector participation in the health services. Investigation of public hospitals showed that they were underfinanced and their limited resources were inequitably shared, further reducing effectiveness.

The measures taken for hospital reform include establishing a legal basis for the changes planned, strengthening managerial capacity, bringing the hospital infrastructure up to standard, and carrying out operational studies to accompany the reforms.

In 1991 a law created the "Public Health Institution". This law defines the autonomy of hospitals promoted to be "Public Health Institutions". Managerial reform involved setting up a computerized information system and laying the foundations for a modern and transparent hospital management process. This called for a detailed strategy of overall staff training and recruitment as well as the acquisition of the necessary electronic equipment and skills. The physical infrastructure of the hospitals also needed a considerable amount of renovation, the purchase of biomedical and com-
puter equipment and furnishings, new catering facilities and updated technical installations.

Studies were needed to review the system of free medical care, redesign the systems of public and private health insurance, devise a realistic and transparent method of billing patients for treatment, and draw up an overall plan for developing the public hospital sector. All this forms part of a more general effort to harmonize and expand the functions of the health sector in response to the epidemiological and demographic changes now occurring, and to guarantee efficient health care of high quality for all citizens on an equitable basis as possible.

The net result of the past five years of reform has been fairly positive, despite a somewhat unfavourable financial situation. This included a freeze on state subsidies for the financing of the public hospitals involved in the reform, a freeze on the prices charged for the services offered by these establishments, and a certain amount of psychological resistance to change and scepticism about the economic viability of decentralization. The hospitals have improved their technical performance — they function better and costs are better controlled — and they are gradually adopting a more transparent and participatory management culture. Nevertheless the gains remain fragile and need to be consolidated.

The Moroccan experiment

The Moroccan experiment in hospital autonomy has a similar background to that of Tunisia. In 1986, the Ministry of Public Health converted nine public hospitals into state services managed as autonomous units. By 1994 these autonomous hospitals numbered 34, and the ministry’s long-term intention was eventually to make all the public hospitals autonomous. The two university hospitals of Rabat and Casablanca are now run on industrial and commercial lines.

The 34 autonomous hospitals are managed under a special statute which grants them financial autonomy but without full independence. This means they have a certain degree of autonomy as regards expenditure but they do not control the money received in payment for services, which is paid directly to the treasury. This decentralization is thus relatively limited because a proportion of the budget, which includes the payment of staff salaries, is directly managed by the Ministry. These hospitals have no administrative councils and no precise guidelines for management procedures.

Consequently the role of the autonomous hospital is not yet very well defined within the country’s health system. An objective evaluation of this reform is called for.

What lessons can be learnt?

The limited number of experiments in hospital autonomy and the absence of any scientific evaluation make it hard to reach highly specific conclusions, but a number of general ones can be drawn.

- Hospital autonomy is inextricably linked to the decentralization or “deconcentration” of the health system and of public administration in general. It is of vital importance to take this into account when hospital reforms are being introduced.
- Placing hospital autonomy within the framework of reform of the whole health system, it is essential to take into account the relevant legal, institutional and organizational dimensions of this process.
- Hospital autonomy often plays a key part in the reform of health financing, and to succeed it needs the full support of the rest of the health system.
- It is of crucial importance for all the actors to adhere to the objectives of the reform through calm dialogue and good communication. The contribution of the technical, medical and paramedical team will have an important bearing on all this if the financial and management imperatives are to be reconciled with ethical principles.
- The prominence of hospital autonomy in health system reforms planned by many countries in the Region deserves close attention. Every effort ought to be made to document all the experience that has been gained in this field, so that approaches can be adapted to needs as they emerge.

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