Governance in Health Care

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Governance is increasingly seen as the foundation for good practice, successful organizations and ethical behavior.

The essentials of governance are that responsibility is defined within an organization, and that those responsible persons then define the outcomes that are required, measure them, report them and are judged accordingly.

Governance in health care occurs at many levels with numerous professional organizations monitoring and changing practice and behaviors for health care professionals. Hospitals and health care delivery organizations are subject to inspections, government regulatory oversight and outcome analysis.

There is, however, one area where governance is seriously lacking. This may explain why Canada has been slow to innovate and change and why our health care system, now declining on world rankings, is no longer seen as leading.

The issue is the relationship between the provincial governments, who hold the responsibility for funding and providing health care according to federal regulations, and the organizational structure that is in place to deliver that health care.

A fundamental tenet of governance is the placement of responsibility for oversight in a body that has the ability to act, to remove, reward or replace management based on performance. That body is usually independent from the management, and appointed to represent the constituency that the organization serves. In not for profit organizations representation on that body or board is usually based on an identification of individuals who by their work and actions are judged able to act to further the goals of that organization.

Politics is, by definition, based upon representation and a desire to act both for the public good and for public acclaim, the latter to increase the chances of political success at the polls. There is a huge potential for conflict of interest when certain actions are required that may not be interpreted with public acclaim.

This is where the provision of health services is now running into problems. The easy monies to fund public health care have gone, and most provincial governments are looking to constrain
public spending at all levels; their ability to fund a hospital in every hamlet has gone.

The governance structure that allows for changes to be made is severely flawed when governments are directly involved in the provision of health care. Consider Nova Scotia as a clear example of this lack of good governance. There is no clear separation of the political requirements from the operational requirements of health care delivery.

The Nova Scotia Department of Health is directly controlled by the government. The department of health distributes finances to 10 different health care districts, all with their own administrative structures. All of these districts have boards that are supposed to be supervisory. However, some of the board members are appointed by government directly, while others are appointed from community health boards, also supported by government funds.

In a proper governance model, board members would be appointed through a process completely separate from government influence. This process would have requirements defining the skill set and expectations laid out for the public to see. The independent boards would then be free to appoint a CEO of the district and exercise oversight of health care delivery.

In Nova Scotia, the government appoints the CEO in most cases. Their performance is primarily judged according to the government’s requirements. These are not necessarily the same as the community requirements! This leaves the board unable to have much influence on the CEO, if the CEO is constantly looking to the department of health and to the politicians for guidance and oversight. This is particularly important when decisions have to be made that are going to be seen in a negative light by some segment of the population, who may see that services are going to be changed in a way that does not meet their current expectations.

Nova Scotia has created a health management system geared towards crisis management. Changes are made when it is obvious to all that change has to occur, i.e. a crisis. However, this governance structure does not allow for forward planning past government timelines, (re-election). It’s difficult to implement changes that may initially be met with lack of acceptance by a population accustomed to punishing local elected officials by withdrawing support at elections.

The more appropriate governance model would allow for the government of the day to set the standards and expected outcomes of health care, while at an arm’s length from the management of health care. Such a model would allow for a free standing board to be elected or appointed by a body independent from government. It is not easy to involve the population and have an elected board, as that is essentially a political process, but board members that have demonstrated qualifications can represent the public and be responsible to the public.

The board would then have the opportunity to hire and fire the CEO, who would work with a management team to implement health care initiatives according to a pre-set budget presented by the government. The CEO would be judged on performance (length of wait lists, complications of treatment, success of treatments offered etc.) and the board would be free to ask for, and publish real performance criteria that show how well the hospital(s) function.
In Nova Scotia we have more doctors per capita than is the norm in Canada, and yet the overall health of the population is declining. These are the types of issues a better governance model should address and why any change must also include a regular assessment of the value and efficacy of medical interventions.

Under this model, the CEO would have to have the freedom to change both the expectations and delivery of health care services. Some decisions will have political implications; therefore communication is necessary with government and the people involved.

Innovation can occur when the CEO and management team are able to control budgets directly and not be beholden to government to preserve jobs for political reasons. Losing $1.4m a year operating Tim Horton’s franchises should not be an option. Good governance sets clear goals and then leaves those responsible with the authority to pursue those goals. If we want sustainable health care we cannot set goals, assign responsibility, and then constrain authority.

Innovators require the freedom to try different delivery methods and to choose the method that is more successful from the users’ point of view, and more efficient in the use of funds. One of the biggest barriers to change is the rigidity of the union contracts negotiated (including the contract with doctors), often with government input if not outright government direction.

There is a huge opportunity to save money and change the way that health care is delivered on the front lines by changing job descriptions. It may be that the road that Prince Edward Island has chosen is more likely to succeed for the reasons outlined above, as they now have a separate body, PEI Health, that is charged with delivering health care separate from government control.

Better governance is the first step to better health care. It is a pity that the Nova Scotia governments, past and present, have often been more responsive to their political supporters than to the needs of the population as a whole.

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