HOSPITAL EFFECTIVENESS IN THE REPUBLIC OF BULGARIA – IMPACT ON THE MARKET AND NON-MARKET ENVIRONMENT

B. G. Kitov

Medical Institute of the Ministry of Interior, Sofia

Reviewed by: Assoc. Prof. D. Tomov, MD, PhD

SUMMARY

Article's objects are the problems of financing the hospital subsystem under the conditions of the realized health reform, caused by the impact of the market and non-market environment. On the bases of the positive international experience, on the one hand and the future health-political conceptions and regulations of national character on the other, were grounded the possible perspectives for improvement of hospital effectiveness.

Keywords: effective hospital management, market environment factors, non market environment factors.

The effectiveness of the hospital subsystem depends on a number of factors. As the experience shows for the hospital managers it is sometimes difficult to evaluate the non-market forces and it is not clear why in some cases well formulated competitor strategies meet insurmountable barriers in the process of their realization.

At the same time they are criticized by the public and parallel to this, sometimes submitted on pressure on the side of the executive state power. We have to stress, that the reasons for these problems are out of the health service market. They are due to the strong non-market environment. At the same time they can "unlock" the way towards the health service market, to hinder new competitor to enter the sphere of hospital activities, or they can create a rival advantage. In particular the non-profit environment consists of social, political and legal conditions, which structure the relationship between the health subsystems, including the hospital subsystem as a part of the health system.

As Baron, David P. indicates the non-market environment differs from the market one in the following features: markets are formations, thanks to which the economical exchange is organized in a system of property rights, regulated on the voluntary principle.

- Non market environment includes public institutions. On the principle of majority, the process of duty fulfillment, collective actions and publicity.
- In the market competition a key role for the achievement of results is the keeping of resources. In the non market rivalry the key role have the voices of voters, respectively the hospital patients.

- In a market environment, the results are evaluated by the means of reached profits or the created value, while the non market environment appreciates the health organization by larger categories, which include ethical principles and images of responsibility.

The hospital effectiveness in the Republic of Bulgaria is depending on the process of privatization and funding of the healthcare system, dominated by forces of non-market environment. In particular we take into consideration some fatal consequences from the badly written laws. For example, such is the imperfection of the Law for the health assurance. The hospital managers are exposed on the pressure of the rulers not to allow the pile up of bad debts. The result is the reduction of the work remuneration of the health personal by apparent breaking of the instruction of formation of the salaries in the state and municipal hospitals. As a consequence it appears an undermining of the work motivation of the personal, reduction of the hospital effectiveness and a raising tendency for leaving the country with the intention to work abroad. We have to point out, that the funding from only one financial source is unreliable for the university hospitals, but is more suitable for smaller hospitals. The not enough funded hospital subsystem creates a high tension among the medical personal, which influences negatively both the management and in the long run, most affected are the patients. This means low quality and effectiveness of the hospital services.

- According to the opinion of a number of hospital managers the Bulgarian health care system is turning round in a "vicious circle of paradoxes", created by the components of the market environment, namely the executive power (mechanism of funding) and the legislation power (laws, regulations, norms).
- It is very important to point out in this connection, that there is an imperative necessity to undertake the following actions:

Address for correspondence:

Kirov G, Medical Institute of the Ministry of Interior, Sofia, BULGARIA

introduction of new systems for financing hospitals;

- put an end to monopoly of the Bulgarian doctor union, as a global representative of the interests by signing the national frame contract with the National health assurance fund;
- raising to at least 5 % the share for the health care of the gross state product;

adequate legislation in respect to the “opening” of the hospital reform and the improvement of the health care service as a whole, respectively.

LITERATURE

1. Baron, D.P. The nonmarket strategy system. Sloan Management Review, Fall 1995.