

Analysis of the healthcare performance in the Valencian Community. Influence of the management model.

## **Introduction**

Health is one of the fundamental human rights, which includes the WHO's on its Constitution record (July 1946):

- The enjoyment of the highest attainable standard of health that can be achieved is one of the fundamental rights for every human being.
- The right to have health access to an acceptable, satisfactory, affordable and quality health care.
- The right to health means that States must create conditions that allow all people to live as healthy as possible.

Healthcare is also one of the main basics pillars of the welfare state in developed countries. The health of the citizens is a primary goal for the countries, but requires special attention and analysis from an economic point of view to ensure its universality and sustainability.

In the last decade, we have witnessed the development of alternatives to the traditional model of hospital management in order to ensure good quality of care and optimize the public resources. Among these alternatives, one of the models that has attracted a lot of interest in Spain and internationally, is the Administrative Concession.

The first hospital under the Administrative Concession model, began operating in Alzira (Valencia), following approval by the Generalitat Valenciana of Law 15/1997 of 25 April which enables new forms of management. It is therefore a health center in the public network, managed by a private company, which provides specialized care to a reference population, through an economic agreement that establishes a fixed fee for each patient assigned, besides committing to make the necessary investments for infrastructure and equipment.

Its also need to established control methods jointly with the Administration, with compensation payments for the patients treated outside of this concession and also for those who might be addressed without belonging to it.

This model was later extended to a total of five departments in Valencia and has been implemented in other regions under the name of "Alzira Model".

## **Objective**

The aim of this thesis is to analyze the influence of health management model (direct or concession) operating in Valencia, on issues relating to economic efficiency and quality of care.

## **Methodology**

The data needed to perform the analyzes were obtained from the sources of information of the Ministry of Health of the Generalitat Valenciana for public hospitals. The references to administrative concessions (Alzira, Denia, Torrevieja, Elche and Manises) economic data has been supplied directly by the centers. For both cases, the data refer to the years 2009 and 2010.

The variables included in the analysis are: process costs, quality indicators, activity indicators and structural key performance indicators.

To establish benchmarks in terms of efficiency and factors influencing it, there have been no multivariate analysis and stochastic analysis

A hierarchical cluster analysis in order to group and classify evenly hospitals was performed.

The data envelopment analysis (DEA) has been used to classify hospitals into efficient and inefficient in terms of management (direct or concession), overall and by specific areas for surgical, inpatient, outpatient and ER as well as by cluster. This has been combined with the quality indicators and outputs activity.

## **Results**

Some of the results of the study were:

- Cost analysis of patients adjusted by case mix shows that those hospitals usings PPP model show lower than average costs in the of surgery and outpatient areas. However in the area of inpatients PPPs are above average . In A & E one hospital in the PPP group was above the average cost.
- These results are significant in the regression analysis test. In the emergency department, one of the concessions analyzed, is above average cost. These results have been significant in the regression analysis.
- Concessions scored better on the quality indicators analyzed.
- Regarding the overall efficiency DEA, two of the three concessions reached the maximum level of efficiency. Of those directly managed, this level was achieved by 9 out of the 19 analyzed.

## **Conclusions**

According to the analysis of the performance, is shown as the PPP group perform above the average of the direct management hospitals, but not always better .

It is needed to conduct studies with a larger amount of PPP hospitals in order to achieve more representative conclusions . However, the results of this thesis we have obtained a solid basis and a pathfinder for future research in the field of economic evaluation in health management.