NATIONAL HEALTH ACT, 2003 (Act No.61 of 2003)

POLICY ON THE MANAGEMENT OF PUBLIC HOSPITALS

The Minister of Health has, in terms of sections 3(1)(c) and 23(1) of the National Health Act, 2003 (Act no. 61 of 2003), after consultation with the National Health Council determined the policy in the Schedule.

SCHEDULE
POLICY ON THE MANAGEMENT OF HOSPITALS
FOREWORD

The policy on regulating the management of hospitals is part of the undertaking we have made to the citizens of South Africa, namely to increase their confidence and build a sense of ownership in the public health system. In line with the National Department of Health 10 point plan, we have embarked on a number of initiatives to improve our health care outcomes, for example, the introduction of the National Health Insurance which will ensure access to affordable quality health care, the establishment of the accreditation unit that will assess compliance with agreed upon standards in all health facilities irrespective of whether they are public or private, to mention but a few.

The need to improve the quality of health care in an efficient and caring environment has also necessitated the promulgation of applicable pieces of legislation and policies. This has become necessary and is aimed at improving the functionality of hospitals. The work in this regard has already begun and it is envisaged that in August 2011 we will have developed the regulations on the designations of hospitals.

Lastly it is my belief that all these endeavors will go a long way in turning the negative perception and building a culture of efficiency and caring within the health care environment.

DR A MOTSOALEDI, MP
MINISTER OF HEALTH
1. BACKGROUND AND CONTEXT

1.1 BACKGROUND

The National Department of Health (NDoH) has reaffirmed its commitment to the delivery of quality health care to all South African citizens, efficiently and in a caring environment. In its endeavour to improve the quality of service delivery, the Department released its medium-term strategic framework, commonly referred to as the 10 Point Plan for the period 2009 to 2014. Linked to the 10 Point Plan is the Negotiated Service Delivery Agreement (NSDA) which is intended to assist the country to meet the Millennium Development Goals (MDGs) and improve the monitoring of the health system.

In line with the 10 Point Plan's strategic point number 4 on "Overhauling the health care system and improving its management", the Department identified key deliverables to improve the management of hospitals. Whilst significant inroads have been made in addressing some of the key deliverables aligned to strategic point number 4, a number of challenges continue to hamper effective and efficient delivery of quality health care. Some of the challenges identified were systemic in nature, for example, the lack of appropriate legislation and policies, while in other cases the challenges related to capacity constraints, such as the competency levels of hospital CEOs, lack of proper training, lack of strategic support, and the lack capacity to deal with small operational issues.

It is believed that this policy will go a long way in building a health care system which is efficient and caring.

1.2 KEY AIM OF THE POLICY

The National Policy on Management of Hospitals is aimed at ensuring the management of hospitals will be underpinned by the principles of effectiveness, efficiency and transparency.

1.3 SPECIFIC OBJECTIVES

The specific objectives of the policy are as follows:
(a) To ensure promulgation of applicable pieces of legislations and policies to improve functionality of hospitals;
(b) To ensure appointment of competent and skilled managers;
(c) To provide for decentralisation of management;
(d) To provide for the development of accountability frameworks;
(e) To ensure training of managers in leadership, management and governance.

1.4 LEGISLATIVE IMPERATIVES

The policy is based on the following provisions of the National Health Act, 2003, (Act No. 61 of 2003):

Overarching provisions

The following are the overarching provisions

(a) (which section of the Act provides for this? "provide for a system of cooperative governance and management of health services, within national guidelines, norms and standards, in which each province, municipality and health district must address questions of health policy and delivery of quality health care services;"
(b) (which section of the Act provides for this? "establish a health system based on decentralised management, principles of equity, efficiency, sound governance, internationally recognised standards of research and a spirit of enquiry and advocacy which encourages participation.

Other guiding principles within the National Health Act

Section 35 (a) (i, ii, iii, iv, v, vi) & (b) stipulates that the "The Minister may by regulation:

(a) classify all health establishments into such categories as may be appropriate, based on:
   (i) their role and function within the national health system;
   (ii) the size and location of the communities they serve;
(iii) the nature and level of health services they are able to provide;
(iv) their geographical location and demographic reach;
(v) the need to structure the delivery of health services in accordance with national
    norms and standards within an integrated and co-ordinated national framework;
    and
(vi) in the case of private health establishments, whether or not the establishments is
    for profit or not.

The section further provides that in the case of a central hospital, the minister shall determine
the establishment of the hospital board and the management system of such a central
hospital.

Section 41 provides that the Minister, in respect of a central hospital, and the relevant
member of the Executive
Council, in respect of all other public health establishments within
the province in question, may:

(a) determine the range of health services that may be provided at the relevant public
    health establishments;
(b) prescribe the procedures and criteria for admission to and referral from a public health
    establishment or group of public health establishments;
(c) subject to subsection (2), prescribe schedules of fees, including penalties for not
    following the procedures contemplated in paragraph (b), for

    (i) different categories of users;
    (ii) various forms of treatment; and
    (iii) various categories of public health establishments.

2. KEY ASPECTS IN DEVELOPING THE POLICY

2.1 CLASSIFICATION OF HOSPITALS

One of the crucial aspects of this policy is to ensure reclassification of hospitals to address
issues of equity, affordability, efficiency and effectiveness. The hospitals will be classified into
five levels.
The first level of hospitals will comprise district hospitals. These will be classified into 3 categories, namely:

(a) small district hospitals with no less than 50 beds and no more than 150 beds;
(b) medium size district hospitals with more than 150 beds and no more than 300 beds; and
(c) large district hospitals with no less than 300 beds and no more than 600 beds.

Due to the size of the small district hospital, it will be unnecessary and an absolute waste of resources to have both a CEO and a clinical manager. For this reason such hospitals will have a CEO as a medically trained person to serve both. This provision strictly applies to small district hospitals. In the event that the medically qualified person could not be recruited, a CEO could be appointed, but must be a registered health professional. Only if a health professional cannot be recruited, will an administrative manager with more than ten (10) years in health management experience be appointed.

It should be noted that:

(a) In the case of employment of an administrative manager, sufficient documentary evidence must be provided as to the unavailability of a health professional.  
(b) Provincial Departments will be required to report to the National Department of Health in this regard. Reporting templates for this activity will be provided.

District Hospital

The package of services provided at district hospitals includes trauma and emergency care, in-patient care, out-patient visits and paediatric and obstetric care. A limited number of level 2 services can also be provided by the larger district hospitals to improve access and to facilitate easy reference to level 2 hospitals. The services are provided by family physicians, general practitioners, and clinical nurse practitioners (PHC). These hospitals may only employ specialists in the form of family physicians, paediatricians, obstetrician/gynaecologists, and general surgery. The level of the post for the management of the district hospital will be level 12.
Regional Hospital

Hospitals at this level render services at a general specialist level, receive referrals from district hospitals and provide general specialist services to a number of district hospitals. They also serve as a platform for training of health workers and research. Most of the care provided will be at level 2 and will require the expertise of teams led by experienced specialists. These specialists will be in the disciplines of: general surgery, orthopaedics, general medicine, paediatrics, obstetrics & gynaecology, family medicine, radiology and anaesthetics. There may also be some level 1 services provided within the local sub-district. The level of the post for the management of the regional hospital will be level 13.

Tertiary Hospital

These hospitals render specialist and sub-specialist care to a number of regional hospitals. These hospitals serve as a platform for training of health workers and research. Most care provided will be at level 3 and will require the expertise of teams led by specialists. The areas of specialty include cardiology, cardiothoracic surgery, craniofacial surgery, diagnostic radiology, ENT, endocrinology, geriatrics, haematology, human genetics, infectious diseases, general surgery, orthopaedics, general medicine, paediatrics, obstetrics & gynaecology, radiology and anaesthetics. There may also be some regional hospital services provided. The level of the post for the management of the tertiary hospital will be level 14.

Central Hospital

These hospitals render a very high specialized tertiary and quaternary service on a national basis and a platform for the training of health workers and research. They also function as highly specialized referral units for the other hospitals and provides a high cost and low volume service. These hospitals employ high technology and highly trained staff. The level of the post for the management of the tertiary hospital will be level 15.
SPECIALISED HOSPITAL (LEVEL 5)

Psychiatric Hospitals

These facilities will render specialist psychiatric hospital services to people with mental illness and intellectually disability and provide a platform for the training of health workers and research.

Tuberculosis Hospitals

These hospitals will provide for the hospitalization of acutely ill and complex TB patients (including XDR & MDR-TB).

Rehabilitation Centres

These hospitals are responsible for rendering of specialized rehabilitation services for persons with physical disabilities, including the provision of orthotic and prosthetic services.

2.2 APPOINTMENT OF COMPETENT AND SKILLED MANAGERS

Job description for a hospital CEO

The job purpose will be to:

(a) To plan, direct, co-ordinate and manage health care and support services effectively and efficiently as an integral part of the health service delivery in the area served by the hospital;

(b) To represent the hospital authoritatively at provincial and public forums.

It is important to note that the competencies should reflect the requirements of the specific job. In line with accepted standards, job description should include the nine to eleven important competencies as prescribed in the senior management and middle management requirements of the Public Service Administration.
2.3 MINIMUM REQUIREMENTS FOR APPOINTMENT OF CEO

The criteria pertaining to minimum qualifications, experience, and generic qualities required for appointment to the position of hospital CEO (all levels), together with exceptions to the principles of the policy shall be provided in the regulation to Human Resources which are being developed in terms of section 52 of the National Health Act, 2003. The following provides an example of specific considerations that may be taken into account when appointing a hospital CEO for various types of hospitals:

Educational requirements

(a) A degree/advanced diploma in a health-related field is a requirement and a degree/diploma in management is an added advantage.

Experience

(a) A minimum of 5 years management experience in the health sector.

NOTE: Final shortlisted candidates will be formally tested on the above competencies. Consideration must be given to include a case study to specifically test candidate's knowledge of management within the health environment context. Consideration can be given to include an emotional intelligence test.

2.4 DEVELOPMENT OF ACCOUNTABILITY FRAMEWORK

One of the key cornerstones of democracy is public participation and involvement. To realise the vision encapsulated in the 10 Point Plan and NSDA, the government adopted PHC as a priority approach. This emphasises the following key concepts: community mobilisation and empowerment, inter-sectoral collaboration and cost-effective care, as well as integration of preventive, promotive and rehabilitative services.

In ensuring that the interests of all stakeholders in the health care environment are addressed, institutions need to recognise that they no longer act independently of communities and must take account of the environment in which they operate.
In realising the objectives outlined above, it is important that governance responsibilities and accountability are documented and implemented by the institution's top management. The management of the organisation is further tasked with the responsibility to ensure the responsibilities of governance are made known to the staff of the organisation relating to communication and co-operation between governance, management and the community.

The composition of hospital boards and their term of office will be defined in terms of the National Health Act and Provincial Governance Act/ Guidelines.

2.5 MINIMUM REQUIREMENTS FOR APPOINTMENT TO HOSPITAL BOARDS
(shouldn't this be paragraph 2.5?)

General requirements

The following are the general requirements for Members of boards:

(a) must be South African citizens;
(b) must be older than 18 years of age;
(c) must be of sound mind and not certifiable as mentally ill (see Mental Health Act);
(d) must not have a criminal record, unless a free pardon has been received or a period of three years has expired since release from prison and certified as fully rehabilitated by the Department of Correctional Services.

Selection criteria

Prospective board members must:

(a) demonstrate commitment to community service;
(b) demonstrate support for the mission and values of the organisation;
(c) demonstrate a high level of personal integrity and honesty;
(d) demonstrate an understanding of the difference between the role of management and governance;
(e) think strategically;
(f) communicate effectively.
Functions of Hospital Boards

Hospital boards are largely advisory governance structures for hospitals and have a mandate to act honestly in the best interest of the public and the users. It is important that they develop a working knowledge of the hospital and be cognisant of the economic, social and political milieu in which the hospitals operate.

Through its skills mix, the board will advise the management of the organisation on:

(a) processes for defining its purpose and the values by which it will perform its daily functions;
(b) processes for identifying the organisation's values, formulate policies and shape its strategic direction;
(c) improving hospital care to ensure that it is safe, beneficial, patient centred, timely, efficient and equitable;
(d) human capital aspects regarding succession, morale and training based on the information placed before them at board meetings;
(e) financial matters based on the information placed before them at the board meetings;
(f) processes for developing systems of internal controls both operational and financial;
(g) processes for effective and efficient risk management process;
(h) processes for dealing with ethical issues;
(i) processes for dealing with conflict of interest situations;
(j) processes for setting checks and balances;
(k) processes for the appointment of subcommittees to assist in discharging its duties and responsibilities;
(l) processes for expanding community participation by means of open Board meetings, and open days at the Hospital, in conjunction with the Hospital management;
(m) processes for ensuring regular report back meetings and the dissemination of information to the community through meetings and wide dissemination of annual reports;
(n) processes for enhancing the organisation's reputation, establish external contacts and advise and counsel the CEO. The external relations role will includes such activities as advocacy.
Hospital Board sub-committees

The Board will identify subcommittees to be formed and develop terms of reference, processes for nomination, role and functions, reporting structures and frequency of reporting.

Furthermore the Board will ensure that members of the subcommittees are suitably qualified and experienced to meaningfully contribute to the workings of the subcommittee on which they serve.

The subcommittees shall meet more often than the full Board and shall report back on their activities at each meeting of the full Board.

Appropriately skilled individuals will assist the Board to establish subcommittees in the following areas: standards committee, auditing, risk committee, asset and liability committee, strategic and operational policy committee, human resource, external relations and ethical matters.

3. CONCLUSION

The policy on the management of hospitals is aimed at ensuring the department delivers on strategic point number 4 in the 10 Point Plan which refers to overhauling the health care system and improving its management. It is envisaged that the objectives outlined in this policy will go a long way in creating a culture underpinned by the principles of equity, efficiency, effectiveness, transparency and openness.
4. REFERENCES