Health Policy Management For 2nd year generic Midwifery Students

Module Code: SPHM-3132

Module ECTS: 4 ECTS

Module Duration: 16 Weeks

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What is the course deals ?

Course Description

This course deals with

- This Module is designed for BSc Midwifery students to equip with the KSA, needed to apply the principles of health policy, management and leadership in a culturally sensitive manner.
- It includes health service management, health economics and health informatics

Module Objective

At the end of this module, students will be able to:

- Apply principles and methods of management and leadership for effective and efficient management of the Ethiopian healthcare system.

Learning Outcomes

At the end of this course students will be able to:

- Describe the Ethiopian health system including historical development, organization, structure, approaches, policy, strategy, regulations and programs
- Apply principles and functions of management as well as leadership in the health sector
- Apply the principles of economics in the health sector including issues of equity and financing
- Describe the principles and components of the national health management information system

Learning Outcomes…….

- Analyze the concepts of health care coverage, utilization and quality with focus in the Ethiopian health system
- Demonstrate skills for effective communication with individuals, families, communities, health sector staff, local leadership and development partners with sensitivity to personal and cultural factors for the promotion of health and prevention of diseases
- Demonstrate professional values and behavior in interaction with individuals, families and communities
- Demonstrate key public health values, attitudes and behaviors

Learning Outcomes…….

- Demonstrate a habit of self-reflection, responsiveness to feedback and an on-going development of new skills, knowledge and attitude
- Search, collect, organize and interpret health and health-related information from different sources
- Use information and communication technology to assist in health promotion and disease prevention measures for individuals and families.
- Show respect for peers and other healthcare professionals and the ability to foster a positive collaborative relationship with them

Course Contents

1 Introduction to the module

2 Introduction to health policy and management

- ✓ Definitions of management leadership and governance
- ✓ principles and concepts of management, leadership and governance
- ✓ Theories of change

3 **Management and environment**

- ✓ Types, skills and roles of managers
- ✓ Main functions of management

Course contents……

4 **Policies, strategies and programs during various periods.**

5 Concepts and applications of leadership in the health sector

6 Functions of Management

- ✓ Health management with focus to the Ethiopian health system (planning and organizing)

7 **Functions of Management continued**

- ✓ Health management with focus to the Ethiopian health system (Implementation)

Course contents……

8 Functions of Management continued

- ✓ Health management with focus to the Ethiopian health system (Monitoring and Evaluation)

9 Approaches in organization and delivery during various periods (modern health services, basic health services, PHC ; Initiatives in health development including SDGs.

10 **Three tier of health system**

11 Concepts and applications of leadership in the health sector

Course contents……

12 **Management of finance, HRH, time and material resources (Managing resources)**

- ✓ Health management with focus to the Ethiopian health system (planning, organizing implementation, monitoring and evaluation)
- ✓ The concept of coverage and patterns of health care utilization (including organization and use of the referral system

13 **Quality of health care**

14 **Management of finance, Management of change, Drug HRH, time, space and material resources**

Course contents……

15 Introduction to health economics

- ✓ Definition, concepts, principles of health economics
- ✓ Application of economics to the health sector
- ✓ Demand and supply in the health sector
- ➢ Issues of equity in the health sector
- ➢ Methods of economic evaluation and costing of health care programs
- ➢ Principles and types of healthcare financing
- ➢ Healthcare financing in Ethiopia

Course contents……

16 Introduction to computer

- ✓ Data representation and number system
- ✓ Identify the types of computer
- ✓ Observe and identify the components of computer
- ✓ Distinguish inputs with output devices
- ✓ Observe the processing devices
- ➢ Health informatics terminologies Information management
- ➢ Introduction to telemedicine and tele-education
- ➢ Health Information Systems Overview

Course contents……

- Routine health information System
- Clinical Information System
- Patient Monitoring Systems
- Information retrieval & EBM
- Information and computer ethics

17 Introduction to HIS

- ✓ Types of HIS
- ✓ Building blocks of HIS
- ✓ Principles and components of HMIS

Course contents……

- ❖ Ethical and legal issues in HMIS
- ➢ Application of IT in the analysis and management of health systems
- ➢ Ethiopian HMIS

Teaching-Learning Methods

- Interactive lecture and discussion
- Small group learning activities: assignment, exercise, case study
- Individual reading
- PHCU/Community-based learning and study trip:
- Student presentation

Evaluation System

- Community visit (10 %)
- Quiz = 10%
- Test=15
- Assignment and student presentation (15%)
- Final Written exam (50%)

From Week One to three

Introduction to health policy and management

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March 2020

Debremarkos, Ethiopia

Health Policy

Introduction

- **Policy** is often thought of as **decisions** taken by those with responsibility for a given policy area – it may be in health or the environment, in education or in trade.
- The people who make policies are referred to as **policymakers**.
- Policy may be made at many levels – in central or local government, in a multinational company or local business, in a school or hospital

Introduction….

- Specific groups of decision makers who hold senior positions in an organization are sometimes referred to as **policy elites**.
- A good policy gives a ***broad agenda and framework for action***; it provides ***direction*** without unduly limiting implementers.
- It includes actions or intended actions by ***public, private and voluntary organizations*** that have an impact on health.

Public vs. Private Policymaking

Policies are made in the private and in the public sector

Public Policy

- *Public policy* refers to government policy.
- For example, **Dye** (2001) says that public policy is **whatever governments** choose to do or not to do

Private Policy

- Policy that is established by private organizations
- In the private sector, multinational companies may establish policies for all their companies around the world
- However, private sector corporations have to ensure that their policies are made **within the confines of public law** made by governments.

Health Policy

- **Health policy** is an organized set of values, principles and objectives for improving health and reducing the burden of disorders in a population
- It is a set of clear statements and decisions defining priorities and main directions of improving health and health care in a country
- Health policies have to be dynamic and should consider national and international agreements and policies.
- *Health policy* is assumed to embrace courses of action and inaction that affect the set of institutions, organizations, services and funding arrangements of the health system.

Health policy…

- It includes policy made in the public sector (by government) as well as policies in the private sector
- However, as health is influenced by many determinants outside the health system, health policy analysts are also interested in the actions and intended actions of organizations external to the health system that have an impact on health
  - for example, the food, education, agriculture or pharmaceutical industries..
- It defines a vision for the future and helps to establish a model for action.

Why Health Policy is Important

- Globally, the health sector is an important part of the economy.
- It absorbs large amounts of national resources to pay for the many health workers employed, and is a driver of the economy, through innovation and investment in the health sector, or through ensuring a healthy population which is economically productive.

Why Health Policy is Important….

- Because the nature of decision making in health often involves matters of life and death, health is accorded a special position in comparison to other social issue
- Health is also affected by many decisions that have nothing to do with health care:
- Poverty affects people's health, as do pollution, contaminated water or poor sanitation.
- Economic policies, such as taxes on cigarettes or alcohol, may also influence people's behavior.

Policy versus strategy

- Policy is a blueprint of the organizational activities which are repetitive/routine in nature.
- Policy formulation is responsibility of top level management. While strategy formulation is basically done by middle level management.
- Policy is concerned with both thought and actions. While strategy is concerned mostly with actions.
- A strategy is a plan to do things a certain way to achieve a desired outcomes.

Policy versus strategy…..

- A policy is a rule designed to ensure consistency in governance and to avoid undesirable outcomes.
- A policy is what is, or what is not done. While a strategy is the methodology used to achieve a target as prescribed by a policy
- Policy is concerned with ***what is to be done*** (content); ***strategy*** refers to how to do it.

National Health Policy of Ethiopia

- Historically, the Ethiopian healthcare delivery System has not been very effective in responding to health needs of the people.
- Since 1993, The Federal Ministry of Health of Ethiopia (FMOH) has formulated a 20 years National Health Sector Development Program (NHSDP)
- In 2015, the sector successfully concluded the NHSDP (HSDP I to HSDP IV) and launched the Health Sector Transformation Plan (HSTP).

National Health Policy of Ethiopia….

- The health policy (HSDP) principally focuses on
  - Fiscal and political decentralization,
  - Expanding the PHC services to all segments of the population and
  - Encouraging partnerships and the participation of nongovernmental actors.

National Health Policy of Ethiopia….

- Health Extension Program (HEP) was the country's flagship program through HSDP I to HSDP IV
- Which aimed to provide cost-effective basic services to all Ethiopian mainly to women and children.
- It underpinned by the core principle of community ownership that empower communities to manage health problems specific to their community.

General Theme of the 1993 Health Policy

1. Democratization and decentralization of the health service system.
2. Development of the preventive and promotive components of health care.
3. Development of an equitable and acceptable standard of health service system
4. Promoting and strengthening of inter-sectoral activities.
5. Promotion of attitudes and practices conducive to the strengthening of national self-reliance

General Theme of the 1993 Health Policy

6. Assurance of accessibility of health care for all segment of the population.

7. Working closely with neighboring countries, regional and international organizations

8. Development of appropriate capacity building based on assessed needs.

9. Provision of health care for the population on a scheme of payment

10. Promotion of the participation of the private sector and

governmental organizations in health care.

National Health Policy of Ethiopia….

The Ethiopian Health Policy (1993) places the following interventions as ***top priorities***

- Information, Education and Communication
- Control of communicable diseases and epidemics
- Promotion of occupational health and safety
- Development of environmental health
- Rehabilitation of health infrastructure
- Development of an appropriate health service management system.

(Source: Transitional Government of Ethiopia, 1993)

National Health Policy of Ethiopia….

- Supporting curative and rehabilitative services,
- Developing the beneficial aspects of traditional medicine and
- Provision of essential medicines, medical supplies and equipment.
- (Source: Transitional Government of Ethiopia, 1993)

National Health Policy of Ethiopia….

- In addition, the policy gives special attention to the
- Development of human resources for health (HRH),
- Applied health research, addressing the major health problems, and
- The needs of women and children and those hitherto most neglected.
- (Source: Transitional Government of Ethiopia, 1993)

The Health Sector Development Program (HSDP)

- Launched in 1998
- Has three main goals:
  - Building basic infrastructure
  - Provide standard facilities and supplies
  - Develop and deploy appropriate health personnel

The Health Sector Development Program (HSDP) …

HSDP I (1997/98–2001/02)

- Prioritized disease prevention
- Introduced a four-tier system for health service delivery
- Characterized by a primary health care unit (PHCU)

The Health Sector Development Program (HSDP) …

HSDP II (2002/03–2004/05)

- Introduced the Health Service Extension Program (HSEP).
- Innovative health service delivery system
- It is a community based health care delivery system provided at kebele and household levels

The Health Sector Development Program (HSDP) …

HSDP III (2005/6-2009/10)

- Directly aligned with the health-related MDGs
- Focuses on **high-impact health system strengthening** interventions needed to accelerate scale-up and increase coverage

HSDP IV (2010 –2015)

- Developed as part of the National Growth and Transformation Plan (GTP)
- The expression of the renewed commitment to the achievement of MDGs.
- Gives priority to maternal and child health, nutrition, prevention and control of major communicable diseases

The Health Sector Development Program (HSDP) …

HSDP IV (2010 –2015)

- Emphasizes the strengthening of health system strengthening to improve the quality of PHC, human resource development and health infrastructure.
- Developed the three tier health delivery system
- Community empowerment/ownership
- Developed through two approaches

The Health Sector Development Program (HSDP) …

The priorities and targets of the HSDP IV

- Maternal and newborn health
- Child health
- TB and HIV/AIDS
- Malaria and nutrition

Health Policy Development and Implementation

Course Objectives

After completion of this course the learners will be able to:

- Understand the basic steps of health policy development
- Describe components of policy implementation
- Describe the basic steps of program and plan development
- Recommend locally feasible and cost effective implementation strategies to translate the plan into action

1. Introduction

- Health policy is now becoming a central issue in many developing countries, as **national health plans** and **programs** are key policies for governments.
- It should be based on the needs of the population and should have the support of all actors.
- Health policy is a complex issue as health is by itself unpredictable and uncertain.
- Government should develop a **feasible** health policy document and devise health plans and programs to implement it.

Policy, Plan, Program

- The term ‘policy’ may refer to
  - A field of activity, such as the government’s health or economic policy, or
  - A specific proposal, such as ‘from next year, it will be university policy to ensure students are represented on all governing bodies’.
- Sometimes **policy** is called a **plan** or a **program**, for example
  - the government’s health sector development plan or the HEP, stating what should be done to increase public access to primary health services and to improve health.

Policy, Plan, Program….

- The program is thus the embodiment of policy.
- Policies may not arise from a single decision but could consist of bundles of decisions that lead to a broad course of action over time.
- And these decisions or actions may or may not be intended, defined or even recognized as policy.

Health Policy

- *Health policy* is assumed to embrace courses of action (and inaction) that affect the set of institutions, organizations, services and funding arrangements of the health system.
- It includes policy made in the public sector (by government) as well as policies in the private sector.
- However, as health is influenced by many determinants outside the health system, health policy analysts are also interested in the actions and intended actions of organizations external to the health system that have an impact on health
  - for example, the food, education, agriculture or pharmaceutical industries.

Health policy, plans and programs

Health Policy

- **Health policy** is an organized set of values, principles and objectives for improving health and reducing the burden of disorders in a population.
- It defines a vision for the future and helps to establish a model for action.
- Policy also states the level of priority that a government assigns to health in relation to other social policies.
- Policy is generally formulated to cover a long period, typically 5 to 10 years.
- Often the terms ‘plans’ and ‘programmers' are used interchangeably.
- They are considered **complementary** to policies and provide the means for implementing actions.

Health Plan

- A **health plan** is a detailed pre-formulated scheme for implementing strategic actions that favor the promotion of health, the prevention of disorders, and treatment and rehabilitation.
- Such a plan allows the implementation of the vision, values, principles and objectives defined in the policy.
- A plan usually includes strategies, time frames, resources required, targets to be achieved, indicators and activities.
- A plan can correspond to the same administrative division and period of time as the health policy.
- However, this does not always have to be so: a plan can be developed for a smaller administrative division or a shorter period than the policy

Health Program

- A **health program** is an intervention or series of interventions with a highly focused objective for the promotion of health, the prevention of disorders, and treatment and rehabilitation.

- A program usually focuses on a specific health priority and, like health plans, programs must be adequately designed, budgeted for, monitored and evaluated.

- In contrast to the policy and plan, the **program** is frequently implemented in a **smaller administrative** division or for a shorter period.

Health policy, plan and program development

3.1. Health policy development

- Examining the experiences of various countries it is possible to identify several essential steps for the development of a successful health policy.
- *Developing a health policy, obtaining official approval and implementing the policy through plans and programmes* are essential steps.
- It is important to have a timescale in mind when approaching a health policy.
- For development one to two years and five to ten years for implementing and achieving changes are probably realistic periods.
- A shorter timescale is likely to be impossible, while a time horizon that is too long may not satisfy many of the stakeholders and the general population.

Steps in Health policy development

Step 1: Assess the population's needs

Step 2: Gather evidence for effective strategies

Step 3: Consultation and negotiation

Step 4: Exchange with other countries

Step 5: Set out the objectives, vision, values and principles of the policy

Step 6: Determine areas for action

Step 7: Identify the major roles and responsibilities of different sectors

3.2 Health plan development

Health plan development

- Once the health policy has been written (and, preferably, officially approved)
  - it is necessary to formulate a plan for implementing the identified objectives by
  - building on the process already established for policy development.
- The information about
  - The population's needs,
  - Gathering evidence,
  - Consultation, negotiation, and exchange with other countries, which were required for the development of the policy, must be utilized and expanded upon in the formulation of a plan.

Thank You

Introduction to Management

Objectives

At the end of this unit the students will be able:

- ✓ Define management leadership and governance
- ✓ Understand principles and concepts of management, leadership and governance
- Describe the importance of management
- Discus management VS leadership

Introduction

- We are born in an organization (**a family**)
- Live in organizations (**society**)
- Work in organizations (**Business, School, College etc**.)
- Each one of these organizations is a group of persons working together to achieve some common objectives
- **Organization:** Is a collection of two or more people who work together to achieve a specific goal or set of goals.
- The organizations can be successful only when the efforts of various individuals in the groups are **integrated into team work**
- The central agency which performs this task is known as **management**
- It plays the same role in an organization which **brain** does in human body

Rationale of the course

- Management is **universal and essential function in all kinds of** organizations.
- Program planning and management skill is an important tool to achieve predetermined objectives.
- It is difficult to address all problems at a time Since resources are scarce; urging the need for proper skills in planning and management for efficient utilization of those scarce resources.
- Therefore it is necessary to **prioritize problems and make an informed decision which** requires professionals with such skills

What is Management ?

Management

What is Management?

- Management is the process of reaching **organizational goals** by working with and through people and other organizational **resources**
- It is the process of **planning, organizing, staffing, leading, and controlling** the work of organization members and of using all available organizational **resources** to reach stated **organizational goals** (George R. Terry)

Management and Administration

- **Administration:** Implementing policy decisions
- **Management:** Regulating the day-to-day activity

➢ Three views regarding management and administration:

- **Management and administration are the same: administration** is used for higher executive functions for government while **management** is used for the same functions in the business world.
- **Administration is above management:** administrative is determinative while management is executive function
- **Administration is part of management**: Management is the general term used for the total process of executive control while administration is concerned with the installation and following of procedures

Concepts and Principles of Management

Concepts

- **Efficiency (Doing things right):** The ability to minimize the use of resources in achieving organizational objectives.
- **Effectiveness (Doing the right thing):** The ability to meet organizational objectives; the ability to determine appropriate objectives.
- **Economy of Scarce Resources:** Often many resources are scarce and costly thus we have to economize.
- **Work Relations** Work activities should be designed and structured so as to support each other towards the achievement of objectives

Principles of management

1.Management by Objectives

- Management sees the objectives are specified and they are achievable. The objective should state:
  - ✓What is to be accomplished
  - ✓How much of it
  - ✓Where it is to be done
  - ✓When it is to be completed
- Therefore, a clear statement of objectives makes possible to evaluate how effective one is in approaching and reaching the objectives

Principles….

2.Learning from experience :

- For better performance there should be analysis of the results between the objectives and achievement made & feedback to learn from those experience gained

3. Division of labor : Management attempts to bring about balance of work among the different people concerned

4. Substitution of resources : when resources became scarce or too expensive, different resources may be used to provide the intended results

Principles….

5. Convergence of work

- Working relations should contribute to the success of each activity and so to general effectiveness
- These working relations of activities are:-
  - ✓ The logical relations with each other
  - ✓ Time relations or sequence
  - ✓ Spatial relations between activities
  - ✓ Functional and structural-working relations between people

Principles….

6.Functions determine structure

- When the work is defined i.e. the function and duties of the individual members of the team are clearly defined and known then the working relations (the structure) follows

7.Delegation

- It takes place when some body's authority is lent, so as to enable that person to take responsibility when the occasion arises

8.Management by exception:

- Don't be overloaded with the routine unnecessary information, be selective
- Make big decision first (priority in decision making)

Principles….

9.Shortest decision path

- This principle deals with the issue of Who should make which decision? When and where?
- Decision must be made as closely as possible in time and place to the object of decision and to those affected by it .

10.Management by Walking Around(MBWA)

- Managers should spend a significant amount of their time to making informal visits to work area and listening to the employees.
- The purpose of this principle is to collect qualitative information, listen to suggestions and complaints, and keep a finger on the pulse of the organization.
- Also called management by wandering around.

Who is a manager?

- A manager is a person who **plans, organizes, leads and controls** human, financial, and other organizational resources to meet organizational goals.
- Managers are persons **formally appointed** to positions of authority in organizations or system, who have responsibility for resources utilization, and accountable for work result
- Managers are responsible for: getting things done by working with and through peoples and balancing effectiveness & efficiency.

Organization and Environment

- Any organizations exist in the larger environment they are not isolated.
- They are affected by the external & internal environment and vice versa.
- Managers performs all the functions of management in the

  interaction with its environment.
- Managers cannot perform their tasks well unless they have understanding of and responsive to, the many elements of the external & internal environment; economic, technological, social, and political, factors which affects their area of operation

Types, Functions, Skills, and Roles of Managers

Types of manager

A. Classification based on level / hierarchy

- **First-line/ Supervisory mangers**: low level ,
- **Middle managers**: Middle level
- **Top/ senior managers** : high level

Types of manager….

1. **First-line / Supervisory mangers, low level**

- Responsible for the work of operating and do not supervise other managers
- Direct non management employees
- Report to middle-level managers
- Have authority and responsibility for a specific type of work and a particular group of workers.
- lowest level of managers in the organizational hierarchy.

Types of manager….

2. Middle managers

- Managers in the midrange of the organizational hierarchy
- They are responsible for other managers and sometimes for some operating employees
- They report to more senior managers

3. Top/senior managers

- Mangers responsible for the overall management of the organization
- They establish operating policies
- Guide the organization's interaction with its environment.
- Small in number

Types of manager….

B. Classification based on scope of activities

1 **Functional Manager**: Responsible for one organizational functional area /activity e.g. finance

2 **General Manager: Responsible** for all functional activities

- **Function:** Refers to a group of similar activities in an organization, such as marketing, production, finance, etc.

Attributes common to all managers

- Formally appointed to positions of authority by the organization
- Directing work efforts of others subordinates and non subordinates
- Responsible for utilization of organizational resources
- Accountable to superiors for work results

The difference is:

- In the scope of activities they oversee
- The degree of authority and scope of responsibility in the organizational activity

Managerial skills

The three basic types of skills for successful management are:

1. Technical skills
2. human relations / interpersonal skill
3. Conceptual skill

1.Technical Skill : The ability to use procedures, techniques and knowledge of a specialized fields

2. Human skill : The ability to work with, understand and motivate other people as individuals.

- The ability to understand, alter, lead, and control the behavior of other individuals and groups.
- Builds cooperation among the team.
- Knows weaknesses and strengths

Managerial skills…

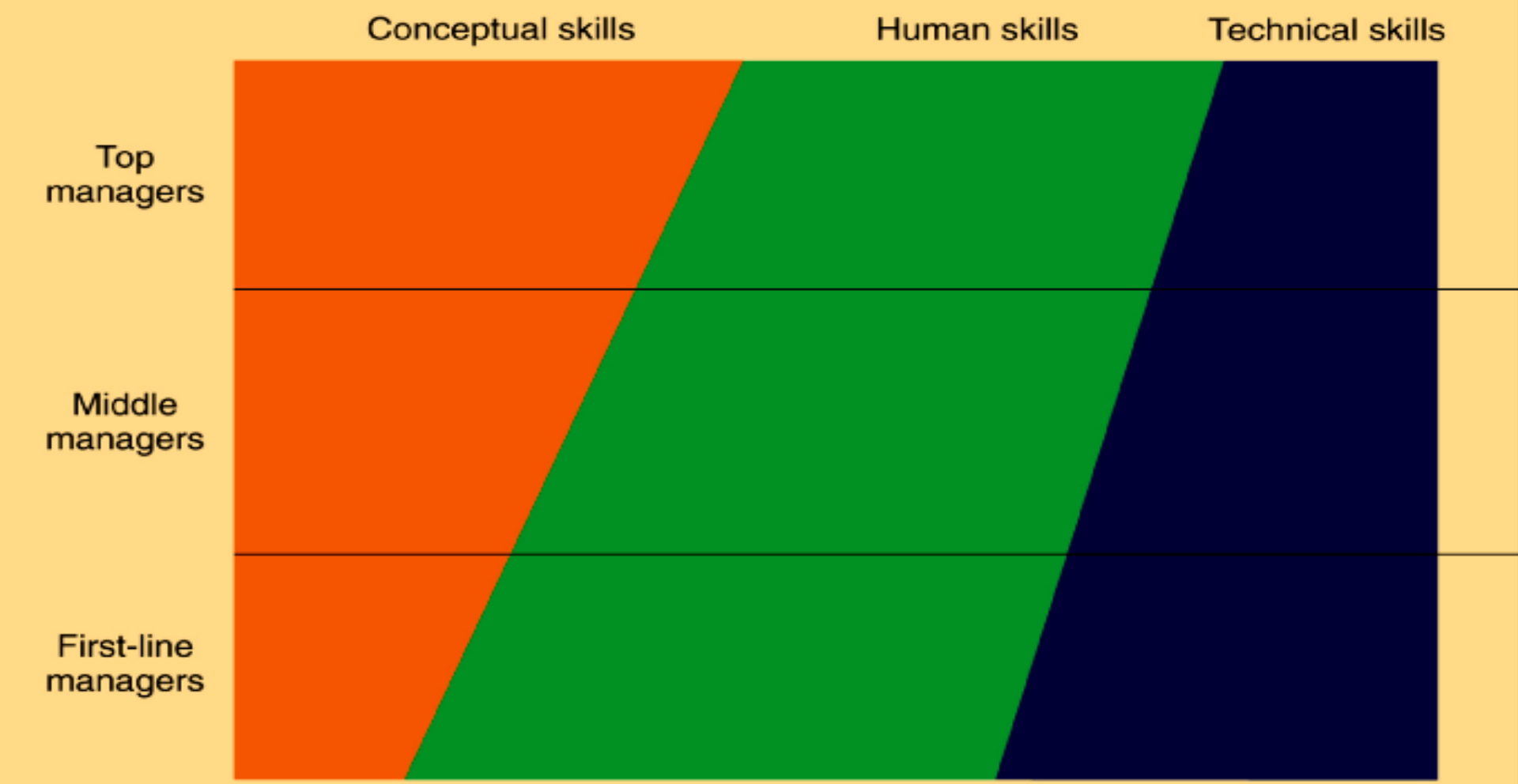
3. Conceptual skill

- Ability to see the organization as a whole.
- Recognizing how the various units of the organization depend on one another and how changes in any one part affect all the others
- A manager with this skill has the ability or better understand how various functions of the organization complement one another
- The relationship of the organization to its environment

Managerial skills…

- All levels of managers use the 3 types of skills in management work but in different degree
- The senior manager is vitally concerned with visualizing the complex relationships in the organization - conceptual skills.
- The low level manager, may be constantly required to make decisions on the basis of technical skill.
- The human skill is critical and equally important for all levels of managers

Management level and skills (Katz 1955)



Managers

What do managers do? Two different approaches

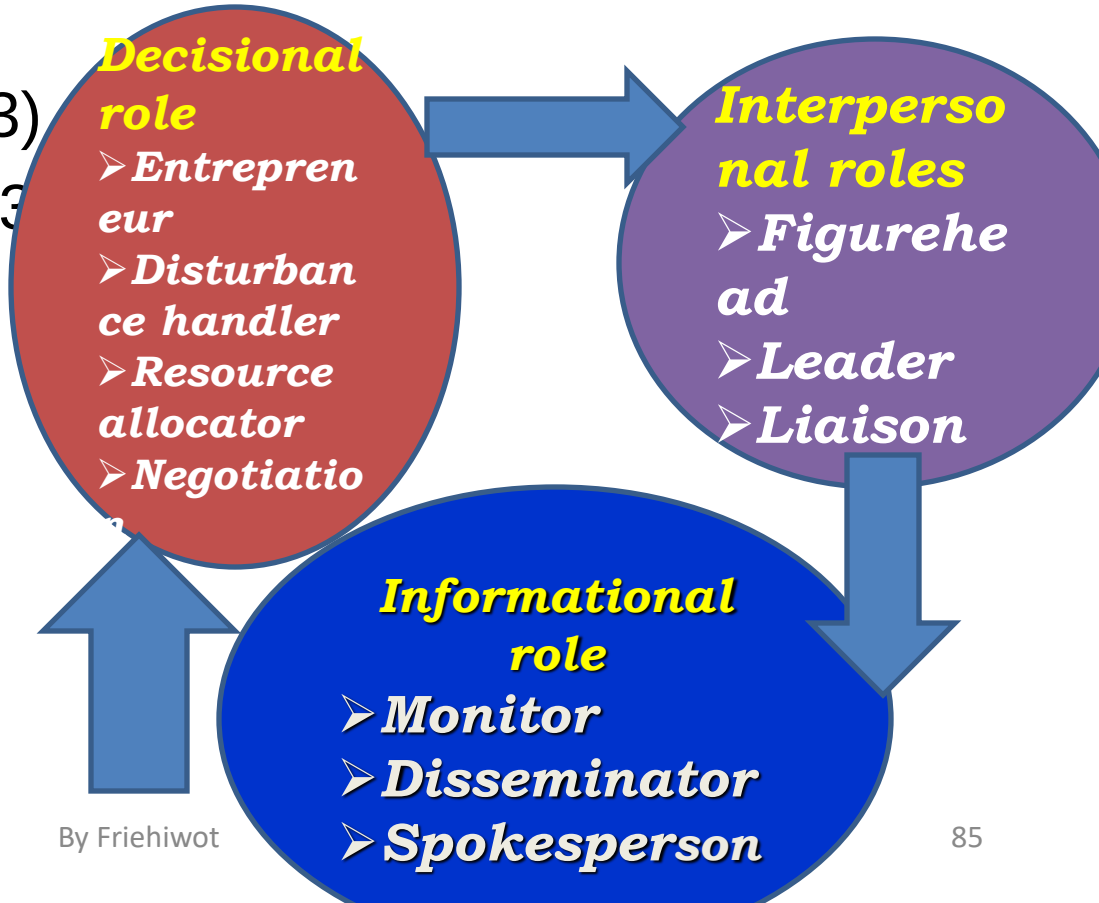
- One approach is to identify *Managerial functions.*
- Managerial functions are ***general administrative duties*** that need to be carried out in all productive organizations**.**
- A second, more recent approach focuses on *Managerial Roles*
- Managerial roles are *specific* categories of managerial **actual behaviors**
- The *managerial functions* involve *"**desired outcomes**"*. These outcomes are achieved through the performance of managerial roles (**actual behaviors**).
- *Roles are **means**(ways) and*
- *functions are the **ends** of the manager's job.*

Managerial role

- Henery Mintzberg criticized the traditional functional approach as unrealistic. He isolated ten roles .

These roles have been grouped into three major categories:

1. Interpersonal Roles (3)
2. Informational Roles (3
3. Decisional Roles(4)



Managerial role…

1. Interpersonal Roles

The three interpersonal roles managers play are as:

A. **Figurehead -** they engage in activities that are ceremonial and symbolic in nature; as a symbol of legal authority, attending ceremonies, signing documents, etc

B. **Liaison -** role involves formal and informal contacts beyond the vertical chain of command (inside and outside).links in horizontal as well as vertical chain of communications

C. **Influencer -** role includes motivating and leadership. accountable, responsible, and motivator

Managerial role…

2. Informational roles

- Informational roles flow from the interpersonal role

A. Monitor: involving seeking, receiving, and screening information. Managers need to **scan their environments** for information that may affect their organization and evaluate the information

B. Disseminator: involves choosing to disseminate the information; communicating selected information to subordinates

C. Spokesperson: transmits information to outsiders on organization's plans, policies, actions, results etc

Managerial role…

3.Decision-Maker Roles-

A. *Entrepreneur (*Change agent): organizations are internally dynamic and continuously affected by the environment.

- Designing and initiating changes within the organization

B. Disturbance Handler - They handle both internal and external disturbances. They anticipate disturbances and resolve conflicts.

C. Resource allocator - managers decide who gets what based on priority setting.

D. Negotiator - negotiating with other parties representing organizational interests

Functions of Management

- To accomplish goals, the manager performs **five** managerial functions in the context of the management process

Major management functions includes:

1. Planning ---------- **Planning**
2. Organizing
3. Staffing
4. Leading (directing, motivating)

Implementation.

5. Controlling---------- **Evaluation**

Functions of Management….

- **Planning :**The process of establishing goals and a suitable course of action for achieving those goals
- **Organizing :**The process of arranging and allocating work authority and resources among an organizations members so they can achieve the organization's goals.
- **Staffing:** is the process of filling and keeping the positions required by the organizational structure with right people, at right places, and at the right time

➢ Acquiring and placing of qualified people at right position when needed.

Functions of management….

- Leading :Is the process of directing and influencing the task related activities of group members or an entire organization
- Controlling :The process of ensuring that actual activities conform to planned activities.

Thank You

Concepts and applications of leadership in the health sector

Leadership


Great leaders don't tell you what
to do....they show you how its done
More pics on www.LeFunny.net

LEADERSHIP

- *“I am more afraid of an army of 100 sheep led by a lion than an army of 100 lions led by a sheep” Talleyrand*

Learning Objectives

At the end of this session you will be able to:

- Define leadership
- Discuss different leadership approaches/theories
- Describe the leadership and management practices
- Explain the differences between leader and manager
- Describe on different types of power

Leadership

- Leading is a continuous process of directing/ influencing the work related activities of group members towards accomplishment /achievement of organizational objectives.
- Leadership is a set of practices, behaviors and values that enable work groups and organizations to face challenges and achieve results.

Leadership…

- Leadership is always exercised in relationship with o thers.
- The true test of effective leadership is the visible progress towards the realization of vision,
- Inspire others to follow.
- The leader must win the willingness of the workers to accept directions.
- Leaders are ***agents of change***, persons whose acts affect other people more than other people's acts affect them.

Who is a leader?

- A leader is an individual in a team influencing group activities towards goal formulation and achievement.

- In other words, a leader is someone who has a vision, and the ability to make it a reality.
- A nurse at a rural health post commented on how her views on leadership have changed.

- When we first came to attend the leadership development meeting, we thought that the clinic director will be the leader, but we realized that every one of us is a leader.

Dimensions of leadership

- Leadership involves not just “doing” but “being”
- Leadership is exercised with others.
- Leadership is responsibility, not rank, title,
- privilege, or money.
- Leadership and management are both necessary.
- Leadership is about enabling people to face challenges.

LMG Practices

Leading Practices

- Scanning
- Focusing
- Aligning/mobilizing
- Inspiring

Management Practices

- Plan
- Organize
- Implement
- Control

Governance Practices

- Cultivate accountability
- Engage stakeholders
- Set Shared Direction
- Steward Resources

Leadership Practice: Scanning

- Leaders encourage their teams to scan their internal & external environments, organizations, teams, and themselves.

Identify client & stakeholder need & priorities

- Recognize trends, opportunities, & risks that affect organizations.
- identify staff capacities & constraints.
- Know yourself, your staff, & your organization values, strengths, & weakness.

Leadership Practice: Focusing

- Using information from scanning, focus on a response.
- Leaders focus their limited time, energy, and resources on the people and things that are most important.
- Articulate the organization's mission & strategy
- Identify critical challenges
- Link goals with the overall organizational strategy
- Determine key priorities for action
- Create a common picture of desired results

Leadership Practice: Aligning/Mobilizing

- A leader aligns and mobilizes others to achieve objectives.
- This means seeking out other groups or people whose objectives are in line with yours and getting them to work alongside you.
- Ensure congruence mission, strategy, structure, systems, and daily actions.
- Facilitate teamwork.
- Unite key stakeholders around an inspiring vision.
- Enlist stakeholders to commit resource.

Leadership Practice: Inspiring

- Helps staff to face challenges creatively.

Inspiring involves demonstrating:

✓ "Walking the talk" - matching deeds with words.

✓ Trust & confidence in staff, acknowledging their contribution

✓ Be a model of creativity, innovation ,learning& supporting staff

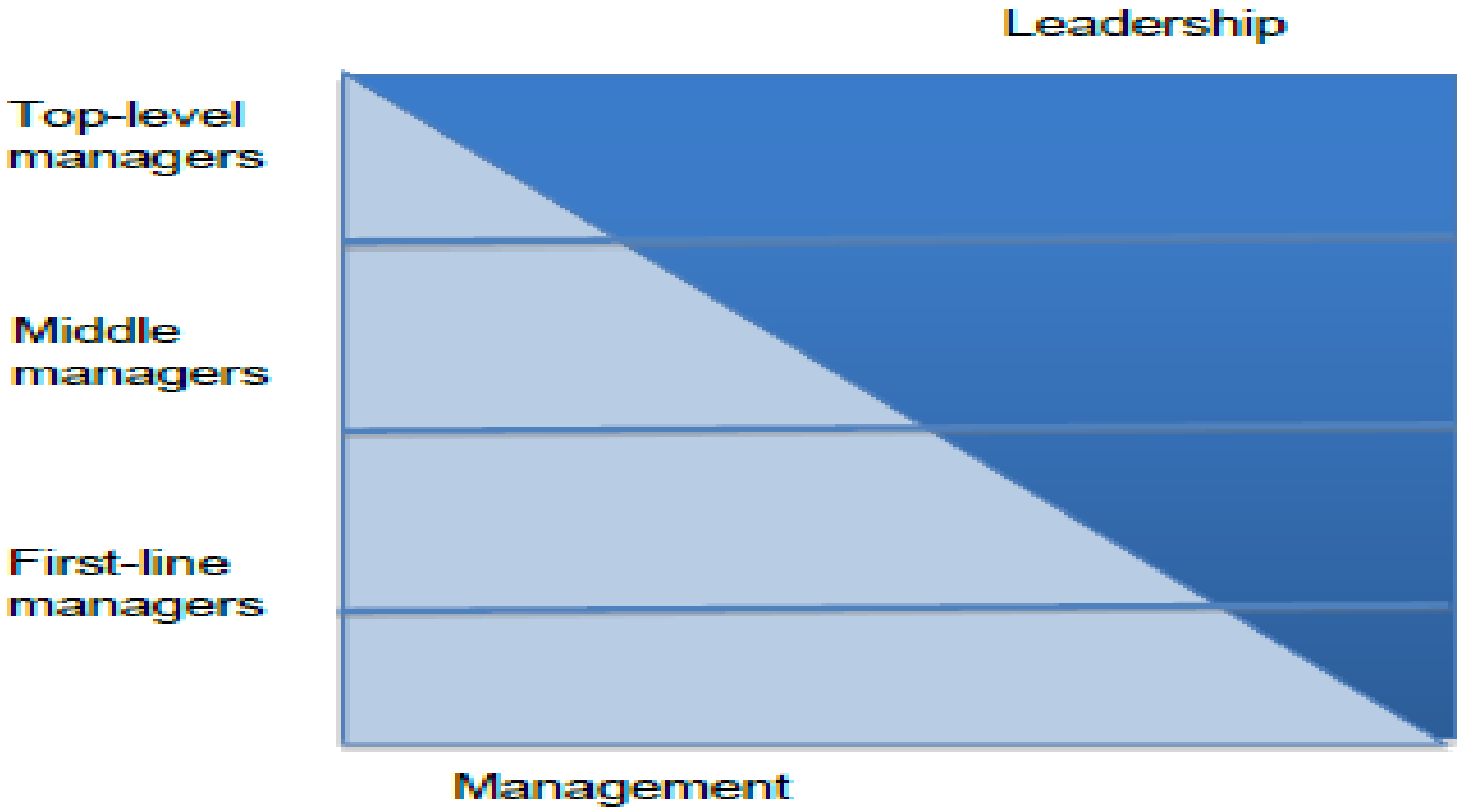
Manager Vs Leader

- Sometimes used interchangeably.
- A person emerges as a leader.
- A manager is put in to his position by appointment.
- If a manager cannot influence others he is not a good leader; though he is a manager.
- There are good leaders who are not managers.
- Not everyone has the ability both to lead and manage equally well; some people are excellent managers but not good leaders.
- Others have a great capacity for leadership but cannot be successful as executives because they are not skilled or effective managers.

Manager Vs Leader

Manager	Leader
Administers	Innovates
A copy	An original
Maintains	Develops
Focuses on systems & structure	Focuses on people
Relies on control	Inspires trust
Short- range view	Long-range perspective
Ask how and when	Ask what and why
Eye on the bottom line	Eye on the horizon
Imitates	Originates
Accepts the status quo	Challenges the status quo
Does the things right	Does right things

Management and leadership at different levels of management



Management and leader ship

- Leadership is different from management … they are two distinctive and complementary systems of action. Each has its own function and characteristic activities. Both are necessary for success.
- Leading means mobilizing others to share your vision of change so as to realize a better future.
- Managing means planning and using resources efficiently to produce intended results.

The Leadership/Managerial Grid

- Leaders may be concerned for the people and they also must have some concern for the work to be done.
- The question is, how much attention to pay to one or the other?
- This is a well known grid that uses the Task vs. Person preference that appears in many other studies.
- The Managerial Grid was the original name. It later changed to the Leadership Grid.

- This is a model defined by Blake and Mouton in the early 1960s.

Concern for people	High	Country Club Management		*Team Management*
	Medium		Middle of the Road Management	
	Low	Impoverished Management		Authority Compliance
		Low	Medium	High
	Concern for Production (Task)			

The Managerial Grid cont…

- **Impoverished Management**

- Minimum effort to get the work done. A basically lazy approach that avoids as much work as possible.

- **Authority Compliance**

- Strong focus on task, but with little concern of people. Focus on efficiency, including elimination of people whenever possible.

The Managerial Grid cont…

- **Country Club Management**

- Care and concern for the people, with a comfortable and friendly environment and collegial style. But a low focus on task may give questionable results.

- **Middle of the Road Management**

- A weak balance of focus on both people and the work. Doing enough to get things done, but not pushing the boundaries of what may be possible.

- **Team Management**

- People are committed to task and leader is committed to people (as well as task).

Approaches to leadership

1 The trait approach(Theory):

- It was assumed that some people are set apart from others by virtue of their possession of some quality or qualities of 'greatness' and that it is these people who become leaders.
- This approach to leadership suggests that it is personal characteristics, or traits, that differentiate leaders from those they lead.
- "Leaders are born but not made"

Approaches to leadership…

1.The trait approach…

- These leadership traits include
  - ***personality characteristics*** (adaptability, dominance, self-confidence),
  - ***physical characteristics*** (above-average height, medium weight, attractive appearance), and
  - ***ability*** (intelligence, task expertise, sensitivity in dealing with others).

Approaches to leadership…

2. The behavioral approach(Theory):

- This theory tries to identify the pattern of behavior associated with effective leadership and its impact on performance and satisfaction of followers.
- " Leaders are made but not just born"
- Researchers at Ohio State University identified two distinct, relatively broad categories of leadership behavior.
- The two categories were labelled **consideration** and **initiating structure** (Seyranian, 2009).

3. The contingency approach:

- Leadership could vary with the situation or circumstances.
- Focuses on task requirements.
- No single trait has been shown to be common to all effective leaders and no single style has been found to be effective in improving staff performance in all situations.
- The contingency approach developed in the 1960s by Fielder (Seyranian, 2009), and further developed by others, assumes that
  - the management technique that best contributes to the attainment of organizational goals might vary in different types of situations or circumstances.

Types of leaders

1. Transactional leaders

- Identify the expectations of their followers
- Act managerially by establishing a close link between effort and reward.
- They evaluate, correct and train staff whenever staff performance needs to be improved, and they reward appropriately when the required outcomes are achieved.
- Power is given to the leader to evaluate and reward the followers.

Types of leaders….

2.Transformationalleaders

- Transformational leaders, as defined by Bass (1985) support their staff and encourage them to ‘do more than they originally expected to do’.
- Transformational leaders motivate staff to do better.
- Bass showed how leadership built staff conviction about the importance of the goals and the measures to achieve them.
- Transformational leaders provide encouragement and support to followers.
- show trust and respect for them.
- They build self-confidence and heighten personal development

Types of leaders….

3. Charismatic leaders

- Max Weber, a sociologist, defined charisma (from the Greek for "gift") more than a century ago as "a certain quality of an individual personality, by virtue of which he or she is set apart from ordinary people."
- Charismatic leaders rely on their **personality**, their inspirational qualities and their aura/ characteristic.

Key Characteristics of a Charismatic Leader

✓ Vision and articulation

✓ Willing to take on high personal risk

✓ Sensitive to follower needs

✓ Novel behavior

Types of leaders….

4. Situational leaders

- Is one who can adopt different leadership styles depending on the situation.
- Effective leaders are versatile in being able to move between the styles according to the **situation**, so there is no one right style.

Activity (5minutes)

- How do each of these types of leaders relate to theories of leadership?

Comment

- Charismatic leadership links with a trait theory of leadership
- Situational leadership with contingency theory of leadership
- Transactional and transformational leaders related to the behavioral theory of leadership with the former being associated with initiating and the latter consideration structures.

Leader ship style

- It is the typical pattern of behavior that a leader uses to influence their employees to achieve organizational goals.

1. Autocratic Leaders

- Make decisions and announce them.
- There is also a clear division between the leader and the followers.
- “ Do just what I say” or “ Don’t touch the hot iron”.
- Subordinates carry out orders
- Believe that money is the only reward that will motivate staffs.

Leader ship style….

1. Autocratic Leaders….

- Researchers found that **decision making was less creative** under authoritarian leadership.
- Authoritarian leadership is best applied to situations

➢ where there is little time for group decision making or

➢ where the leader is the most knowledgeable member of the group.

Leader ship style….

2. Democratic /participative Leaders:

- Democratic leaders, also known as participative leaders & encourage group members to participate.
- Democratic leaders keep staff informed about everything that affects their work and share decision-making and problem-solving responsibilities.
- Group members feel engaged in the process and thus are more motivated and creative.
- Permit subordinates to make decisions
- Ideas are bilaterally proposed
- ***"Let's do together"***

Leader ship style….

2. Democratic /participative Leaders….

- This style is most successful

➢ when used with highly skilled or experienced staff or

➢ when implementing operational changes or resolving individual or group problems.

- The manager consults with their staff to discuss the scope of a problem and the feasibility of different solutions.

Leader ship style….

2. Democratic /participative Leaders….

- The element of consultation does not lessen or weaken the manager's formal authority because the right to decide still remains with him or her.
- Here participation can occur at every level of the organization.
- For consultative direction to work it is essential that the staff's views are genuinely heard and taken into account by the manager

Leader ship style….

3. Laissez – faire Leaders

- Laissez-faire leadership is a style where the leader provides little or no direction and gives staff as much freedom as possible.
- All authority or power is given to the staff and they determine goals, make decisions, and resolve problems on their own.
- The laissez-faire leader promotes a strong sense of competence and expertise in team members and allows others to rise to their performance potential.
- This style can lack accountability for team failures.

Leader ship style….

3. Laissez – faire Leaders…..

Type I

- Leaders have little or no confidence in their ability
- "Do as you like"
- Have no concern for both staffs and the workout put.

Type II:

- Leaders are extremely confident about their staffs.
- Subordinates may be high in their academic position.
- Every staff knows the objectives of his / her organizati on.
- Able to plan and implement independently.

Power and authority

- Leadership uses power and authority
- Leaders influence people to do things through the use of power and authority.
- Power is the ability to influence decisions and control resources.
- Powerful people have the potential to exercise influence, and they exercise it frequently.

Power and authority…

- Authority' is the formal right to get people to do things or the formal right to control resources.
- Factors within a person, such as talent or charm, help them achieve power.
- Only the organization can confer authority.

Types of power

❖ **Six** types of power

1. Legitimate power

- It is a result of the position a person holds in the organization hierarchy.
- It is the authentic right of a leader to make certain types of requests.
- It is the easiest type of influence for most staff to accept.
- For example, virtually all employees accept the manager's authority to conduct a performance evaluation.

Types of power…

2. Coercive power

- It is a leader's control over punishments.
- Organizational punishments include assignment to undesirable working hours, demotion, etc.
- Effective leaders generally avoid heavy reliance on coercive power.

Types of power…

3. Reward power

- It results in people doing what is asked because they desire positive benefits or rewards.
- It is a leader's control over rewards of value to the group members.
- Exercising this power includes giving **salary increases and recommending employees for promotion**

Types of power…

4. Expert power

- It derives from a leader's job-related knowledge as perceived by group members.
- This type of power stems from having specialized skills, knowledge, or talent.
- Expert power can be exercised even when a person ***does not occupy a formal leadership*** position.

Types of power..

5.Referent power

- It refers to control based on loyalty to the leader and the group members' desire to please that person.
- Having referent power contributes to being perceived as charismatic, but expert power also enhances charisma.
- Part of the loyalty to the leader is based on identification with the leader's personal characteristics.

Types of power..

6. Subordinate power

- It is any type of power that staff can exert upward in an organization, based on justice and legal considerations.
- **For example**, certain categories of workers cannot be asked to work overtime without compensation, and a worker need not put up with being sexually harassed by the boss.

Thank You

Governance

Learning Objectives

At the end of this session you will be able to

- Define governance in the context of health sector and its relations with leadership and management
- Explain the importance of good governance for health systems performance and health outcomes
- List the impediments/ hindrance of good governance
- Describe the four governance practices and how they are applied in the health sector
- Explain the advantage of integrating L+M+G in the health sector

What is Governance?

In pairs discuss:

- What is governance?
- What is good governance in the health sector?
- Is governance d/c from Leadership& Mgt?

Governance

- Establishment of policies, and continuous monitoring of their proper implementation, by the members of the governing body of an organization.

- It includes the mechanisms required to balance the powers of the members (with the associated accountability), and their primary duty of enhancing the prosperity and viability of the organization.

Governance….

Is a collective process of making decisions in organizations, health systems or the health sector to:

1. Setting strategic direction and objectives
2. Making policies, laws, rules, regulations
3. Raising and deploying resources to accomplish strategic goals and objectives
4. Overseeing and making sure that the strategic goals and objectives are accomplished

“Governance enables an environment in which legitimate action can be taken to meet stakeholder needs”

Types of Governance

We can distinguish between five kinds of governance:

- ❖ Global governance
- ❖ Corporate governance
- ❖ Non-profit governance
- ❖ Public sector governance
- ❖ Collaborative governance

1 Global governance

- Refers to **formal and informal institutions, mechanisms, relationships, and processes involving states, markets, peoples and organizations**.
- It **happens at the international level and facilitates collective initiatives around a range of global issues, such as trade, terrorism, climate change and global public health.**
- We explored global public health with the Global Alert Response (GAR) system for infectious disease.
- In the absence of any overarching political authority global governance determines how inter-dependent relationships between independent states are regulated.

2 Corporate governance

- Corporate governance ensures that the company is run properly according to a set of processes, codes, policies and laws.
- Most developed countries have corporate governance codes with which companies are expected to comply.
- Part of corporate governance includes examining the relationships between the many stakeholders who have an interest in the company.
- Stakeholders include shareholders, management, board of directors,
- employees, suppliers, customers, financiers, regulators and representatives of the environment and the community at large.

3 Non-profit governance

- **Focuses primarily on the responsibility of a board of trustees (or 'directors**') and on ensuring that the actions of an organization are seen to meet the organization's aims and objectives.
- The board of trustees also has a responsibility to ensure that the trust of its key stakeholders is not abused.
- For example, if people have contributed funds or other resources to build a clinic, contributors expect those funds to be used for that purpose, not misappropriated for private use or gain.

4 Public sector governance

- Public sector governance is a system by which a government takes the role of managing key utilities on behalf of the public, for example health services.
- Key elements of classic public governance have involved the dominance of the ‘rule of law’, whereby administering set rules and guidelines gave the bureaucracy a central role in policy making and implementation.
- Public organizations split decision makers from administrators, allowed professional authority in service delivery and was committed to incremental budgeting.

5 Collaborative governance

- Collaborative governance is a new form of governance in which public and private participants work together to establish laws and rules for the provision of public goods.
- This practice has grown widely with the development of public–private partnerships

Measuring governance

- Good governance needs to be measured if it is to be effective.
- Various approaches include; external assessments, peer assessments and self assessments.
- Examples of external assessments are donor auditing of a project or programme with accompanying monitoring and evaluation.

Measuring governance . . .

- An example of a peer assessment is the African Peer Review Mechanism where African countries review each other's constitutions around a range of themes, such as democracy and good political governance, the thematic objectives of which are provided below (next slide).
- Finally, there is self-assessment which is what most companies do, providing a section in their annual reports that documents their self-assessed compliance and achievements of good governance principles.

Measuring governance . . .

There are **nine key objectives** in this thematic area:

1. Prevent and reduce intra- and inter-country conflicts.
2. Constitutional democracy, including periodic political competition and opportunity for choice, the rule of law, a Bill of Rights and the supremacy of the constitution are firmly established in the constitution.
3. Promote and protect economic, social, cultural, civil and political rights as enshrined in all African and international human rights instruments.
4. Uphold the separation of powers, including the protection of the independence of the judiciary and of an effective Parliament.

Measuring governance . . .

5. Ensure accountable, efficient and effective public office holders and civil servants.
6. Fight corruption in the political sphere.
7. Promote and protect the rights of women.
8. Promote and protect the rights of the child and of young persons.
9. Promote and protect the rights of vulnerable groups, including displaced persons and refugees.

Measuring governance . . .

- The Worldwide Governance Indicators Project of the World Bank Institute is an attempt to standardize and create an internationally comparable measure of governance.
- The project reports on six dimensions of governance using individual and combined indicators.
- These six dimensions are: voice and accountability; political stability and absence of violence; government effectiveness; regulatory quality; rule of law; and control of corruption (World Bank, 2013).

Worldwide Governance Indicators

1. **Voice and Accountability:** the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media.
2. **Political Stability and Absence of Violence/Terrorism**:
3. **Government Effectiveness:** the quality of public services, the capacity of the civil service and its independence from political pressures; and the quality of policy formulation.
4. **Regulatory Quality:** the ability of the government to provide sound policies and regulations that enable and promote private sector development.
5. **Rule of Law:** to abide by the rules of society, including the quality of contract enforcement and property rights, the police, and the courts, as well as the likelihood of crime and violence.
6. **Control of Corruption:** the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests.

Impact of corruption in the health sector?

- Corruption results in loss of resources, loss of trust in public services and frustration and demotiviation of health workers.
- Corruption particularly affects the poor because paying for treatment puts a lot of pressure on their limited incomes.
- But also wealthier citizens are affected because they can be asked to pay for unnecessary investigations and treatments.
- Promoting good governance and controlling corruption are global challenges.

Impact of corruption in the health sector . . .?

- The healthcare sector is prone to poor governance and corruption partly because of the uncertainty about future illness,
- But also because of the power and knowledge imbalance between medical professionals and their patients, as well as the complexity of such a large system.
- These factors increase the risk of human error, misjudgment, mismanagement, and poor oversight.

Impact of corruption in the health sector . . .?

- Control of corruption in the health sector requires a multi-system perspective that takes account of the political and justice systems, the media and general education.
- The effectiveness of anti-corruption campaign depends on a committed and powerful leadership, sufficient resources, as well as the ability to investigate internal governance issues and propose institutional reforms.
- Interaction between leaders, citizens and system changes is essential for governance improvement.

Enabling and deterring factors of good governance in the health system

- Enablers of effective health system governance are simply factors providing the way for developing and maintaining good health system governance,
- while deterrents are factors that stand as obstacles or impede good governance practice.
- Table 1 shows the major factors for both enabling and deterring factors as identified by the Leadership, Management and Governance Project of USAID.
- These factors were identified from surveys conducted with leaders at different times and places (MSH, 2012, pp. 4–5).

Enabling and deterring factors for effective governance

No	Enabling factors	Deterring factors
1	Ethical and moral integrity	Ineffective leadership
2	Competent leaders governing	Corruption
3	Governing with a defined policy on measurement, data gathering, analysis and use of information for policy making	Ineffective management
4	Sound management	Inadequate transparency
5	Adequate financial resources available for governing	Inadequate accountability
6	Openness and transparency	Ineffective system to collect, manage, analyze and use data
7	Client/community participation in decision making	Inadequate participation of community citizens/client/consumers/patients
8	Accountability to citizens/clients	Unresponsive political context
9	Governing based on scientific evidence	Inadequate checks and balance
10	Good governance in sectors other than health	Inadequate financial resources for governance

Principles of governance

- Based on studies conducted with leaders at different times and places, scholars have identified different governance principles that should guide the practice of employees in organizations.
- According to MSH (2012, p.10), the USAID Leadership, Management and Governance Project (LMG) identified the following 12 governance principles to be used by low- and middle-income countries.

Governance principles

- Responsiveness
- Leadership
- Voice
- Accountability
- Transparency
- Evidence-based decisions
- Measurement and use of information for decision making
- Efficiency and effectiveness
- Equity and inclusiveness
- Participation
- Sustainability
- Ethical and moral integrity.

Governance is good When

- Decisions are based on information, evidence, and shared values
- The process is transparent, inclusive, and responsive to the needs of the people they serve
- Decision makers and implementers are accountable
- Strategic objectives are effectively, efficiently, ethically, and equitably met
- The vitality of the organization is sustained

Governance cont…

- Good governance is, in short, **anti-corruption** whereas authority and its institutions are **accountable, effective and efficient, participatory, transparent, responsive, consensus-oriented, and equitable.**

For good governance to exist in both theory and practice,

- Citizens must be **empowered to participate** in meaningful ways in decision-making processes.

Governance Practice

A. Cultivate accountability

B. Engage with stakeholders

C. Set shared direction

D. Steward resources

A. Cultivate Accountability

➢ Is the obligation of any public entity or nonprofit organization to answer to a higher authority—popular trust—which is the ultimate source of its mandate, of its authority

❖**Dimensions of accountability**

1. Share information- critical for establishing transparency and accountability

➢Make reports, plans and budgets, financial statements, and performance data to those who need such information in order to participate meaningfully in governance decision-making

Dimensions of accountability . . .

1. Share information . . .
2. Enhance your personal accountability
3. Enhance internal accountability
4. External accountability of your organization

B. Engage with Stakeholders

- Stakeholders are groups or individuals who have an interest in the performance of the health system and who can affect, or are affected by, its workings.
- The primary stakeholders may include communities, health service users, health providers, health managers;
- Other stakeholders include government, elected public officials, civil society organizations, professional associations, and the media

Engage with Stakeholders . . .

❖ **Five** ways to engage stakeholders in the health system

- ✓ **Inform** (keep stakeholders informed of current decisions, goals, and activities)
- ✓ **Consult** (listen to stakeholder concerns and provide feedback)
- ✓ **Involve** (coordinate with stakeholders to make sure that their concerns are directly reflected in your decisions)
- ✓ **Collaborate** (work with stakeholders to formulate problem definitions and solutions)
- ✓ **Empower** (give decision making in the hands of the people)

C. Set a Shared Direction

- The Governing Body sets out the organization's strategic direction to deliver its mission, goals and objectives.
- Agreeing on which "ideal state" everyone is trying to get to
- Design a shared action plan with measurable goals
- If you are all moving in the same direction, you will find it easier to gather support for the planning ,implementation, to achieve the vision.

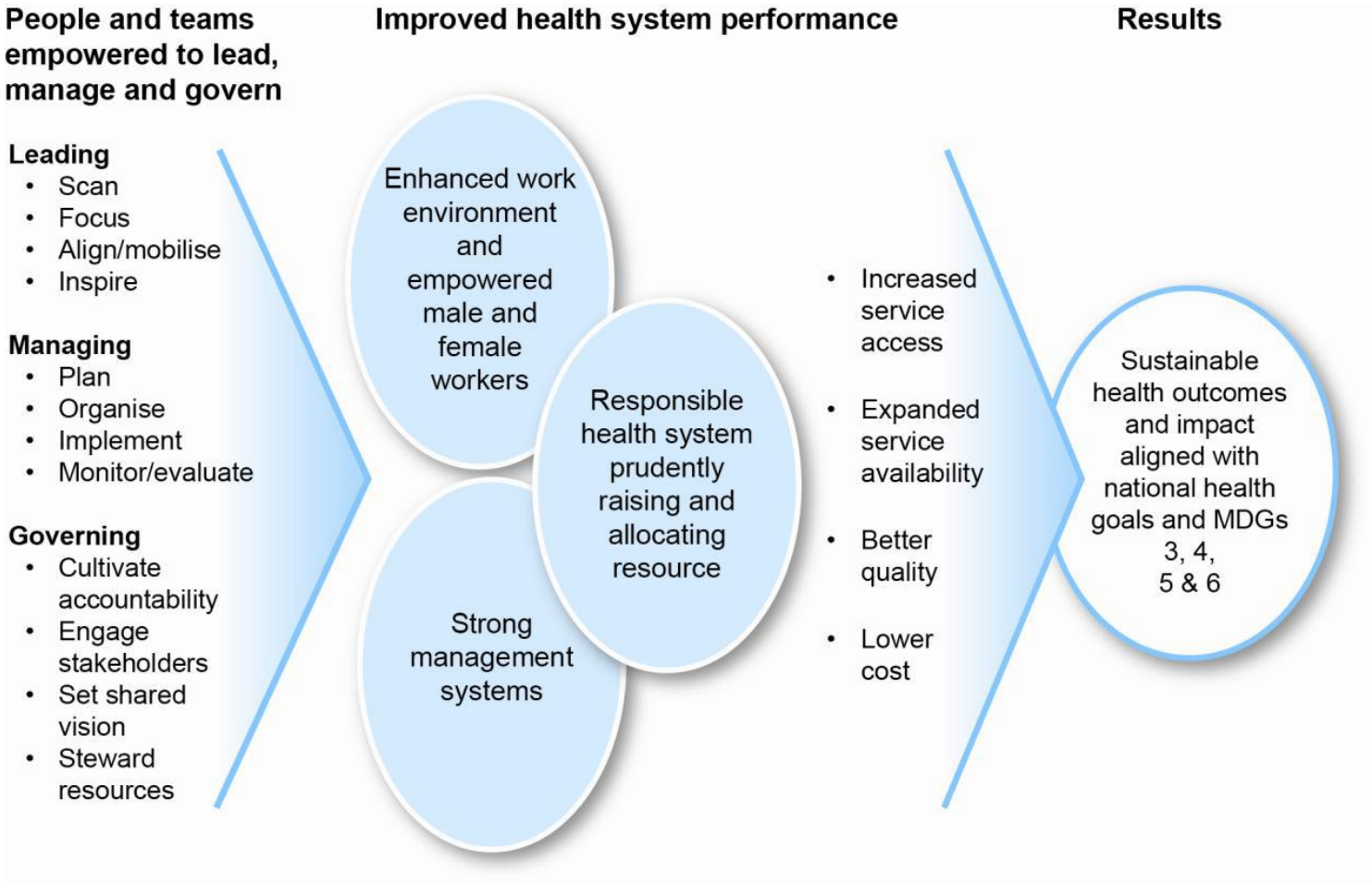
D. Steward Resources

- A steward is someone who manages another's property or financial resources acting as their agent
- Stewarding resources is raising, mobilizing, allocating , and making sure that the resources are ethically and efficiently used;
- For delivering services that are of high quality, affordable, cost-effective, and appropriate to the needs of the population, and that achieve better health for the people.

Steward Resources . . .

- Good stewards protect and wisely use the resources entrusted to them to serve people, as if these resources were their own.
- They collect, analyze, and use information and evidence for making decisions on the use of resources
- *Assure the availability of adequate resources (legal, financial, human, technological, and material) to perform essential public health services.*
- *Facilitate controlling mechanisms*

Model for leading, managing, and governing for results



Thank You

planning

At the end of this session students able to

- Define planning and health planning
- Differentiate and analyze different types of planning
- Discuss the basic steps of health planning
- Conduct **SWOT** analysis

planning

What is planning?

- Is the process of deciding and establishing an organizational goals / objectives and charting out suitable course of actions for achieving these goals/ objectives.
- A projected course of action for the future.
- Deciding in advance on what, how, when and with whom to do.

Planning….

- Health planning is the process of defining community health problems, identifying needs and resources, establishing priority goals and setting out the administrative action needed to reach those goals.
- It's concerned with both ends (what) and means (how).
- ***Taproot for the other elements of management process***

Attributes of planning

- ***Futuristic***
  - anticipate the future
  - what is required and
  - how it will be accomplished
- ***Decision making***
  - determines what is to be done, when, where, how, and for what purpose.
  - choosing among the alternatives.
  - Resource allocation.
- ***Continuous and dynamic*** Why?
  - Because planned activities are affected by internal and external factors. And
  - Need for environmental scanning and adaptive changes.

Classification of planning

- Plans can be classified on different bases or dimensions.

➢ Repetitiveness/frequency of use

➢ Time dimension, and

➢ Scope/breadth dimension

Classification of Plans Based on Repetitiveness

1. Standing Plans
2. Single-use Plans

Classification of planning…

Standing Plans

- Ongoing plans that provide guidance for activities performed repeatedly.
- That are followed each time a given situation encountered
- Include mission or purpose, goal or objective, strategy, policy, procedure, and rule

Single-use Plans

- A one-time plan specifically designed to meet the need of a unique situation
- Are those plans that are not used up once the objective is accomplished
- Include programs, projects and budgets

Classification of planning….

Classification of Plans Based on Time

1. Long-range planning

- The time may range usually from 5-10 years
- Distant future
- The development of a plan for accomplishing a goal over a period of several years.

2. Short-range planning

- Complementary of long- range plans
- Constitutes the steps towards the implementation of long-range plans
- Generally 1 year, sometimes up to 2 years

3. Intermediate-range planning

- Ranges between long and short- range plans

Classification of planning….

Classification of Plans Based on Scope/Breadth

1. Strategic Planning
2. Tactical Planning
3. Operational Planning

1- Strategic Planning: is process of analyzing and deciding on the organization's mission, objectives, major strategies, major resource allocation

- It is performed by top level mangers, mostly long range in its time frame, expressed in relatively non-specific terms
- type of planning that provide general direction

Classification of planning….

2- Tactical Planning

- Refers to the process of developing action plans through which strategies are executed
- Tactical plans implement strategic plans through coordinating the work of different departments in the organization.
- They try to integrate various organizational units and ensure commitment to strategic plans.
- Midlevel managers: design and implement programs and policies in their area of responsibility
- Tactical plans have *more details, shorter time frames and narrower scope than strategic plans.*

Classification of planning….

3- Operational Planning

- Concerned with day-to-day activities
- Short-range and more specific and more detailed.
- Contains details for carrying out or implementing those plans in day-to-day activities,
- First line managers: plan in relation to specific operations or activities e.g. scheduling work activity and allocating resource

Strategic Vs Operational Planning

1.Time horizon: long time versus short time

2. Scope: wide range of goals versus narrow range operations.

3. Degree of detail: simplistic and general versus detail and specific activities.

4. **Who plans**: Top level Vs supervisory managers

Out come of planning :

- Items that are considered to be outcomes of planning are *Organizational* ***Mission***, ***Vision***, ***Objectives***, and ***Strategies***, and *unit Operational* ***Policies***.
- **Mission** a mission statement states the purposes or reasons for which the organization exists.
- It specifies the unique aim of the organization
- **Vision** It is *"a strategic view of the future direction and a guiding concept of what the organization is trying to do and to become".*

.....

E.g. 1- City administration health office

- **Mission:** To reduce morbidity and mortality through provision of quality and equitable, promotive, preventive and curative health services to the inhabitants in the city administration.
- **Vision:** We aspire to see healthy and productive inhabitants in the city administration.

.....

- **Objectives :** are statements of the *results* that the HSO/HS seeks to accomplish at the end.
- Are *specific*, *measurable*, *attainable*, *realistic*, and have *time bound*, SMART.

Eg: To reduce the number of new HIV infection by 25% in 2020.

- **Organizational Strategies: the** means/ways of accomplishing organizational objectives.
- Are broad, general programs that are selected and designed by the HSOs to accomplish their objectives.

Eg. Establish strong public-private partnership.

Steps of health planning

- There are eight basic steps in health planning

1. Situational analysis
2. Priority setting of the problem
3. Setting objectives and targets
4. Identifying potential obstacles and limitations
5. Designing the strategies
6. Preparing action plan and budget
7. Monitoring and evaluation

Steps of health planning….

- Step 1:Situational Analysis
- Gives improved understanding of the current situation.
- Answers “Where are we now?”
- The current situation is described with identification of health and health related needs and available resources
- We can use SWOT analysis
- Step 2: Problem prioritization
- Setting priorities for health services organization in the light of competing needs and limited resources.
- A problem is a gap between what exists and what should exist.

Steps of health planning….

Criteria for problem prioritization

- **Magnitude of the problem**: the public health burden imposed by the problem.
- **Degree of severity**: consequent suffering, death and disability
- **Feasibility:** in terms of cost effectiveness, social acceptability and local sustainability
- **Government concern**: political acceptability
- **Community concern**: how much does it relate to community perceived health needs?

Steps of health planning….

- **Step 3: setting objectives and targets**
- Describing the desired direction of a service definition in terms of measurable parameters
- Answers “where do we want to go?”
- **Step 4 : Identifying potential limitations and obstacles**
- Situations that may prevent the achievement of each objectives.

Steps of health planning….

- **Step5: Designing strategies**
- Strategies are the tactics or techniques that should be utilized to facilitate the achievement of objectives
- **Step 6:Writing up a plan Preparing / action plan**
- **Step 7 Monitoring and Evaluation**

Organization and Organizing

At the end of this session Students be able to

- Define an organization and organizing
- Discuss organizational design, structure and chart
- Describing factors affecting organizational structures
- Discussing mechanistic Vs organic structural designs

Organizing

- **Organizing** is the process of arranging and allocating work, authority and resources among organization members to achieve goals.
- It is the process of arranging people and other resources to work together to accomplish a goal
- It involves establishing authority and responsibility , relationships; division of work, job design, coordination, information and feedback systems in the organization

Organizing….

Purpose Organizing

- To make the best use of the organization's resources to achieve organizational goals.
- To make the organization a stable place for employees

Organizing...

Steps in the organizing process include:

1. Review plans,
2. List all tasks to be accomplished,
3. Divide tasks into groups one person can accomplish,
4. Group related jobs together in a logical and efficient manner,
5. Assign work to individuals,
6. Delegate authority to establish relationships between jobs and groups of jobs

Organization

What is organization ?

- Organization is a pattern of relationship through which people pursue to achieve common goals.
- Is group of people, with ideas and resources who work towards common goals.

Organization…..

Characteristics of organizations

Whatever their purpose, all organizations have **four characteristics:**

1. Common goal or purpose
2. Division of labor,
3. Hierarchy of authority and
4. Coordination of effort.

Organizational design, structure and chart

- **Organizational design** is the determination of the organizational **structure**.
  - Which is most appropriate for the strategy, people, environment, technology and tasks of the organization.
  - An organization's design should fit its mission vision & objectives of the organization
- **Organizational structure:** Is the **way**, in which an organization's activities are divided, organized and coordinated.

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Organizational D, S and C…..

- **Organization charts / Organogram** : Organizational structure is represented by means of a **graphic** illustration called **Organizational Chart**.
- It illustrates the authority & responsibility designated within the organization
- It displays the organizational structure and shows job titles, lines of authority, and relationships between departments.
- It is helpful for managers since it is an organizational blue print for deploying human resource.

Organizational D, S and C…..

Dimensions of Organization charts

- Organization charts have dimensions which represents the organization's **structural skeleton**

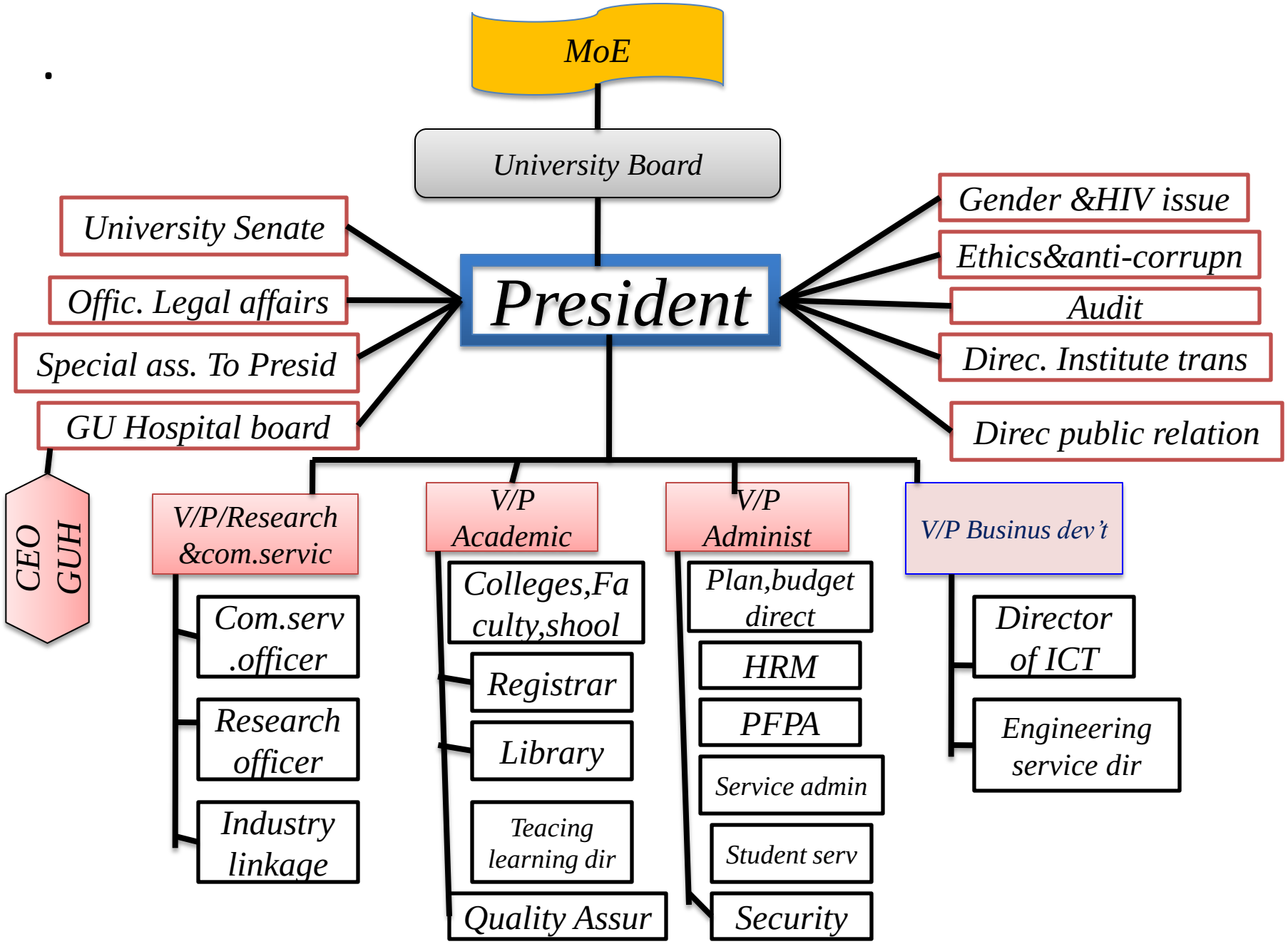
A. Hierarchical structure: have different levels of management

➢ Vertical hierarchy is the chain of command

- each subordinate having one boss to report to.

B. Functional structure: split by type of activities.

➢ Horizontal specialization involves the division of work.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University Board
President
University Senate
Offic. Legal affairs
Special ass. To Presid
GU Hospital board
CEO GUH
Gender &HIV issue
Ethics&anti-corrupn
Audit
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V/P/Research &com.servic
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Registrar
Library
Teacing learning dir
Quality Assur
V/P Administ
Plan,budget direct
HRM
PFPA
Service admin
Student serv
Security
V/P Businus dev't
Director of ICT
Engineering service dir

Organizational D, S and C…..

Why do we need an organizational structure

Because a clear organizational structure

- Clarifies the work environment,
- Creates a Coordinated environment,
- Achieves a unity of direction and
- Establishes a chain of command

Organizing

- The **four building blocks** of organizing are:
  1. *Division of work*
  2. *Departmentalization*
  3. *Hierarchy*
  4. *Coordination*

Organizing….

1. Division of work / work specialization

- Is the degree to which tasks in an organization are divided into separate jobs.
- Is breaking of a complex task into components
- Individuals are responsible for a limited set of activities instead of the entire task.
- Placing capable people in each job ties directly with productivity improvement.

Organizing….

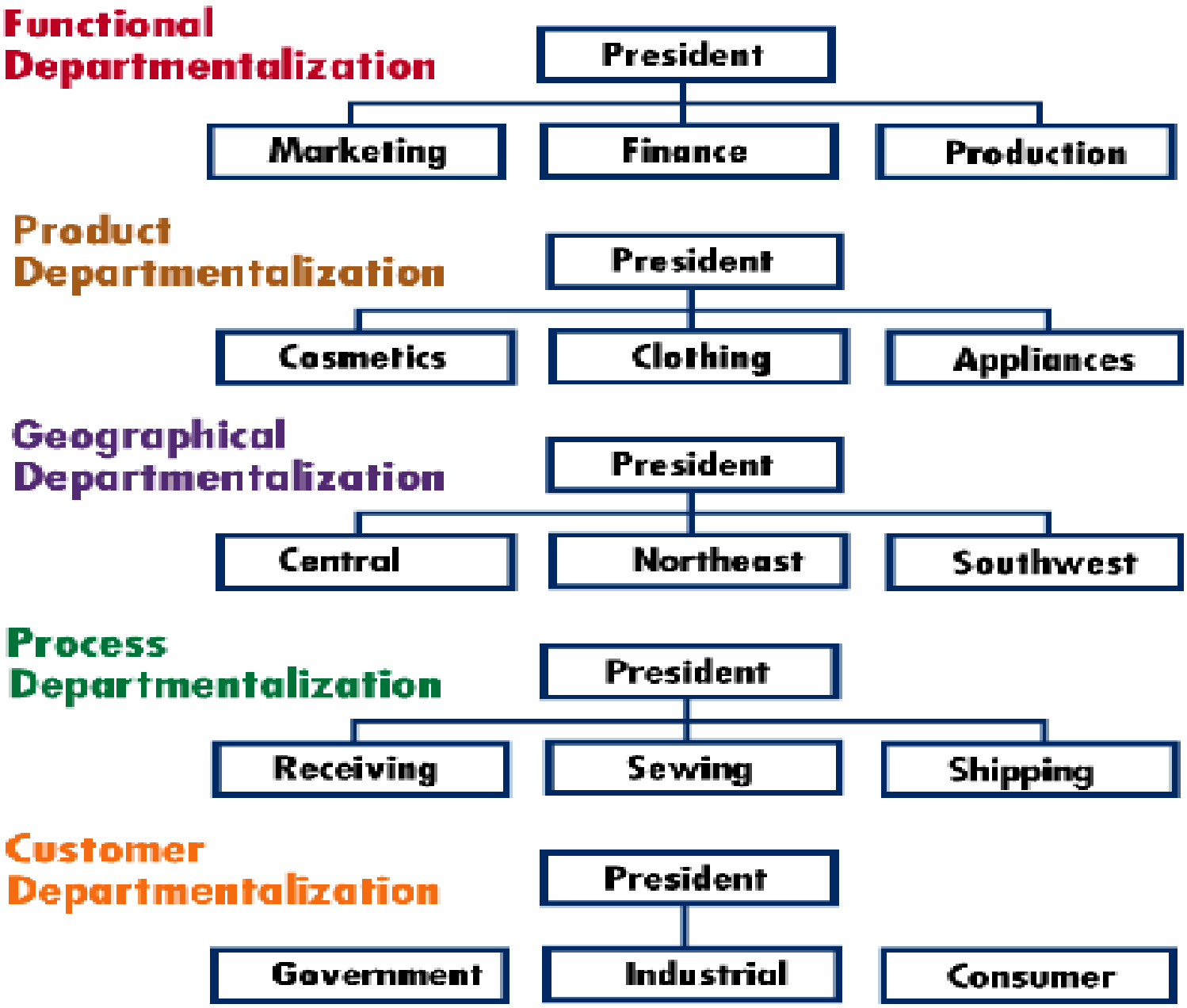
2. Departmentalization

- The process of grouping specialized activities in a logical manner is called ***departmentalization***,
- It is the basis on which work or individuals are grouped into manageable units.
- They are grouped so those common tasks can be coordinated and logically connected

Organizing….

Departmentalization Formats

- The **five basic** departmentalization formats:
  - Functional
  - Product-service,
  - Geographic location,
  - Work flow /process/ and
  - Customer classification,


Functional Departmentalization
President
Marketing
Finance
Production
Product Departmentalization
President
Cosmetics
Clothing
Appliances
Geographical Departmentalization
President
Central
Northeast
Southwest
Process Departmentalization
President
Receiving
Sewing
Shipping
Customer Departmentalization
President
Government
Industrial
Consumer

Organizing…

3. Hierarchy

- **Hierarchy** is a concept that shows how many could be effectively handled.

❖ **Chain of command**

- Chain of command is the plan that specifies who reports to whom

❖ **Span of management or span of control**

- Is the number of people / departments directly reporting to a given manager

➢ The result of the two decisions lead to a pattern: **hierarchy**

Organizing…

- ***Span of control*** affects an organizational design
- There are Two views

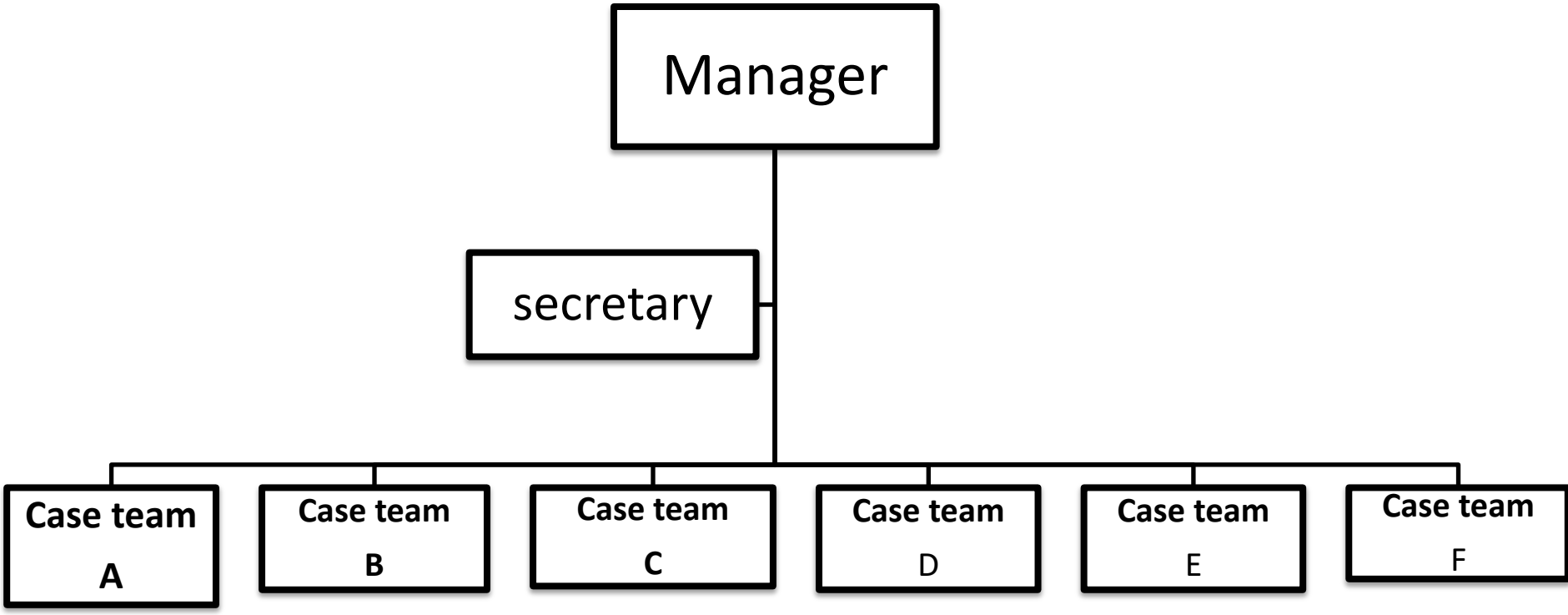
A. Organic view / *Too wide:* Create flat hierarchies (fewer management levels between the top and the bottom

B Mechanistic view / ***Too narrow:*** Create tall hierarchies (many levels between the highest and lowest managers)

- A narrow span (up to about seven people) allows a manager to supervise and coordinate the activities of staff).

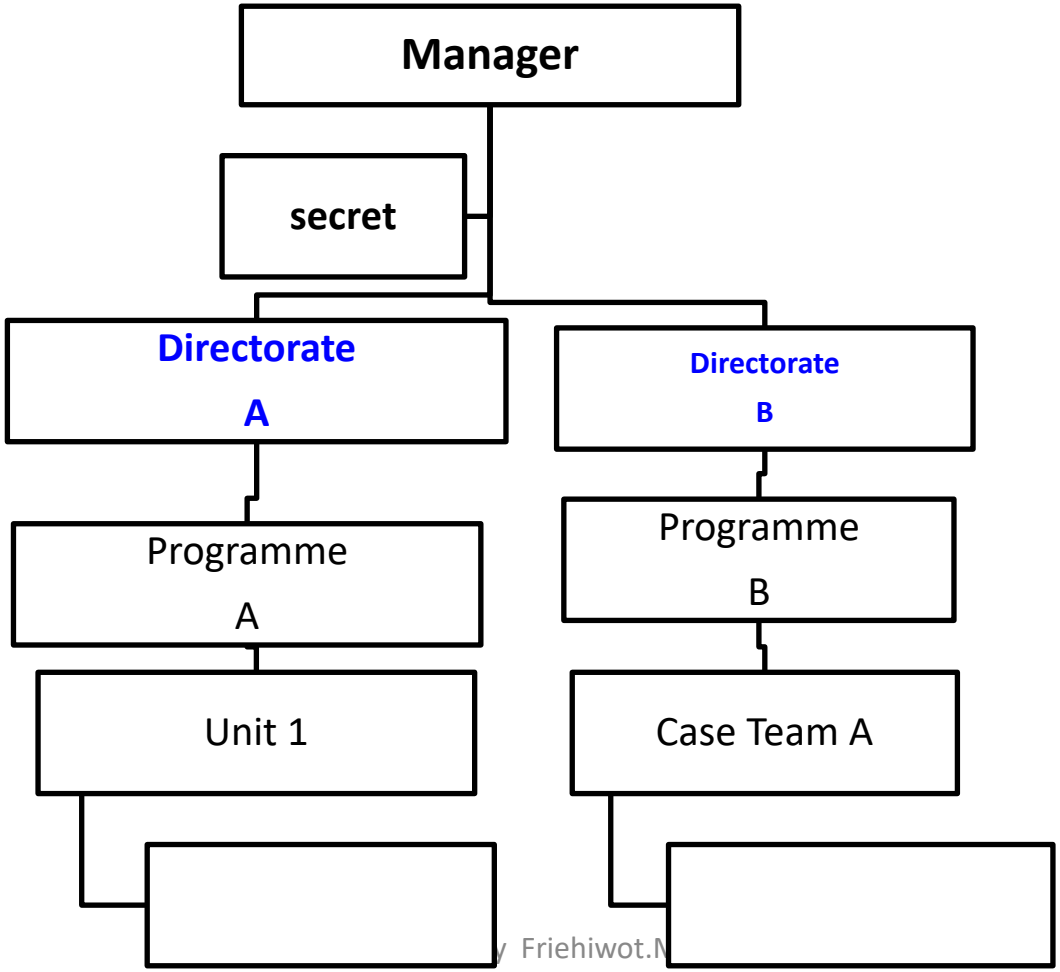
Organizing…

A. Too wide span of control



Organizing…

B. ***Too narrow:*** Create tall hierarchies (many levels between the highest and lowest managers)



Activities (5minutes)

- What are the factors that affect span of mgt?
- What are the advantages/disadvantages for too wide Vs too narrow span of mgt?

Organizing…

Span of control	Implications
Too wide	Overburdened manager
	Little guidance or control of employee
	Overlooking or ignore serious errors
Too narrow	Managers are underutilized
	In-efficient
	Affects the speed of decisions (**delay in decision making**)

Organizing…

Factors affecting span of control

- **Level of profession & training of staff:**
  - Skilled staff require less close supervision (Wider spans of control)
- **Level of uncertainty in the tasks to be done :**
  - Complex & varied works require close supervision (narrower spans of control)

Organizing…

- **Degree of standardization of tasks** :
  - Standardized tasks require less frequent supervision compared to less standardized ones

  (wider spans of control)
- **Degree of interaction between managers & subordinates**
  - Effective interactions require narrower spans
- **Ability & personal qualities of the managers themselves**
  - Qualified managers can super vise many department at a time (wider spans of control)

Organizing…

- ***Unity of Command*:** Each employee must receive instructions from only one person. If an employee reported to more than one manager, conflicts in instructions and confusion of authority would result.
- ***Unity of Direction*:** should be directed **by only one manager using one plan.**

Organizing…

4. Coordination:

- Is the **integration** of activities of separate parts of an organization for accomplishing the organizational goals

➢ **Integration:** the degree to which various departments work in a unified manner

➢ It brings activities into proper relation with each other to make certain that every thing that needs to be done is done.

The degree of coordination depends on:

- Nature of task
- Degree of interdependence of people in the various units

Thank you

Managing Organizational Change

"It is not the strongest species that survive, nor the most intelligent, it is the one most adaptable to change"
-Charles Darwin

Session Objectives:

- Analyze the nature of change in health care, including forces for change
- Differentiate planned versus reactive change
- Identify and analyze major areas of organizational change
- Evaluate the steps in organizational change
- Manage resistance to change.
- Apply a transition management model to anticipate organizational change

What is Change

- Making something different in some particular way' (Flamholtz and Randle, 2008)
- Alteration of the status of organization`s;
- Environments, structure, technology or people.
- The difference can be small (**incremental**) or radical (**transformational**)

Change…

- Organizational change is any **substantive** modification to any part of the organization
- The process of alteration or transformation of individuals, groups and organizations in response to internal and external forces.
- E.g.; work schedules, scope of management, technology change, organizational redesign, and even changing people's behaviors

What is Change Management?

- Change management is the process of ensuring that an organization is ready for change and takes action to ensure that change is accepted and implemented smoothly.

Why Change?

- To meet changing customer needs
- To take advantage of new opportunities
- To meet changing service provision
- To respond to internal pressures
- To respond to competitive pressures

Forms of Change

- There are different forms of change;
- Change on a continuum from minimal change through to a fundamental shift:
- **Change can be planned or unplanned**

Forms of Change?

- **Planned change** resulted from a deliberate decision to alter the organization in response to internal or external challenges or opportunities.
- **Unplanned change** is imposed on the organization and is often unforeseen.
- **Unplanned change** requires tremendous flexibility and adaptability on the part of organizations

Forces of Change

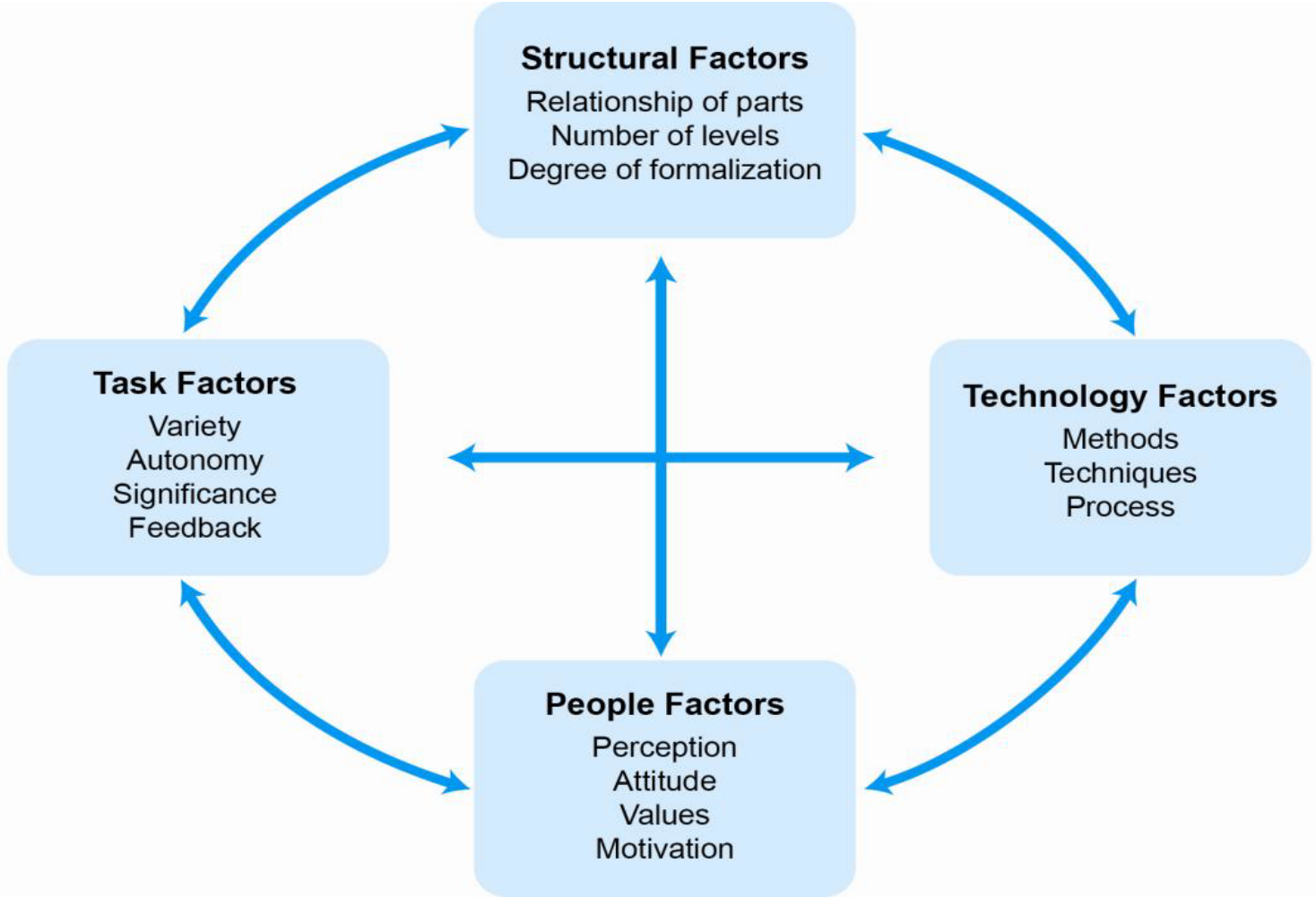
1. External forces:

- political, social, technological, legal and economic stimuli that cause changes

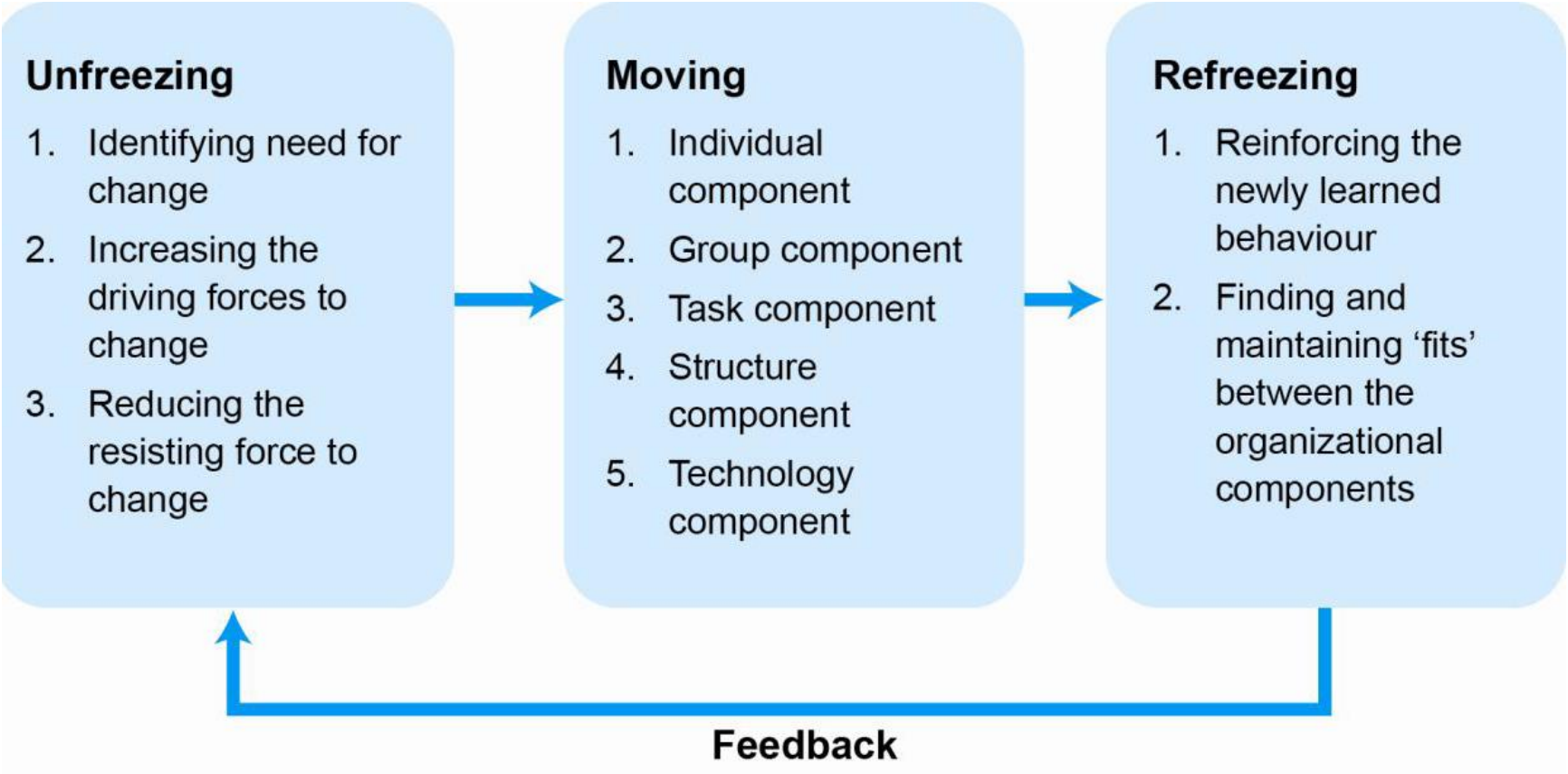
2. Internal Forces;

- Changes in employee expectations and composition, Changes in the work climate, Decline in effectiveness and efficiency, etc

Elements of organizational change



Process of Change



Change Process…

Unfreezing :-

- Focus ; to create the motivation to change
- Making individuals aware that the present behavior is inappropriate, irrelevant and inadequate.
- Creating felt-need for the situation

Change Process…

Unfreezing involves;

- Recognizing the driving forces
- Increasing the driving forces/acceptance
  - Express the need for change
  - Establish a sense of urgency
  - Communicate the potential benefit
  - Prepare people for change
  - Get people involved in the process
  - Communicate the progress of change
  - Reinforce earlier changes
- Managing the resisting forces

Change Process…

Changing/Moving

- Individual is ready for new behaviour
- It is a state where people need the conditions of psychological safety, support and coaching, while they struggle with new risks and new ambiguities

Change Process…

Refreezing :-

Rewarding appropriate new behaviors.

This is done by:

- Creating acceptance and continuity for the new behavior
- Providing any necessary resource support using performance contingent rewards and positive reinforcement.

Change Process…

Feed back

- Management of change requires ***feedback and follow-up actions*** to ensure that the change programme is progressing in the right direction without producing any dysfunctional effects.

- A change is completed when the goal of the change process has been achieved.

- The assessment of whether the change has or has not been successful is evaluated based on the goals created in unfreezing phase.

Reactions to Change

- Reactions to change are almost always emotional!
- These emotions can be positive or negative.
  - Happiness, Resistance, Stress, Conflict, Uncertainty, Fear, Confusion, Anger, Excitement, Dissatisfaction, etc.
- These feelings may cause a decrease or increase in morale, productivity, and motivation.

Resistance to change

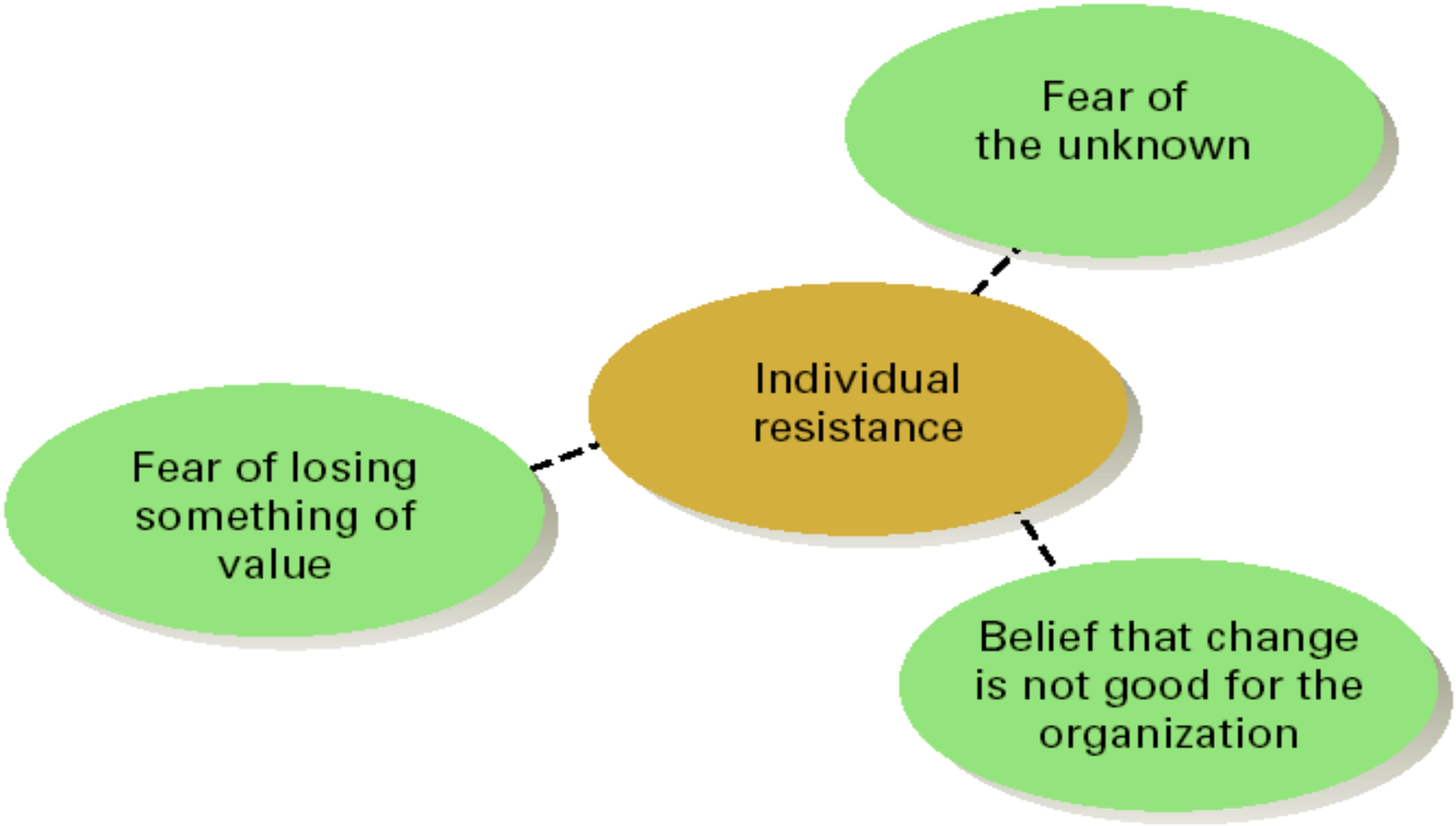
- Group Exercise; 10 minutes

1. Why people are resistant to change?
2. Signs of Resistance?
3. How do we manage resistance to change?

Resistance to change

- Resistance is a natural and inevitable reaction in an organization.
- It comes from different sources that can be distinguished at **organizational, group and individual** levels

Why People Resist Change



How Prevalent is Resistance?

- In an average organization, when the intention for change is announced:
- 15% of the workforce is eager to accept it
- 15% of the workforce is dead set against it
- 70% is sitting on the fence, waiting to see what happens

Managing Resistance

- Although resistance to change cannot be avoided, it can be managed and minimized.
- Adhering to managing change process
- Providing opportunities and forums for employees to participate in the change process
- providing empathy and support to employees
- better communication…
- Negotiation and agreement

Thank you very much

week 4 -5

Monitoring & Evaluation

Health policy Management course to Midwifery 4th year

HSM and HE unit

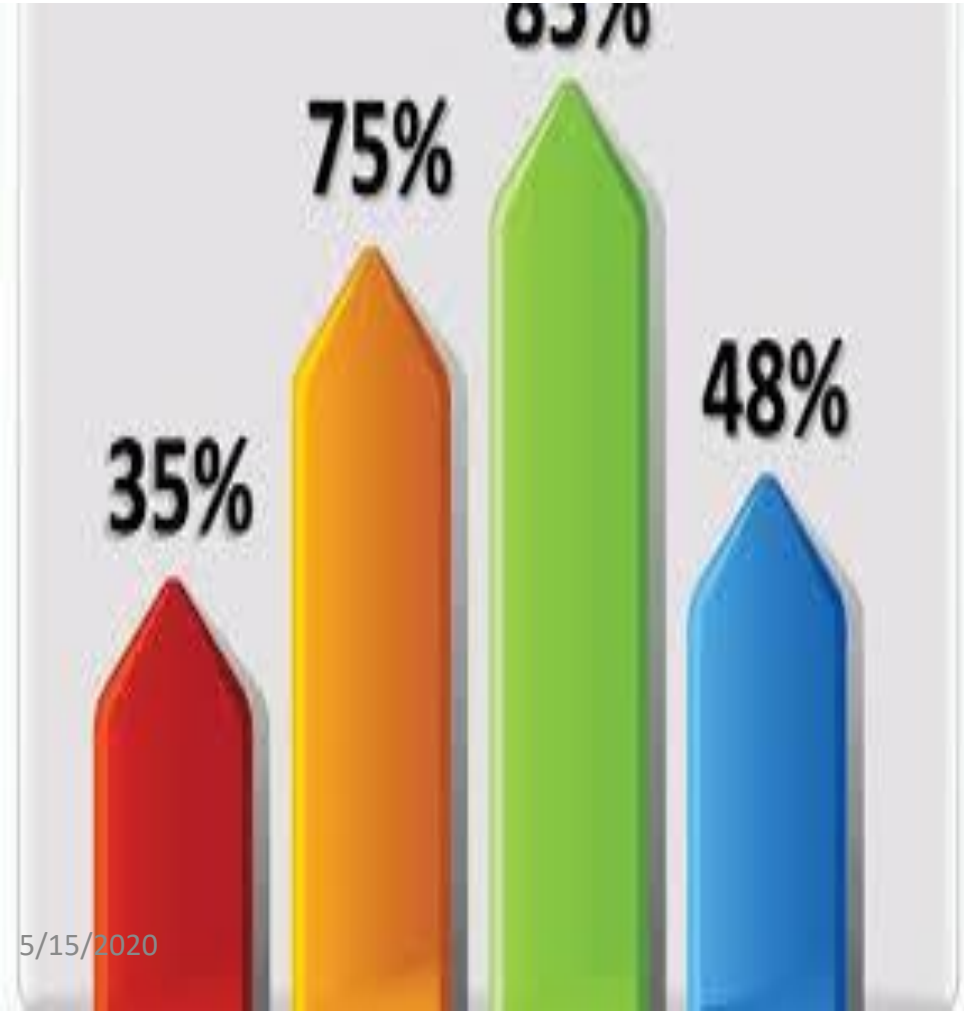
Department of Public Health

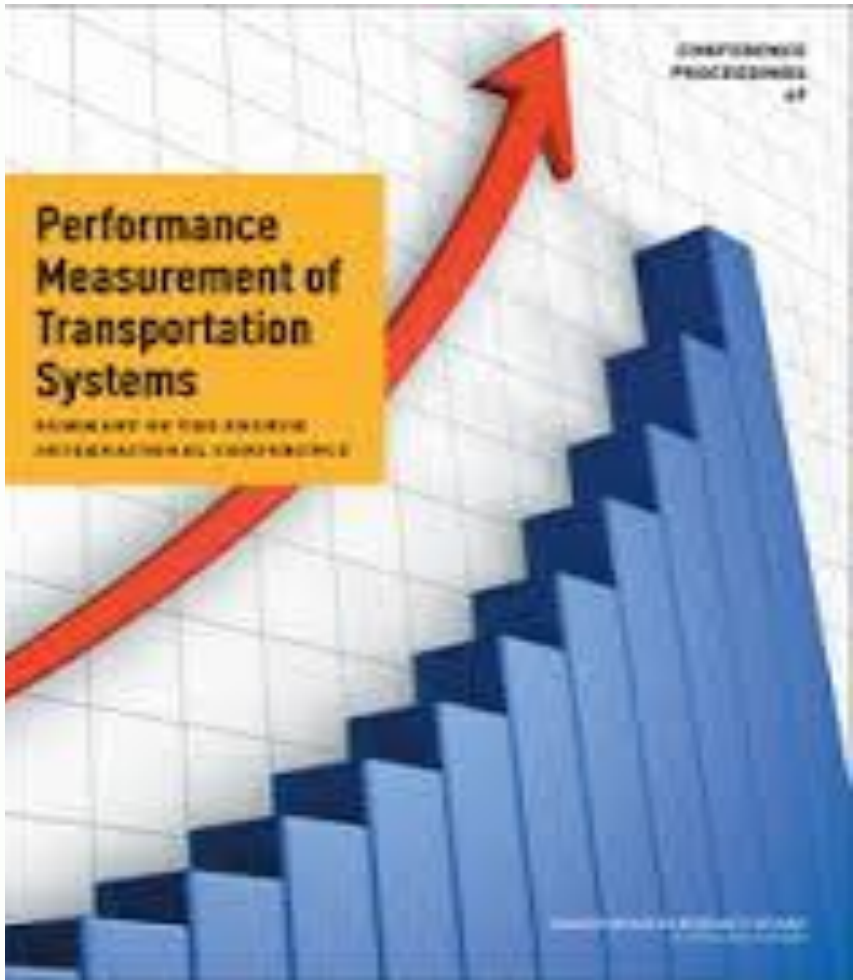
May 14, 2020

Session Objectives

- Define program controlling , monitoring & evaluation
- Determine the purpose of M&E
- Understand different steps of monitoring & evaluation practices
- Describe the r/nship b/n M&E
- Identify the types of evaluations
- Evaluate the characteristics of indicators

Controlling (M&E)





Controlling (M&E

Implementing

- Practice of mgt next to planning .
- Excision of actual activities based on the plan
- integrate systems and coordinate work flow
- coordinate activities with other programs and sectors
- Controlling is a mgt practice next to implementing

Controlling (M&E

Definition

- Controlling is the process which managers assure that actual activities conform to the planned activities .
- Checking current performance against the standard in the plan
- The nature of follow to the other three fundamental function of management .

✓ Planning ,Organizing and directing

- Controlling can not takes place in a vacuum

Organizational Control

Management Control

- **Controlling** : is the process of ensuring that actual activities conform to planned activities.
- Checking current performance against the standard in the plan
- is more pervasive & persistent than planning.
- helps managers monitor the effectiveness of
  - ✓ their planning,
  - ✓ their organizing, and
  - ✓ their directing or leading
- Taking corrective action is an essential part of control process

Organizational Control…

Can be classified as;

1.Feed forward Control

- The active anticipation and prevention of problems, rather than passive reaction.
- monitor inputs

2.Concurrent Control

- Monitoring and adjusting ongoing activities and processes.

3.Feedback Control outputs/products

- Checking a completed activity and learning from mistakes.

Functional steps of Controlling

- **Establish standards of performance**
- **Gather information and Measure current performance**
- **Compare performance with standard**
- **Taking corrective action**
- Rewarding

1. Establish standards and methods for measuring performance

- Ideally, the goals and objectives established during the planning process

- ***Improving patient satisfaction (35% to 85%)*** through delivering quality services by the end of 31 December, 2016.

2. Measure Performance

- Measurement is an ongoing, repetitive process

- The frequency of measurement depends on:
  - ✓ the type of activity to be measured.
- Collect, organize and analyze data from monitoring

3. Determine whether performance matches the standard

- It is a matter of comparing measured results with the established targets

- If performance matches the standards, managers may assume that "everything is under control."

4. Take corrective action

- Necessary if
  - ✓performance falls short of standards , and
  - ✓the analysis indicates action is required

- Could involve a change in one or more activities of the organization's operation.

Why Control is Needed

1. ***To create better quality service/product***
2. ***To cope with change***
3. ***To create faster cycle***

- ✓ A customer demands improved design, quality or delivery time.

4. To add value

- ✓ Speedy cycles are one way to gain a competitive edge.
- ✓ Minimizing mistakes saves resources

Forms of Management Control:

There are three basic forms of management control:

1. Monitoring
2. Supervising
3. Evaluation

1. What is Monitoring?

Monitoring is the **day-to-day** watch on

- Continuous follow-up of on going activities
- It is carried out through ***observation*** of
  - human resources and materials
- ***Discussion***: - With workers
  - supervisors and
  - beneficiaries, and
- ***review*** of reports, diaries and statistical data.

- *Monitoring* is a continuous process of gathering, analyzing and interpreting of information and,

- The daily use of inputs and their outputs in order to enable timely adjustment or correction on the development programme/project when necessary.

- Hence it is a basic part of implementation management.

The goals of monitoring are:

- To identify problems early.
- To solve without delaying the progress of the program

2. Supervision:

- Continuous processes to be conducted by the management in line with controlling
- The three main styles of supervision are autocratic, anarchic and democratic.

Autocratic & anarchic supervisions

- tend to humiliate people, make them irresponsible and mostly one way.
- It may dry up the initiative of colleagues.

Democratic supervision

- Participation of all
- Follows two-ways communication
- People like to be consulted
- helps people to grow, become responsible for their own work to show initiative
- Most people prefer to work under democratic leadership.

3.Evaluation

- is a systematical and **periodical** gathering, analyzing and interpreting of information on the operation as well as the effects and impacts of a development programme/project.
- An assessment of the overall project performance and objective achievement
- Any impact resulted from the program/project
- Reasons contributing for success and failure

➢Distinctive Characteristics of M & E

Characteristics	***Monitoring***	***Evaluation***
Purpose/objective	*Specific*	*Broad*
Scope	*Narrow*	*Broad*
Frequency	*Continuous*	*Periodic*
Data Gathered	*Primarily Quantitative*	*Primarily Qualitative*
Main Action	*Oversight*	*In-depth analysis*
Focus	*Inputs/Outputs*	*Impact and Sustainability*

TYPES OF EVALUATION

Some authors use the terms

- Input, Process, output ,Outcome and Impacts to determine the value of a program

Others use the term

- Formative/diagnostic or progressive Evaluation to Evaluate input and it is performed during implementation.
- Summative or Terminal Evaluation to evaluate output

Types of evaluation

1. Formative Evaluation: Is performed during the entire planning process and program execution.

- It provides solutions for program and organizational improvement.

- Stakeholders should be involved during formative evaluation.

Formative…

- It is equivalent to **process evaluation**
- Answers questions such as:
  - How can the intervention be modified to achieve its outputs and outcomes?

Cont….

2. **Summative Evaluation**: Usually performed to provide judgment to managers or users about a program's worth and merit.
   - Stakeholders may not be involved; only evaluators can do it.
   - Answers questions such as:
     - was the program effective?
     - Should the program be continued?

Based on Evaluating Persons:

1. ***Internal Evaluation***:

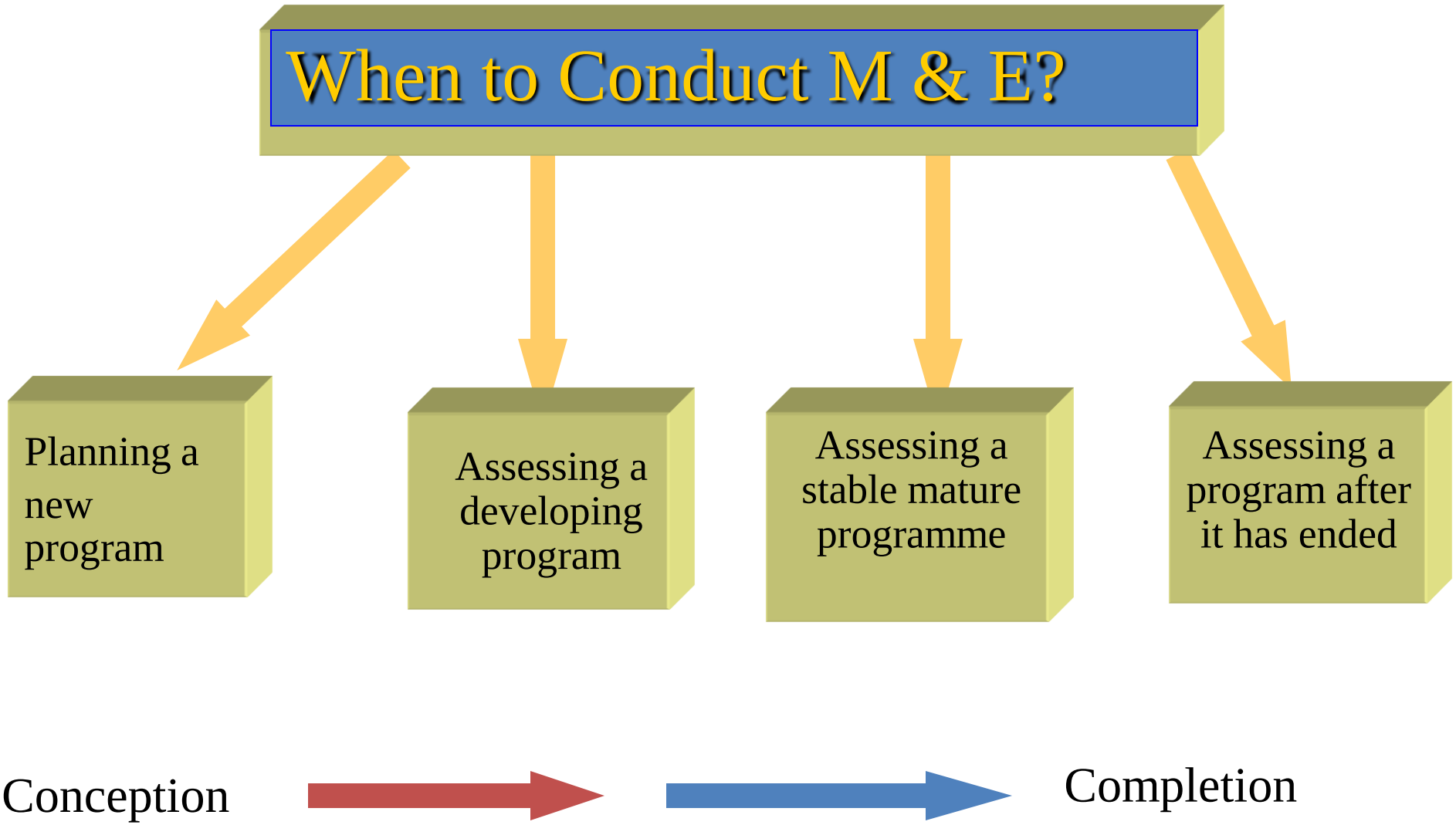
- Performed by persons who have a direct role in the program/project implementation
- Can be done by the management team or persons assigned from the implementing agency
- On-going evaluation can be performed by internal evaluators

2. ***External Evaluation***:

- It is carried by persons/institutions from outside the program/project

- In most cases it is conducted by the funding /sponsoring/ agencies with formally designated persons outside the project at fixed points in time

When to Conduct M & E?



Information for monitoring & evaluation?

1. **Progress Reports**

- **Common in all projects**
- **Prepared at regular intervals**
- **Frequency vary according to status & complexity of the project**
- **The report should be concise & informative**

2. Progress Review Meetings

- ✓ Review meeting would help to identify and take timely action where and when problems arise or prevent from occurring.
- ✓ Frequency of the meeting depends upon the nature and time-scale of the project. But should not be carried more frequently than weekly.
- ✓ Minutes should carefully recorded and signed
- ✓ Do not allow discussions to be personalized in such meetings.

3. Site Visits/Observation

- Important means of communication in the monitoring & control of project physical activities progress.
- Has to be done to have an in depth impression in the performance of the project.
- Has to be conducted in a participatory way before progress review meeting is arranged.

4. Formal Survey

- *Involves collection of focused data about specific performance questions or indicators from a sample.*

5. Rapid Appraisal Methods

- ✪ *This is a qualitative way of doing the evaluation.*

- ✪ *It involves gathering the views and feedback of beneficiaries and other stakeholders.*

- ✪ *It has the advantage of being quick, cheap and flexibility to explore new ideas.*

Programme vs project

- **Project**—an intervention designed to achieve specific objectives within specified resources and implementation schedules, often within the framework of a broader program.
- A **project** is “a temporary endeavor (enterprise) undertaken to create a unique product, service, or result.”
- **Program**—an overarching national or sub-national response to a disease or health service.
- “A group of related projects managed in a coordinated way

Program vs project

Project

- Temporary and unique
- Definite beginning and end
- Unique purpose
- Require its own resources

Program

- A group of projects managed in a coordinated way
- Long Term for: a collection of projects
- National HMIS program
- Smart care project

➢Program Components

- **Inputs**
  - ➢ Resources used in a program, such as money, staff, curricula, and materials
- **Activities**
  - ➢ Services that the program provides to accomplish its objectives, such as outreach, materials distribution, counseling sessions, workshops, and training

➢Program Components (cont.)

Outputs

- Direct products or deliverables of the program/project, such as intervention sessions completed, people reached, and materials distributed

Outcomes

- Program results that occur both immediately and some time after the activities are completed,
- Changes in knowledge, attitudes, beliefs, skills, behaviors, access, policies, and environmental conditions

➢Program Components (cont.)

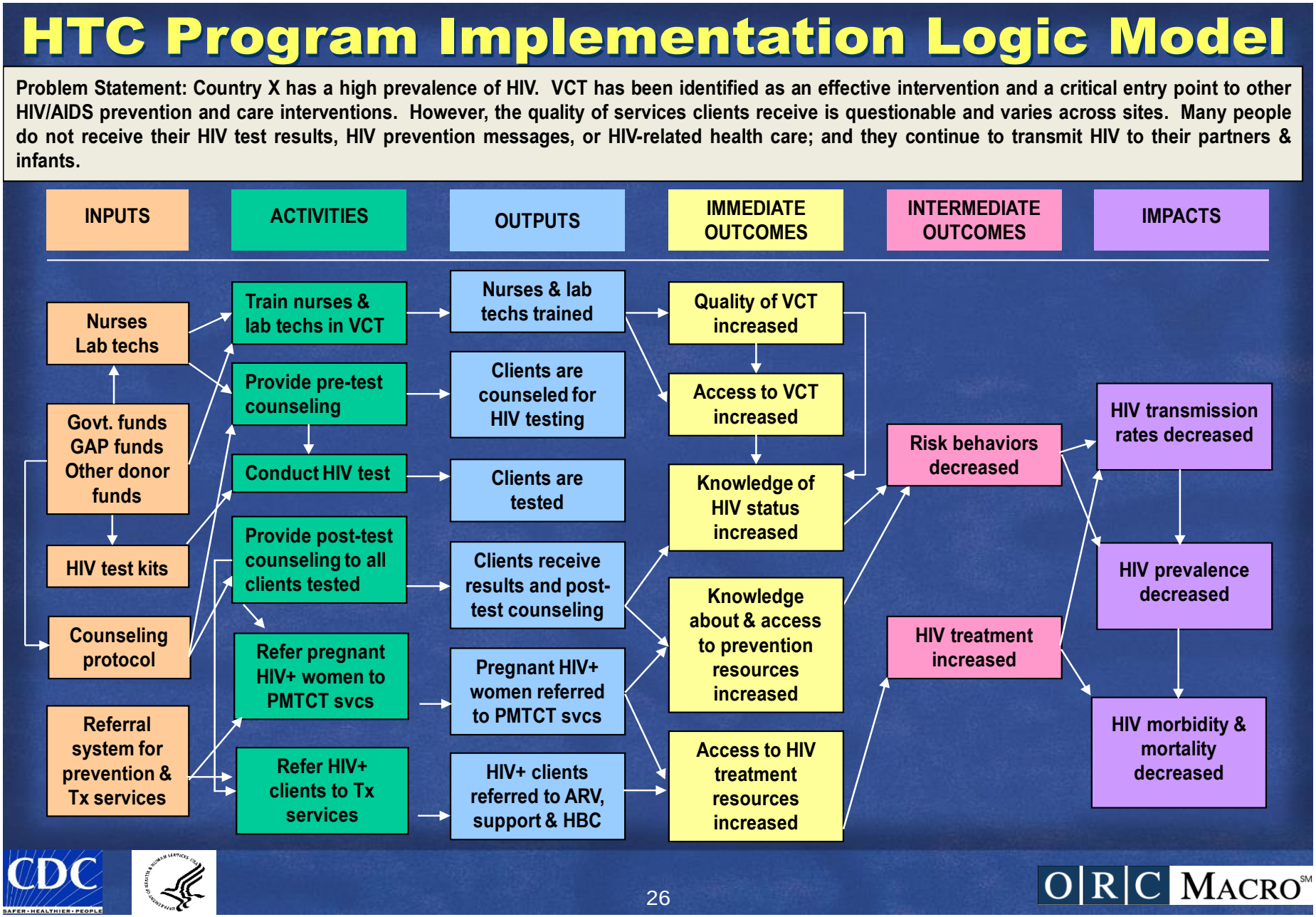
Impacts

- Long-term results of one or more programs over time, such as changes in HIV infection, morbidity, and mortality

Components of a program or Level of M&E

Input	Resource ,staff, fund ,supply ,facilities, trainers
Process(activities)	Level of implementation of Activities ,achievement, constraints
Output	Quality of Services(HCT,STI),trained staff ,BCC, condom availability
Outcome	Risk behavior, Knowledge, treatment practices
Impact	Incidence, level of prevalence rate (MMR, IMR, NMR, infection rate decrease)

M&E program components



INDICATORS

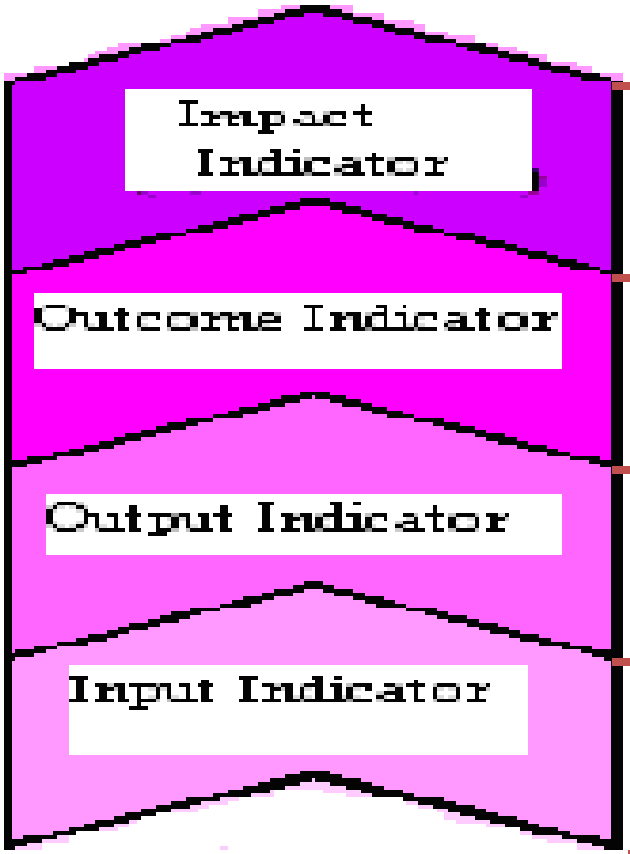
Development & selection for M&E

- “If you cannot measure results, you can not tell success from failure!”

What is an indicator ?

- A measure, typically numeric, that provides key information about a system's condition.
- Indicators are an objective measure of change or results brought about by an activity or an output from an activity.
- Indicators are designed to provide a standard against which to measure, or assess the progress of an activity against stated targets/objectives
- They are predetermined and pre-defined and are employed to compare the expected with the actual performance.

➢Types of indicators



Measures the indirect and longer-term impact

Measures the direct and immediate impact

Measures what is accomplished with inputs

Measures the actual use of resources

- **Indicators are signals which show;**
  - ✓ Whether we are on the right track & direction,
  - ✓ How far we have progressed
  - ✓ How far we still have to go to reach our destination/objectives and
- **Indicators can be :**
  - ✓ Quantitative, measuring tangible effects, or
  - ✓ Qualitative, dealing with judgments

Common Indicator Metrics

- **Counts**
  - Number of trained clinicians
  - Number of condoms distributed
- **Calculations: percentages, rates, ratios**
  - % of facilities with trained provider
  - Maternal mortality ratio, Total fertility rate
- **Thresholds**
  - **Max/min level**
  - Presence, absence
  - Pre-determined level or standard

Sources of Indicators:
Using Pre-Defined Indicators

- ✓ From past years of the program
- ✓ From related or similar programs
- ✓ From lists of global or recommended indicators
  - Millennium Development Goals
  - HIV/AIDS: UNAIDS/WHO
  - Reproductive Health: *Indicators for Evaluating Reproductive Health Programs*
  - Poverty Reduction Strategy Goals (World Bank)

Indicators . . .

- Mostly expressed in terms of numbers (quantitative):
- Counts- 30 peer promoters trained
- Percentages-90 % CSW use condoms
- Averages- average age of first marriage (15 years)
- Rate- IMR 77/1000LBs

Characteristics of Good Indicators

- **Valid:** accurate measure of a behavior, practice or task
- **Reliable:** consistently measurable in the same way by different observers
- **Precise:** operationally defined in clear terms
- **Measurable:** quantifiable using available tools and methods
- **Timely:** provides a measurement at time intervals in terms of program goals and activities


Thank you very much!

Week 6

The Ethiopian Health Delivery system & Policy

HSM and HE Unit

Department of Public Health

May 14 /2020

Session objectives

- Evaluate the historical development of health services in Ethiopia
- Mention some of the general theme, priorities and general strategies of the health policies and HSDP
- Describe the current organizational hierarchy of the health sectors
- Explain the components of PHC

Historical development of medicine in Ethiopia

- Long before the advent of modern medicine, Ethiopia had its own methods for combating diseases and injuries.
- This traditional medicine in Ethiopia, in many cases, was concerned with both the prevention and cure of disease.
- Modern medicine was introduced in the 16th century & remained as a privilege to the members of the royal courts until the establishment of 1st hospital in Addis Ababa in 1900 GC.
- The foundation for formalized health service in Ethiopia goes back to 1908 GC (when office dealing with health was created in Ministry of interior).

Historical develop. cont…

- The 1st health legislation-established in 1947 which guarantees the creation of separate Ministry.
- Ministry of Health (MOH) established -1948 G.C. MOH was established with the technical assistant of WHO and USAID (United States Aid for International Development).
- The goal of MOH was to provide adequate medical care and health services to Ethiopian population.

Historical develop. Cont…

- In 1954 E.C (1962 GC) Gondar College of P.H established to train three categories of health workers, Health Officers, Sanitarians and Community Nurses to staff rural health centers.
- The first medical school in Addis Ababa was opened in 1966.
- **Generally we can summarize historical development of modern medicine in Ethiopia as follows: As divided into 6 periods**

Historical develop. Cont…

1. Period I- period of introduction (1500-1900)

- Joas Bermudes Portuguese diplomatic mission to Lebnedengel in 1520 – 1526 was the 1st documented one.
- Preventive medical activities were practiced to controlcholera and small pox
- Few medical doctors for royal circles
- During this time, the practice had been introduced by
- Diplomatic visits
- Religious visits
- Explorers
- Merchants

2. Period II: period of Ethiopianization (1900-35)

- Further progress of western medicine
- The reign of Minelik
- Vaccine of small pox
- The 1st hospital (**Russian Red Cross in Addis by 1897**)
- **Ras Mekonnen Hospital** – 1st Ethiopian Sponsored hospital built in 1901 in Harar – run by French Missionaries.
- 1908- 1st **Public Health dep't** was opened under the ministry of interior
- 1909- 1st Gov't hospital in Addis (**Minelik hospital**) established.
- 1910- More private hosp, clinic, pharmacies etc.
- 1930- 1st medical legislation to regulate the work of medical practitioners and pharmacies

3. Period III: Italian occupation (1935 -1941)

- The Italian government had destroyed the limited health services organization in Ethiopia
- Made aggressive measures to protect the Italian troops from infectious disease such as malaria, veneral diseases. Cholera, typhus, etc.
- Distributing prophylactic medicines
- Providing extensive vaccination against typhoid, cholera & small pox
- Introducing sanitary and personal hygiene measures
- Almost all hospitals were designated for the exclusive use of the white population
- 2000 physicians for their troops
- No benefit to Ethiopians

4. Period IV (1941 – 1974)

- ✓ Period of restoration and basic health services
- ✓ Overtaking of the health care by Ethiopian Gov't
- ✓ Ministry of health was established in 1948.
- ✓ 1949 – Ethiopia became member of WHO& 1st nursing school was opened
- ✓ 1952 – 38 hospitals and 80 physicians all foreigners
- ✓ The first health personnel training school was established at the red cross hospital
- ✓ 1954 – Gondar public health college (HO, Nurse and Sanitarian)
- ✓ Basic health services(BHS) approach were implemented
- establishing HC, health stations, training health workers
- The BHS approach was also combined with vertical communicable diseases program
- The era of 'BHS' since 1954 is considered as one of the success stories

5. Period V Period of Socialism (1974 – 1991)

- Period of primary health care
- In 1974, 20 yrs after BHS approach, the health facilities were in few cities and served only 5% of the population
- Many countries including Ethiopia were failed to reach the underserved population
- In 1977, WHOset a goal of “health for allby the year 2000”

PHC was declared as the key approach to achieve this goal

Since 1980, PHC has been the main strategy in Ethiopia to provide health care services

- Total change of social system
- Control taken – over by the gov’t
- No private sectors

Health policy emphasizes on

- Prevention
- Rural areas
- Appropriate technology
- Community participation

Primary Health Care

5. Period V Period of Socialism . . .

- The government developed 10 yrs perspective plan.

When health condition was assessed

- 6,474 health personnel of all categories
- 650 health stations
- 93 health centers
- 84 hospitals with 8,624 beds
- Emphasis on primary health care and rural health services
- Community participation
- Adoption of the Alma – Ata declaration
- It was stated that “To ensure full and meaningful life for the broad masses, all the necessary effort will be undertaken to provide adequate health services”
- 6 tier health care delivery system

The 6 tier health care delivery system

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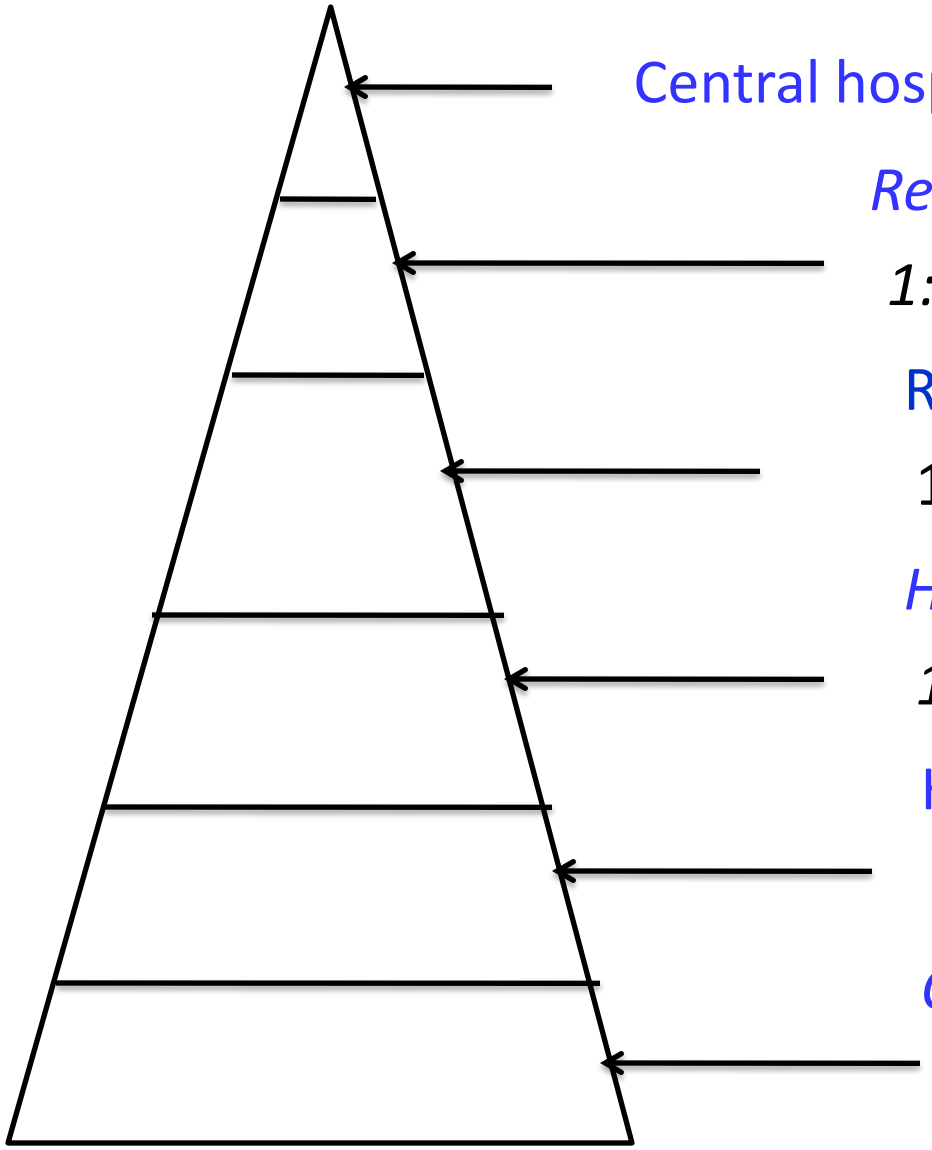


Central hospital

Regional hospital

1: 1.6-3 million

Rural hospital

1: 100,000-500,000 people

Health center (HC)

1: 50 -100,000 people

Health Station (HS)

1: 10,000 people

Com. health services

1: 1000 people

The 6 tier health care delivery system

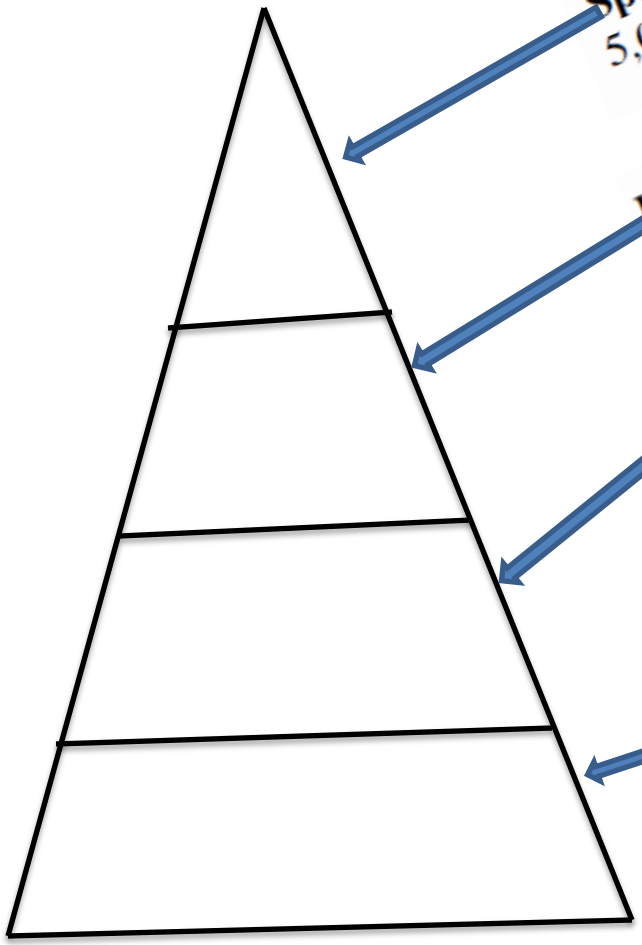
- It is very centralized and lacks professionalism
- Undesirable impacts on efficiency and resource allocation
- Health service institutions clustered around immediate points of supervision.
- Overlapping services around a minor segment of the population
- In conclusion, the dev't of health services in Ethiopia since the revolution has been relatively rapid, particularly in rural areas,
- but hampered by economic and political problems.

6. Period VI (1991 – up until now)- Sector Wide Approaches

- Again, complete socio- political change
- Free market economy/privatization
- Decentralization
- Democratization
- A 4 tier health care delivery system was developed

1. Specialized/Teaching hospitals 5,000,000 population
2. Regional hospital 1,000,000 People…..
3. District hospital 250,000 people…
4. PHCU = (1 HC + 5 HPs)

A 4 tier health care delivery sy



Specialized/Teaching hospitals
5,000,000 population

Regional hospital 1,000,000 people
- Highly technical level
- Most of the specialists

District hospital 250,000 people
- Provide promotive preventive, curative services
- GPs and others

Primary health care unit and a health center and 5 satellite CHP – 25,000 people in – 10km radius each CHP serve 5000 population
PHCU = 1 HC + 5 CHPs
Basic activity
- Promotive
- Preventive
- Curative
- HOs and other staffs

6. Period VI cont…

- The SWAPs were introduced by the world bank in the late 1980s and promoted in the early and the late 1990s
- They seen as ways of delivering agreed upon health policies and managed domestic as well as aid resources.
- HSDP was implemented as part of reformation process in the framework of the government's of sector wide approach (SWAPs).
- The HSDP was launched in 1998 in response to the prevailing and newly emerging health problems in Ethiopia and in recognition of weaknesses observed in the existing health delivery system.
- The initial HSDP which was drafted in 1993/4was designed for a period of 20 yrs, with a rolling five yr program period.
- Other key events during this period were:

. The development health policy of the country in 1993

. A change in health service delivery structure from 6-tier to a simpler 4-tier system (during the 1st HSDP)

Health Care Systems

- **Health care** is one of the basic social services and contributes to:
  - ✓ Welfare of a society
  - ✓ Growth and development of a country
- WHO: Defines a **health system** as the sum of the organizations, institutions, and resources whose shared primary purpose is to improve health.
- Six building blocks constitute the health systems framework

Integration of Building blocks of Health systems

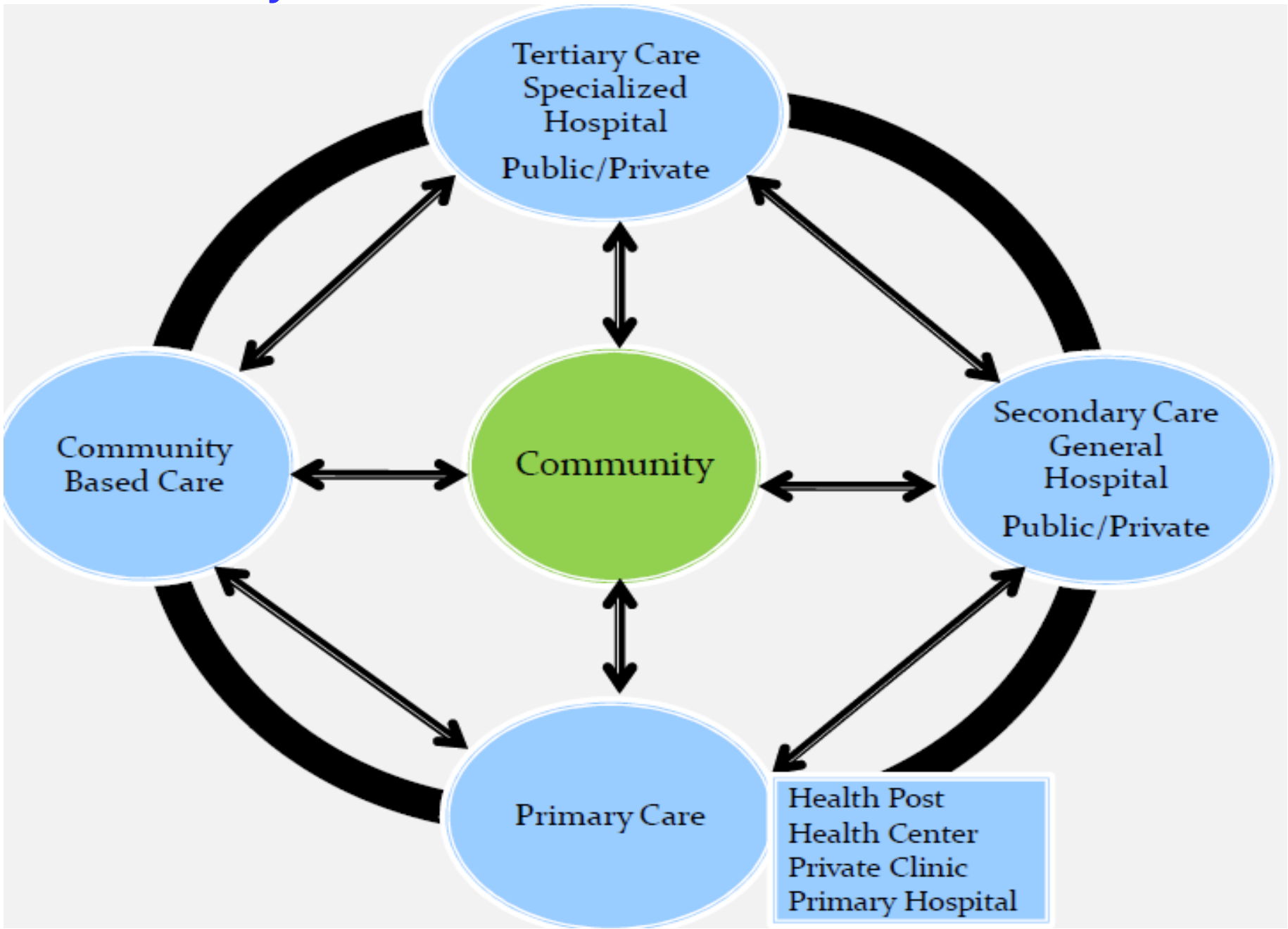
- If all six components function effectively and deliver their intended results, the entire health system—which includes the health care organization or program—is strong.

Recent Health System Structural Changes

- Ethiopia recently introduced a three-tier health care delivery system.

1. Level (Tier) One - Primary Level
2. Level (Tier) Two - Secondary Level
3. Level (Tier) Three - Tertiary Level

Referral system flow



Types of health care facilities

- Hospitals, 3 in number
- Health center
- Health post
- Specialty Centers, 10 in number
- Specialty clinic, 19 in number
- Stand alone Medical Laboratories, 2 in number
- Medium clinic
- Primary clinic
- Nursing Home

Type and Category of private HF

- Primary clinic
- Medium clinic
- Specialty clinic(19)
  - Pediatric special clinic
  - Eye/ ophthalmology,
  - Dental,
  - Ear-Nose-Throat (ENT),
  - Dermatology,
  - Psychiatry,
  - Obstetrics & Gynecology,
  - Internal Medicine,
  - surgery,
  - Gastroenterology,
  - Neurology,
  - Cardiovascular,
  - Orthopedic,
  - Nephrology,
  - Rheumatology,
  - Chest & Physiotherapy

Health care facilities . . .

- Specialty Center(10)
  - MCH special centre
  - Pediatrics specialty Centre
  - Internal Medicine
  - Oncology
  - Gastroenterology
  - Surgery
  - Orthopedic
  - Cardiac
  - Neurology
  - Renal
- Hospital(3)
  - Primary hospital
  - General hospital
  - Comprehensive specialized hospital

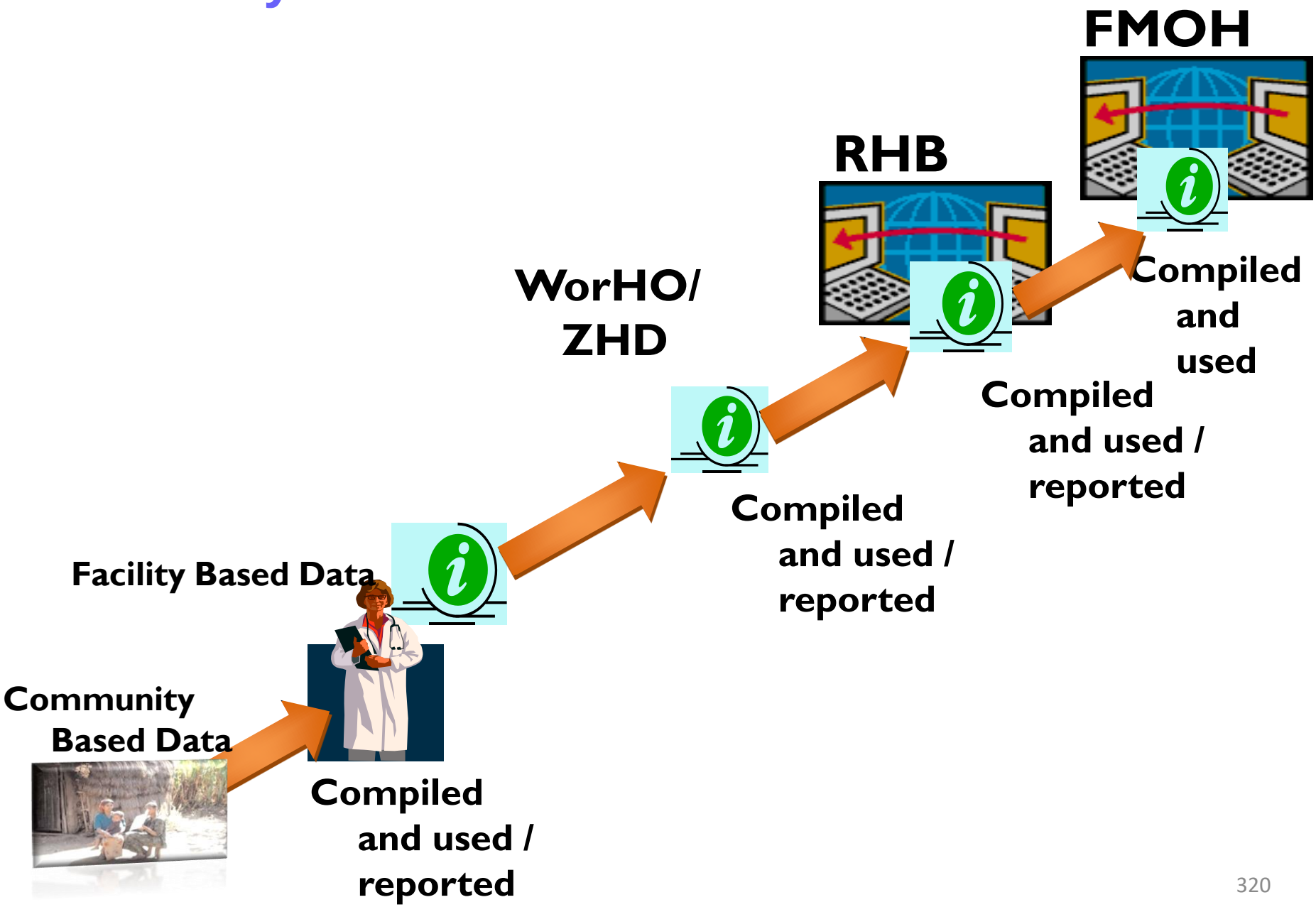
Health care facilities . . .

- There will not be a Nomenclature for
  - ✓ Zonal hospital
  - ✓ District hospital
  - ✓ Medium or small hospital
  - ✓ higher clinic
  - ✓ Small clinic

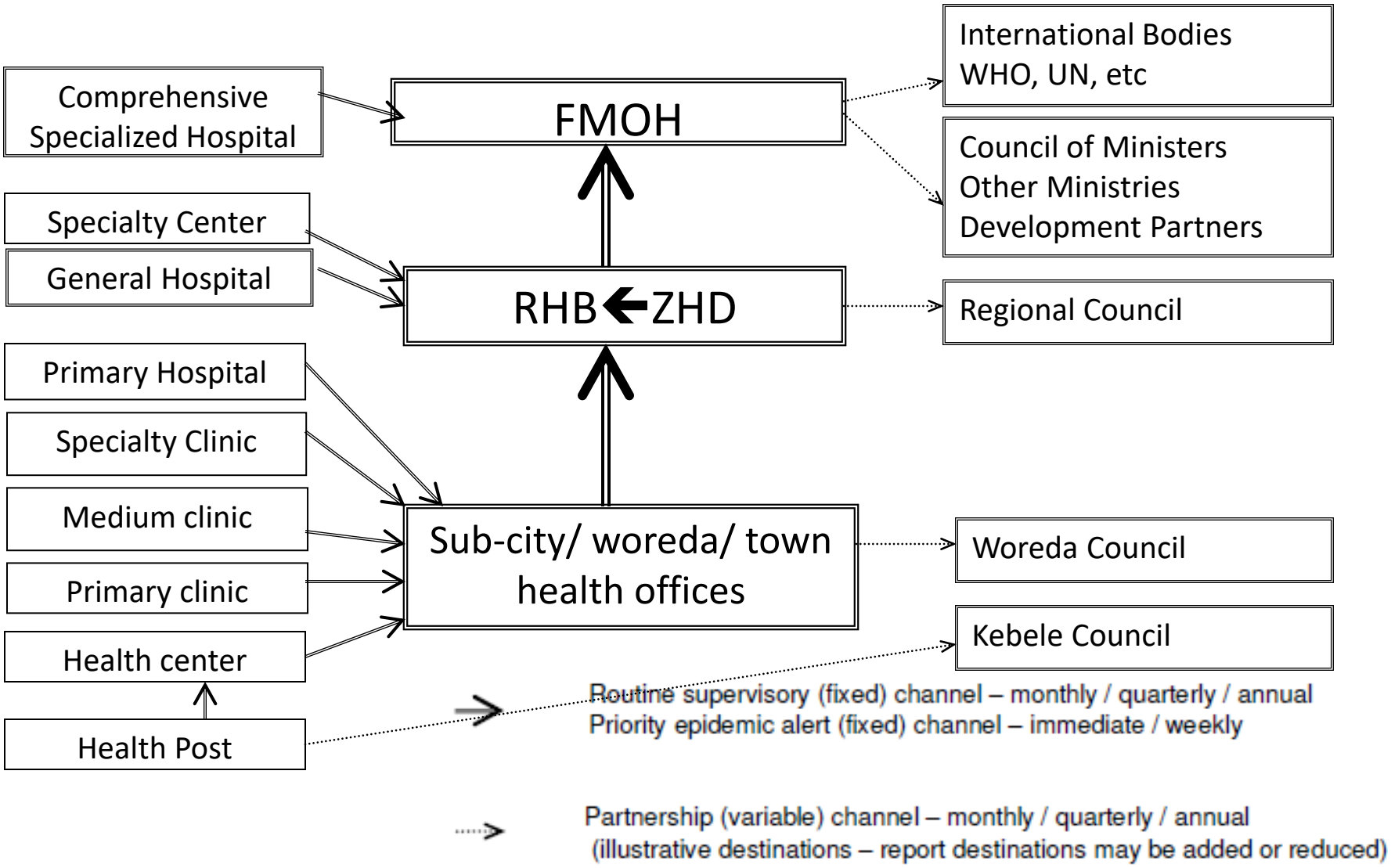
Decision-making Processes, Powers, and Duties

- Offices at different levels of the health sector, from the Federal Ministry of Health (FMoH) to RHBs Zonal health depts and woreda health offices, share decision-making processes, powers, and duties:
  - ✓ where FMoH and the RHBs focus more on policy matters and technical support
  - ✓ while woreda health offices focus on managing and coordinating the operation of a district health system that includes a primary hospital, health centers, and health posts under the woreda's jurisdiction.

Hierarchy & Data flow of the HSO



M&E Reporting Flow Diagram



Reporting hierarchy of **public** health facilities

From	Reporting level	Report arrival date	Frequency of reporting	Comment
HP	HC	20th of the month closing 23th of the month reporting	Monthly & Annual	
Health facility	WorHOs	20th of the month closing 26th of the month	Monthly, Quarterly & Annual	
WorHOs	ZHD / RHB	2nd of the month	Monthly, Quarterly & Annual	Including private health facilities
ZHD	RHB	7th of the month	Monthly, Quarterly & Annual	Including private health facilities
RHB	FMOH	15th of the month	Monthly, Quarterly & Annual	Including private health facilities

Reporting hierarchy of **private** health facilities

S/N	Type of Healthcare facility	Reporting level	Latest date report should be submitted to the next level
1	Primary clinic	Sub-city/woreda/town health offices	20th closing and 26th of the month reporting
2	Medium clinic	Sub-city/woreda/town health offices	20th closing and 26th of the month reporting
3	Specialty Clinic	Sub-city/ woreda/ town health offices	20th closing and 26th of the month reporting
4	Specialty Center	Region/ZHD	20th closing and 26th of the month reporting
5	Primary Hospital	Sub-city/ woreda/ town health offices	20th closing and 26th of the month reporting
6	General Hospital	Region /ZHD	20th closing and 26th of the month reporting
8	Specialized Hospital	FMoH	20th closing and 26th of the month reporting


Thank You!!

Week seven(7) and eight(8)

The 3 tier Health delivery system in Ethiopia

Objective

- After the end of this session students will able to :-
  - understand the health delivery system and polices in order to properly understand the system and plan for the system.
  - Describe the historical development of PHC
  - Identify the philosophy, principles, components and strategies of PHC

History of Modern Health Care in Ethiopia

- The historical development of modern medicine in Ethiopia is predominantly public or state-based.
- To date public provision of health care account for 80% whilst the remaining 20% is shared between the private-for-profit and NGO sectors.

- Modern medicine (health care) in Ethiopia started in the16th century (Atse Lebnadengel)
- Emperior Yohannes

  → Vaccination
- In 1908 Minlik II hospital was established in the capital of Ethiopia. The hospital was equipped and staffed by Russians.
- Ministry of Health (MoH) established -1948 G.C
- 1952 E.C (1960 GC) Ethiopian Government begun to develop basic health services with health center as its backbone.

- 1954 E.C (1962 GC) Gondar College of P.H established to train **three categories of health workers,**
  - Health Officers, Sanitarians and Community Nurses to staff rural health centers.
  - Three Nursing School were established between 1949 and 1951.
  - The first medical school in Addis Ababa was opened in 1966
- Ministry of Health (MoH) - did not formulate National policy and strategy for definite Health services till 1955 E.C (1963GC) when the second five year development plan was launched.

- **Expansion During Emperor Hailesellasie I**

➢ Reforms in economic and social conditions including health service expansion

➢ Twelve hospitals and 35 clinics

➢ This drive was interrupted during the brief occupation of Ethiopia by the Italians.1935 – 1941:

➢ Italians converted all health service facilities into army medical clinics for use of the military

- As the result the benefit to the population was insignificant

- Soon after the liberation of Ethiopia in 1941, a unit called "**Public Health Directorate**" was established under the Ministry of Interior (MOI).
- The 1st health legislation was established in **1947 G.C** which guarantees the creation of separate ministry
- However, the major step in the **autonomous** development of health care did not happen until the formal establishment of **the Ministry of Public Health (MOPH)** in **1948.**

Modern Medicine …

- In 1941, a unit called "**Public Health Directorate**" was established under the powerful Ministry of Interior (MOI).

- The 1st health legislation was established in 1947 G.C which guarantees the creation of separate ministry

- However, the major step in the autonomous development of health care did not happen until the formal establishment of the Ministry of Public Health (MOPH) in 1948.

THE 5 YEAR DEVELOPMENT PLAN (1974-1979)

- Re-emphasized the importance of public health services
- It set target to raise the health services coverage from 15-30% at the end of the 5 Year plan period.
- The five-year draft proposal to be launched in 1974 did not materialize due to social upheaval and change of government.

Structure and Development of Health Care System Since the Revolution of Derg Era (1974)

- When health condition was assessed health service distribution was highly skewed in favor of a few urban centers
- 43% of health budget allocated for 3 big cities
- By 1974 there were
  - 6474 health personnel of all categories
  - 650 health stations
  - 93 health centers
  - 84 hospitals with 8624 beds.
  - These made possible health service coverage of 15% of the total population

Change in Health Policy

The Socialist Ethiopian Government revised the health policy: to place more emphasis on

- primary health care
- rural health services, prevention and control of communicable diseases,
- self reliance and
- community participation in health activities through its declaration of **National Democratic Revolutionary** P**rogramme** in 1976 G.C and its adoption in 1978 G.C of the Alma-Ata Declaration of Health for All (HFA) by the year 2000G.C.

Specific Aspect of Policy Emphasis were on:

Community involvement in development activities including:

- Health Coordinate efforts.
- The gradual integration of programme .
- The delivery of essential health care at the cost affordable by the community
- Developments of a 6 tiered health service

The six-Tiered National Health Care System Consists:

- Community Health Services (Health Posts)
- Health Stations
- Health Centers
- Rural Hospitals
- Regional Hospitals, and
- Central Referral and Teaching Hospitals

THE TEN-YEAR HEALTH SECTOR PLAN 1977-1986 E.C.

The plan is part of the over all process to achieve the goal of health for all by the year 2000 for the Ethiopian people based on the principles of PHC:

- through promotion of health
- prevention of disease
- reduction of morbidity
- reduction of mortality

MAIN OBJECTIVE OF THE PLAN

- To foster full and active community involvement in health activities
- To ensure multi-sectoral collaboration and coordination in all health actions
- Extend health services to where the broad masses live and work
- Put under control all major communicable diseases
- Expand EPI Services to ensure a wide coverage of the population
- Ensure the provision of comprehensive health services to special population.
- To extend medical service to 80% of the population

The Heath Policy of Transitional Government of Ethiopia

- Democratization and decentralization of the health service system.
- Development of the preventive and promotive components of health care
- Development of an equitable & acceptable standard of health service system
- Promoting and strengthening of inter-sectoral activities

- Promotion of attitudes and practices conducive to the strengthening of national self-reliance.
- Assurance of accessibility of health care for all segments of the population
- Working closely with neighboring countries.
- Provision of health care for the special population.
- Promotion of participation of the private sector and NGOs

The Twenty-year HSDP (1996-2015)

- **20 years health sector strategy, 5 year rolling plan**
  - HSDP-I: 1997/8 - 2001/02
  - HSDP-II: 2002/3 - 04/05
  - HSDP-III: 2005/06 - 2009/10
  - HSDP IV 2010/11 - 2014/15

The focus was on preventive and promotive aspects of care with:

- Health Education
- Reproductive Health Care
- Immunization
- Better Nutrition
- Environmental Health and Sanitation receiving prominence.
- The six-tier health delivery system was changed into four tiers.
- The administration is decentralized, democratized and participatory.

- The expected outcome of the intervention is the reduction of the burden of disease
- The health sector programme is designed for a period of 20 years.
- Its main goals are the building of basic infrastructure for the provision of standard facilities
- supplies the development and deployment of an appropriate health human power

Components of HSDP

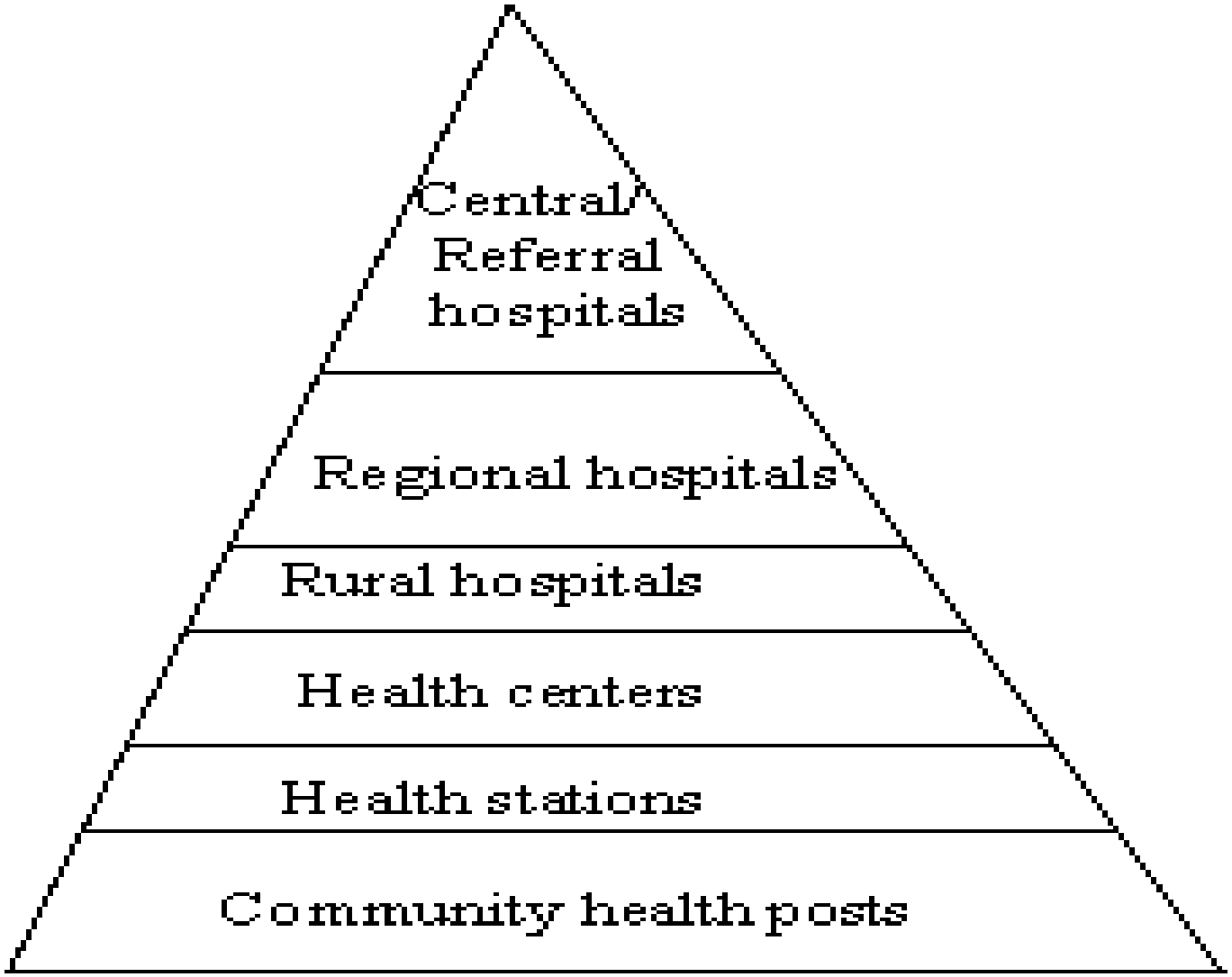
1. Service Delivery and Quality of Care
2. Health Facility Rehabilitation and Expansion
3. Human Resource Development
4. Pharmaceutical Services
5. Information Education & Communication (IEC)
6. Health Sector Management & MIS
7. Monitoring and Evaluation
8. Health Care Financing

Organization of Health Delivery System in Ethiopia

- **National health policy: 1993**
  - Democratization and decentralization
  - Primary health care approach
  - Preventive, promotive, basic curative and rehabilitative
- In the mid-1990s, prior to the implementation of Health Sector Development Programme I (HSDP I), the public health care system was structured into a six-tier system.

Then four-tier healthcare system

Six-tier health care delivery system in Ethiopia

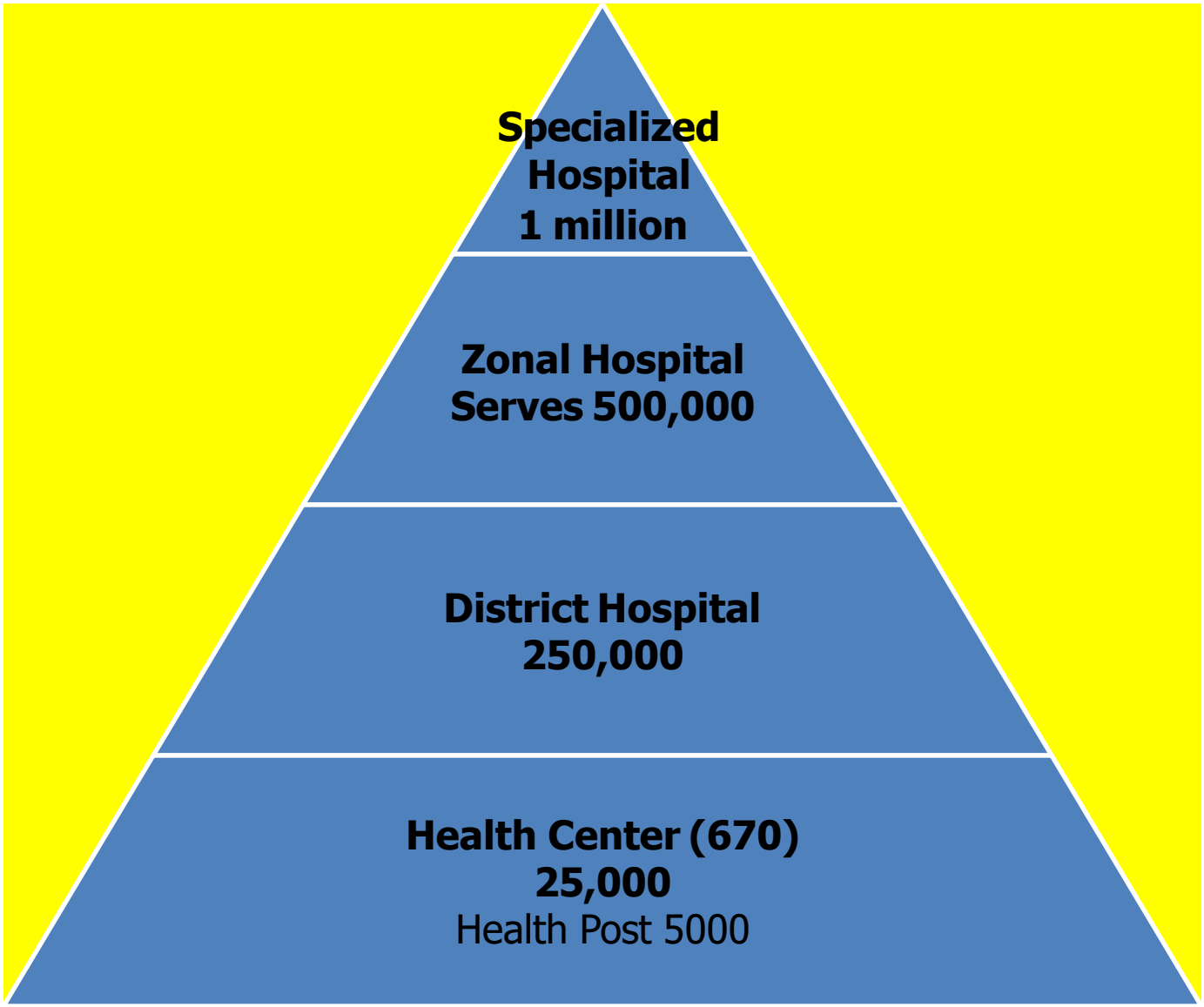


- Community health services (CHS) 1: 1000 people

- Health Station (HS) 1: 10,000 people

- Rural hospital 1: 50-100,000 people
- Regional hospital 1: 1.6-3 million people
- Central hospital

The four -tier health care delivery system



cntd....

- The government of Ethiopia issued its health policy in 1993.
- It emphasizes the importance of achieving access to a basic package of quality primary health care services

  by all segments of the population.

- The health policy stipulates that the heath services should include preventive, promotive and curative components.

- Ethiopia has a decentralized three-tier system of primary, secondary and tertiary care currently

- Decentralization of power has largely resulted in shifting decision-making from the central to regional and district levels.

The tree tire health service organization

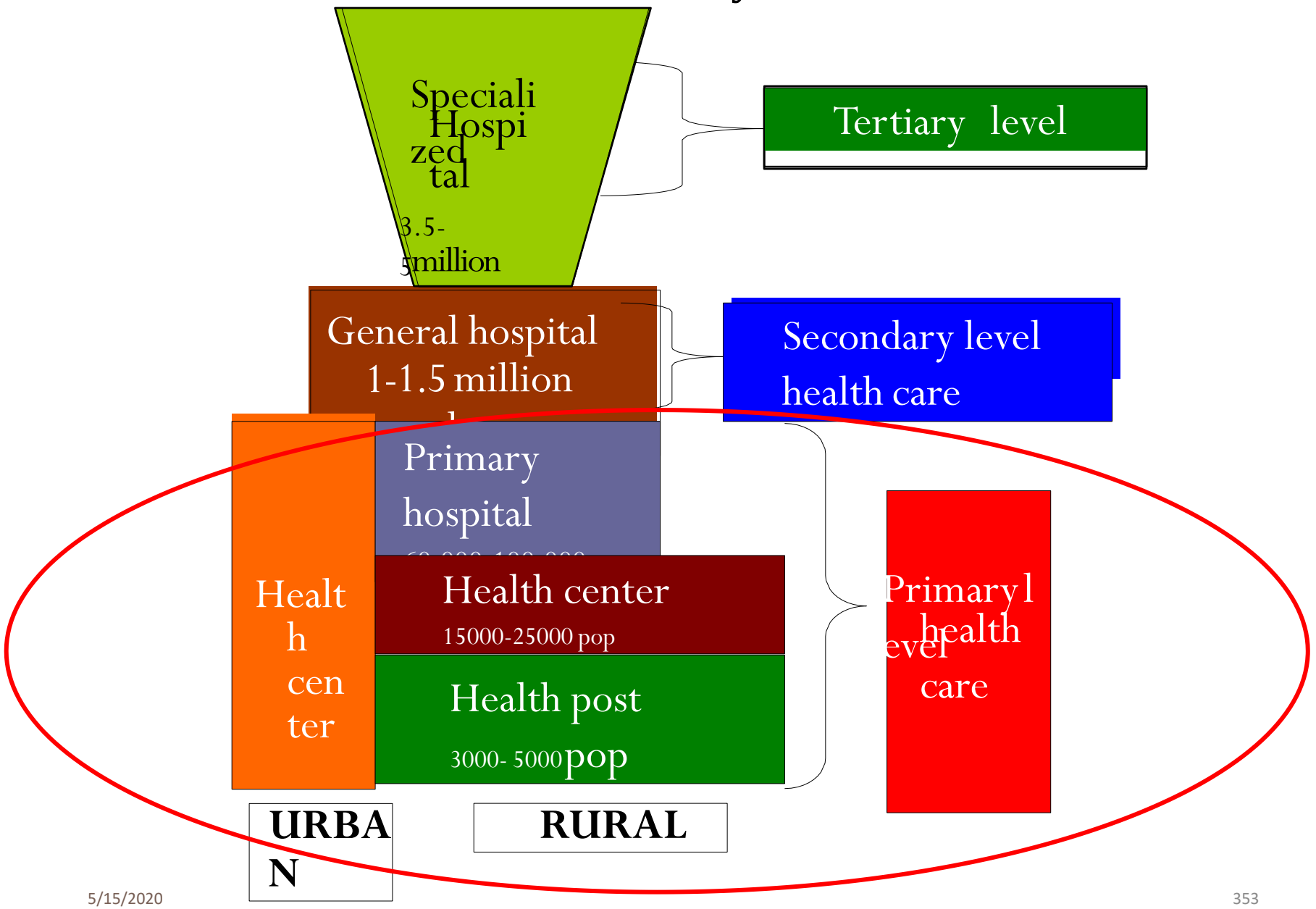
- The recently implemented BPR of the health sector has introduced a three-tier health care delivery system which is characterized by
- **A first level** of a Woreda/District health system comprising
  - a primary hospital (with population coverage of 60,000-100,000 people),
  - Health centers (1/15,000-25,000 population) and
  - their satellite Health Posts (1/3,000-5,000 population)
- Connected to each other by a referral system.

- A Primary Hospital, Health center and health posts form a Primary health care unit (PHCU) with each health center having five satellite health posts.

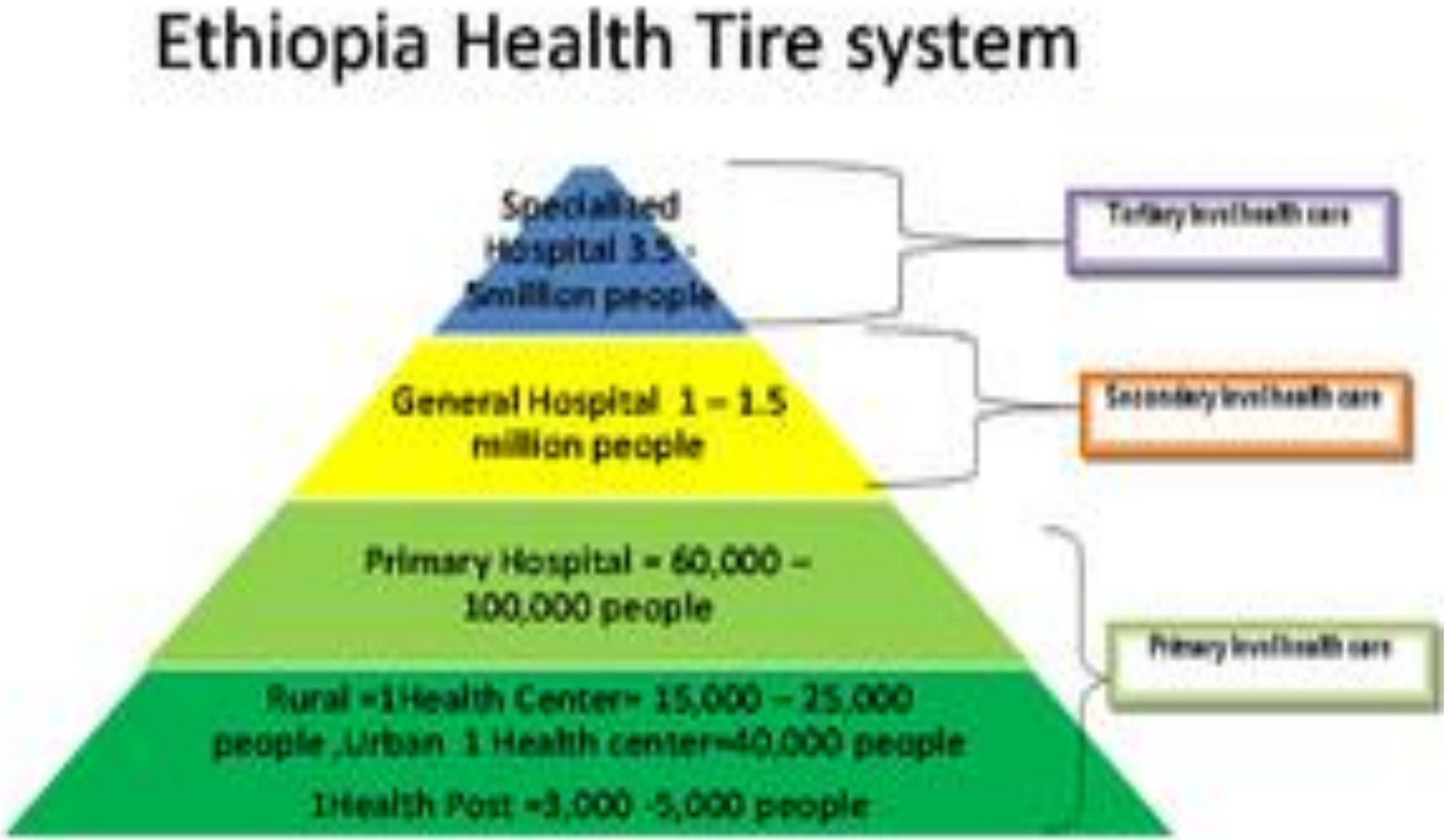
- **The second level** in the tier is a General Hospital with population coverage of 1-1.5 million people.

- **The third level** is a Specialized Hospital that covers population of 3.5-5 million.

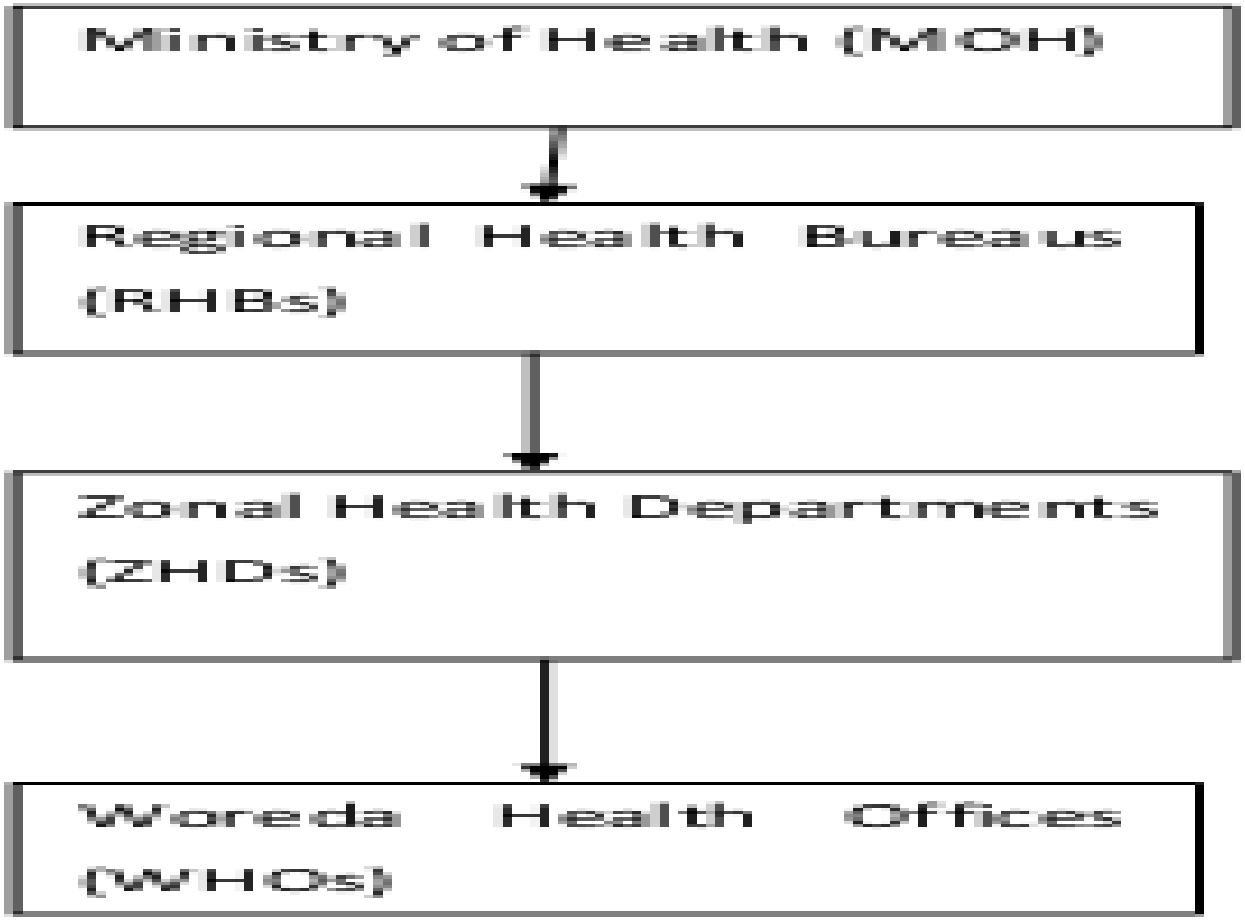
The current Ethiopian 3-Tiered Health System



Health Service deliverv system in



Organization of Health administration in Ethiopia



National Health Plan

- The health sector transformation plan (2015/16 - 2019/20), in line with our country's second growth and transformation plan (GTPII), has set ambitious goals to improve :

  -equity, coverage and utilization of essential health services,

  -quality of health care, and

  -enhance the implementation capacity of the health sector at all levels of the system.

Health Service delivery system in Ethiopia…

❖To improve the delivery of quality health care services, the health sector has invested in the following programs:

- Health Extension Programme
- Health Development Army
- Supply chain management
- Health care financing
- Health insurance
- Human resources development
- Health information system
- Continuous quality improvement programme
- Referral system.

Health Service delivery system in Ethiopia….

- The Health Extension Programme serves as the primary vehicle for implementation of community-centered essential health care packages and as an effective referral system from the grass-root level to broaden access to care at secondary and tertiary levels.
- A large Health Development Army was also initiated to expand the success of the Health Extension Programme deeper into the community to improve community ownership and scale-up best practices.

Health Service delivery system in Ethiopia

- The health sector provides key health services and interventions free of charge, including immunization, counselling, testing and treatment of HIV/AIDS and tuberculosis, and prevention of mother-to-child transmission.
- These services help to improve the health status of vulnerable segments of society, including mothers and children.

Health Service delivery system in Ethiopia…

- The lowest level of referral system in Ethiopia is the primary health care unit, which is composed of
  - Five satellite health posts,
  - One health centre and
  - One primary hospital
- Each health post is staffed by two health extension workers who provide preventive, promotive and basic curative services, including early recognition and follow-up during and after treatment for mental health problems.
- Health posts also provide training on selected parts of the Health Extension Programme during household visits and outreach services.

Health Service delivery system in Ethiopia…

- Health centers are staffed by around 20 professionals and provide preventive, curative, inpatient and ambulatory services, treatment of common psychiatric disorders, and dental services.
- Primary hospitals are staffed by around 53 professionals and provide preventive, curative, inpatient and ambulatory services, and emergency surgical services, including caesarean section and blood transfusion.
- They also serve as referral centers for health centers and practical training centers for nurses and paramedical health professionals.

Health Service delivery system in Ethiopia…

- General hospitals are staffed by around 234 professionals and provide inpatient and ambulatory services.
- They are also referral centers for primary hospitals and training centres for MDs, health officers, nurses, emergency surgeons and other categories of health workers.
- The specialized hospital is staffed by around 440 professionals and serves as a referral centre for the general hospitals and provides inpatient services.
- However, the Referral system is not well functioning in Ethiopia !!!

The way forward

- Strengthen the formal referral system between health centres and health posts, and make newly established health centres and hospitals fully functional.
- Improve the institutional capacity of health facilities to meet the expected increase in client demand for health care.
- Address cultural barriers using health extension workers and the Health Development Army
- Provide client-friendly health services to increase service utilization at health facilities.

THE Health extension program in Ethiopia

- The HEP in Ethiopia was embarked in 2002 as Flag ship program
- HEP is "a package of basic and essential promotive, preventive and curative health services targeting HOUSHOLDS in a community, based on the principles of primary health care (PHC) to improve the families' health status with their full participation"
- Family and community centered program

WHY HEP?

- Basic health services had not reached the needy population at grass-root levels
- limited expansion of facilities
- Fundamental gap in applying the core principles & practices of PHC
- The uneven distribution of facility based health services
- lead to the birth of new ideas, strategies

HOSPITAL MANAGEMENT

The word Hospital is derived from the Latin word hospitium, which means a place where guests are received.

Hospitals are important part of the health system.

- Provide complex curative care,
- Act as a first, second, or last referral level,
- Centre for transfer of knowledge and skill,
- Constitute essential source of health information, and
- Use more than half of the national health resource in terms of budget and highly skilled manpower.

Types of Hospitals

General hospital: provides a wide range of acute-care services for all age groups.

Special Hospital: provides care for those in specific age groups, e.g. children, those with a specific disease, e.g. TB, cancer & those of one sex, e.g obstetrics.

- Hospitals can also categorized by level of services provided.
- These different levels are based on the following criteria:
- **Case mix** i.e. type of patients seen.
- **Technical capacity** i.e. availability of technology.
- **Availability of skills** i.e. type and number of staff.

Tertiary hospital

- Complex problems are dealt with.
- More than ten clinical specialties.
- Most specialized staff and technical equipment.
- Bed size ranges from 300 to 1500 depending on the population to be served.

Regional hospital

- Five to ten clinical specialties.
- Bed size ranging from 200 to 800.
- Intermediate number of specialized staff and technical equipment.

District hospital

- Less than five specialties or in some countries only GPs.
- Limited laboratory services.
- Bed sizes from 50 to 300.

Various Units of the Hospital

Clinical Units

OPD: This is the most important unit of the hospital.

- Its proper functioning is an indicator of the performance of the hospital.
- Public image of the hospital is influenced by the OPD.

Inpatient: It is a place where the healing process is to be accelerated through improved quality of care.

- Normally patients should be admitted only from the medical point of view.
- However, at present admission for social reasons is increasingly becoming a serious problem.

Supporting Service Units

- The clinical support service units such as laboratory, pharmacy, x-ray, pathology and others require professional skills and equipment.
- Usually they are under managed or unaccountable.
- There is a need for placing strong management in these units.

- The most improperly managed in many hospitals is the **registration office**.
- This unit requires properly trained staff in data handling and very close supervision is required

Referral System

Development of the Referral Mechanism

- In this case patients are referred upward for higher level of care and are referred backward for continuity of care.
- It is a t**wo-way** system.
- Referral has an advantage in strengthening lower health units in the following way:

- It decreases patient suffering and improves survival.
- It serves as a process of continuous and permanent learning for the health worker.
- It improves the performance of PHCU by delegating responsibilities for follow up of cases e.g. Tb. and leprosy cases.
- It increases community confidence in the health service.

- Referral should make a difference for the referred patient in terms of improvement of patient condition.
- A referral is useful only if something can be done at the hospital that can not be done at the periphery.

Problems in the Development of a Better Referral

- Poor quality of care provided at the lower levels of care.
- Inadequate coverage of health services.
- Inadequate resource allocation to PHUs.
- Low quality of care perceived by the population.
- Distance and financial inaccessibility.

- Inadequate flow of information between the hospital and the lower levels.
- Lack of organizational and management links between the different levels of care.
- Organizational and management weakness at the OPD in terms of processing and coordinating referrals.

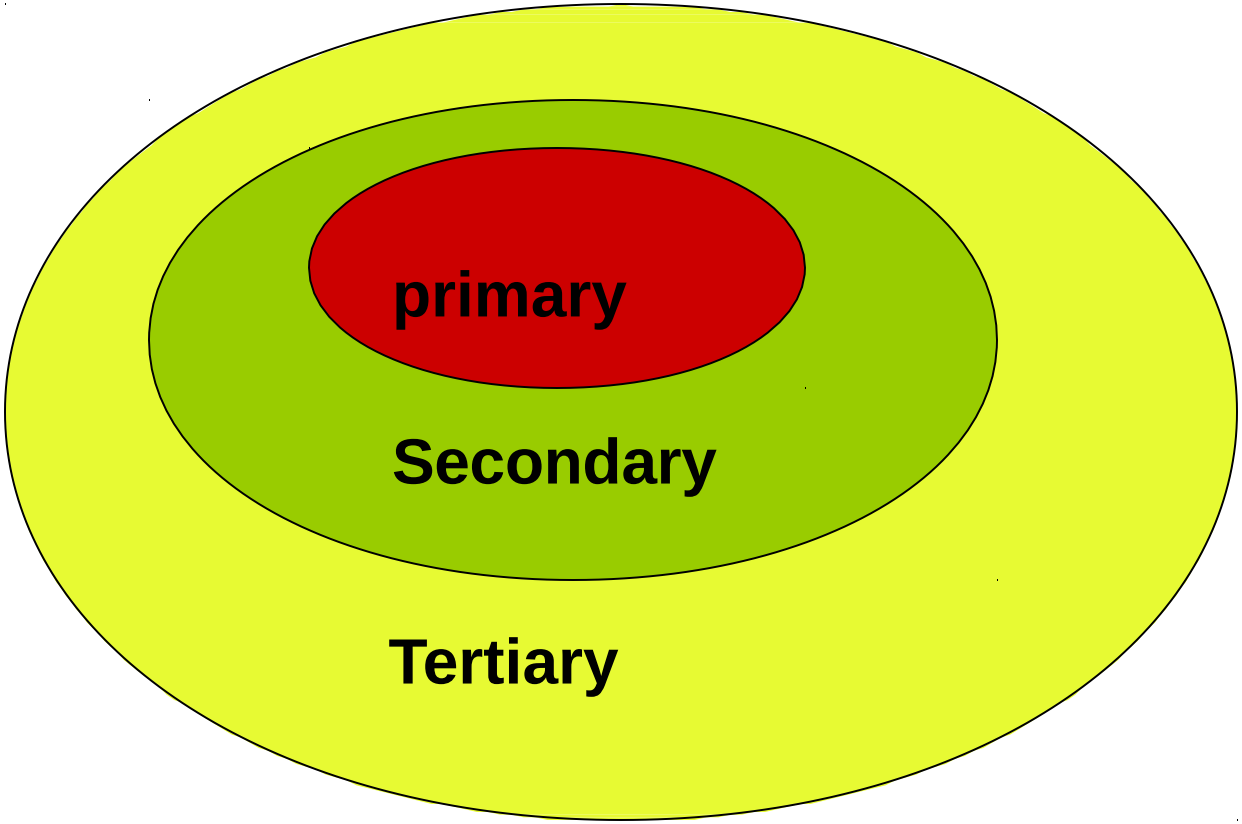
Primary Health Care

(*PHC*)

Health Care

- Health is fundamental human right.
- It is the responsibility of the government.
- Criticism – predominantly urban oriented
  - mostly curative
  - accessible mainly to small part of the population

Levels of Health Care



Primary Health Care

- Primary – first level of contact….essential health care PHC, HP
- Secondary – complex problems are dealt… district hospitals, Zonal Hospital
- Tertiary – specialized level ….medical colleges, specialized hospitals

Introduction

- **Def**: PHC (Primary Health Care) is an essential health care based on practical, scientifically sound and socially acceptable methods and technologically made universally accessible to individuals and families in the community through their full participation and at a cost that the community and country can afford to maintain at every stage of their development in the spirit of self reliance and self development.

Important terms in the definition

- Primary: First in order of its importance
- Essential: Health care provided through PHC is basic, indispensable and vital.
- Practical: Applicable
- Scientifically sound: The strategy we use in implementing PHC should be scientifically explainable and understood.

Cont…

- Socially acceptable methods : Should be accepted by the local community.
- Universally accessible: To bring health care as close as possible to where people live and work

Concept of Primary Health Care

- PHC is for all specially the needy
- Regardless of social and economic status every individual in the nation must have access to good health care
- The services should be acceptable to the community and there must be active involvement of the community
- The health services must be effective, preventive, promotive and curative
- The services should form an integral part of the country's health system
- The programme must be efficient, multi- sectorial because health does not exit in isolation

Historical Development of PHC

- WHO which was established in 1948, has always had as a major objective the attainment by all people of the highest possible level of health." WHO definition”

- However due to political and socio-economic factors the various health care approaches implemented in different countries between 1948 and 1978 did not enable WHO to meet the stated objective.

- In the 1950s the vertical health service strategy was implemented which included
  - mass campaigns and
  - specialised disease control programmes for selected communicable diseases :like control of malaria, tuberculosis and venereal diseases.

However these approaches were found to be

- expensive and
- unsuccessful.

- Later in the mid 1950s the concept/strategy of Basic health Service came into practice.
- This approach gave more attention to rural areas through construction of health centres and health station providing both preventive and curative care.
- In the early 1970s integration of the specialised disease control programmes with the basic health services was emphasised.

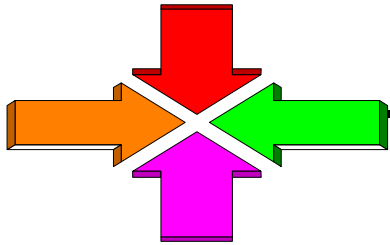
- All these approaches were disease oriented based on high cost ,health institutions requiring advanced technology to solve the health needs of the people, and ***thus ultimately failed to reach the desired goal.***
- Specially in developing countries where their health problems required emphasising health promotion and preventive care, the strategies applied did not make much impact on the health status of the population.

Out comes of 1950s to 1970s

- Despite health being a fundamental human right and world wide social goal, the health of hundreds millions of people in the world at that time and even today is unacceptable.

- Health institutions stressed curative services with lacking priority to preventive, promotive and rehabilitative care.
- The community have rarely been given the opportunity to play an active role in deciding the types of activities they want and have not participated in the actual service they receive.

Themes Leading to Alma Ata



1. Changing theories of health & development: shift away from GNP as measure of development towards recognition of the need of social development
2. Concerns about poverty &population control
3. Increasing reliance upon alternative approaches to medical care model
4. Success of CHWs &associated emphasis on community participation
5. Revival of interest in public health; tackling causes of ill health rather than symptoms

- These situations called for WHO and UNICEF in the early 70s to seriously and critically re-evaluate and re-examine existing policies, approaches and options in health.
- **Thus -the magnitude of health problems and inadequate distribution of health resources called for a new approach and the concept of PHC.**

- In 1977 the WHO set a goal of providing "Health for All by the year 2000" which aims at achieving a level of health that enables every citizen of the world to lead a socially and economically productive life.

- The strategy to meet this goal was later defined in the 1978 WHO/UNICEF joint meeting at Alma-Ata USSR.
- In this meeting it was declared that the primary health care strategy (PHC) is the key to meet the goal of "health for all by the year 2000".

PHC - THE LEVEL OF CARE

- The term PHC- historically means most peripheral level of organized health care
- the point of contact between community & the health services.
- The ALMA-ATA declaration states that this level is an" Integral part of the national health care system of which it is the central function and main focus."

Cont…

- The level of care at various levels of health delivery system provides infact two ways referral system addressing all health care programme elements.
- The level of care also needs to consider involvement of communities and other sectors within the functional infrastructure.

Principles of primary health care

- Equity
- Intersectoral collaboration
- Community involvement
- Appropriate technology
- Emphasis to promotion and prevention
- Decentralization

I. Equity

- Providing equal health care to all groups of people according to their needs.
- giving highest priority to those with greatest health needs
- Services should be physically, socially, and financially accessible to everyone

II. Intersectoral collaboration

- It means a joint concern and responsibility of sectors
- Which sector must be collaborated?

❖ **Important to:-**

➢ Save resources (effective use of resources)

➢ Identify community needs together

III. Community involvement

- The communities should be actively involved in:
  - The assessment of the situation
  - Definition of the problems
  - Setting of priorities
  - Planning, implementation, monitoring and evaluation and management of development programs

IV. Appropriate Technology

- Methods- procedures - techniques, equipments used are;

➢ Scientifically valid

➢ Adapted to local needs

➢ Acceptable by the professionals

➢ Acceptable by the community

Criteria of Appropriateness

- **Effective**:-must work and fulfill its purpose
- **Culturally acceptable and valuable:-** must fit into the hands, minds and lives of its users
- **Affordable**:-affordable cost by the whole community
- **Environmentally Accountable**:- should be environmentally harmless
- **Measurable**:-needs proper and continuing evaluation if it is to be widely recommended.

V. Emphasis on health promotion and prevention

- **Promotive:** addresses basic causes of ill health at the level of society.
- **Preventive:** reduces the incidence of disease by addressing the immediate and underlying causes at the individual level.
- **Curative:** reduces the prevalence of disease by stopping the progression of disease among the sick.
- **Rehabilitative:** reduces the long-term effects or complications of a health problem.

VI. Decentralization

- Bringing decision making away from the national or central level and closer to the communities served & to field level providers of services.
- It reflects Community participation

THE COMPONENTS OF PHC AT ALMA-ATA DECLARATION

1. Health education
2. Promotion of food supply and proper nutrition
3. Adequate supply of safe water and basic sanitation
4. Maternal and child health care, including family planning
5. Immunization

Cont…

6. Prevention and control of locally endemic diseases
7. Treatment of common diseases and injuries
8. Provision of essential drugs

Components added after Alma Ata Declaration

- Mental health
- Dental health (oral health)
- Control of ARI (Acute respiratory tract infections)
- Control of HIV/AIDS and other STDS
- Occupational health
- The use of traditional medicine

Principles and strategies of Primary Health Care

The Basic Requirements for Sound PHC (the 8 A's and the 3 C's)

• Appropriateness • Availability • Adequacy • Accessibility • Acceptability • Affordability	• Assess ability • Accountability • Completeness • Comprehensiveness • Continuity

Appropriateness

Whether the service is needed at all in relation to essential human needs, priorities and policies. The service has to be properly selected and carried out by trained personnel in the proper way.

Adequacy

The service proportionate to requirement.

Sufficient volume of care to meet the need and demand of a community

Affordability

The cost should be within the means and resources of the individual and the country.

Accessibility

Reachable, convenient services Geographic, economic, cultural accessibility

Acceptability

- **Acceptability of care depends on a variety of factors, including satisfactory communication between health care providers and the patients, whether the patients trust this care, and whether**

  the patients believe in the confidentiality and privacy of information shared with the providers.

Availability

Availability of medical care means that care can be obtained whenever people need it.

Assessability

Assessebility means that medical care can be readily evaluated.

Accountability

- **Accountability implies the feasibility of regular review of financial records by certified public accountants.**

Completeness

Completeness of care requires adequate attention to all aspects of a medical problem, including prevention, early detection, diagnosis, treatment, follow up measures, and rehabilitation.

Comprehensiveness

Comprehensiveness of care means that care is provided for all types of health problems.

Continuity

Continuity of care requires that the management of a patient's care over time be coordinated among providers.

Strategies of PHC

1. **Reducing excess mortality of poor marginalized populations**:

PHC must ensure access to health services for the most disadvantaged populations, and focus on interventions which will directly impact on the major causes of mortality, morbidity and disability for those populations.

2.Reducing the leading risk factors to human health:

PHC, through its preventative and health promotion roles, must address those known risk factors, which are the major determinants of health outcomes for local populations.

3. Developing Sustainable Health Systems:

- PHC as a component of health systems must develop in ways, which are financially sustainable, supported by political leaders, and supported by the populations served.

4. Developing an enabling policy and institutional environment:

- PHC policy must be integrated with other policy domains, and play its part in the pursuit of wider social, economic, environmental and development policy.

Approaches to PHC

- In 1979/80 two distinct approaches in PHC implementations were grounded for intensive discussion.

1. **Selective PHC (sPHC)**
2. **Comprehensive PHC (cPHC)**

SELECTIVE PRIMARY HEALTH CARE

PHC implies that if one cannot afford to offer universal coverage for even the most basic of health care, one could would offer treatment & preventive strategies for the few diseases identified as having the greatest threat to mortality, &which are amenable to prevention / cure at low cost.

sPHC

- IS the low cost strategy to treat and prevent few **selected diseases** which have great impact to mortality:

GOBI -FF

G = Growth monitoring through the use of growth charts for promotion of child health and nutrition**.**

O = Oral Health.

B = Breast Feeding

I = Immunization

F = Female Education

F = Family Planning

Selective PHC

ADVANTAGES

1. Donor friendly
2. Elimination of selected disease
3. Easy to plan & implement
4. Is focused &have more impact
5. Easy to manage & measure output
6. Require limited resources
7. Improve quality of services

DISADVANTAGES

1. Disease rather than health oriented
2. Doesn't ensure equity
3. Top down decision making
4. Neglect other problems
5. Leads to outbreak
6. Resources *(tight)* might not be available for urgent needs *(emergencies)*
7. Less community involvement– donor priority

Comprehensive PHC approach

- Health is defined in the holistic sense
- Health is concerned with equity
- Multisectoral approaches are key to obtaining good health
- Community involvement is critical

Comprehensive PHC

- Acknowledges other factors that contribute to poor health including:
- social influences which look at the
  - impacts of the key determinants of health which leads to the social determinants of health
- Social justice and equity
- Community control
- Social change
- Manages factors that generate ill health
- Involves an approach to health care over a continuum from health promotion to illness treatment

Advantage of the cPHC approach

- ❑ It looks at health holistically
- Development oriented
- It involves people and leads to empowerment
- It promotes equity
- It advocates multi- sectoral collaborations
- It deals with priorities of the community
- Covers all elements of PHC

Disadvantages of the cPHC approach

- It is expensive initially to set up an infrastructure
- Requires conscious planning
- Results are gradual
- It is a long process
- It is a complex process

Differences between cPHC and sPHC

Definition of *health*

- sPHC views health as the absence of disease
- cPHC views health from the holistic approach

- **The importance of *equity***
  - sPHC gauges its success on effective disease control for the least amount of money.

- Consolidates health provisions in the hands of **health professionals** and gives high credit to the importance of infrastructure, attitudes, and perception

- cPHC , equity is its pillar.

  - equal distribution of the available resources.

  - equitable provision of health care to all people.

- **The need for a *multi-sectoral to health problems***

  -sPHC centers the solution on medical interventions and does not recognize contribution and cooperation by other sectors.

  -cPHC, health is not merely a disease problem but development problem and, therefore, must be tackled by all those concerned.

- **The importance of *community involvement***

  -sPHC has no concern with enabling people to determine their own destiny or involving local people in the planning.

  - cPHC is community based.

Functions of PHC

- Medical care.
- MCH including family planning
- Safe water and basic sanitation
- Prevention & control of locally endemic diseases.
- Collection & reporting of vital statistics.
- Education about health.
- National health programmes
- Referral services
- Training of health guides, health workers, local dais & health assistants

PHC in Ethiopia

- The health policy which was established in 1976 by the ministry of health includes
    - Emphasis on disease prevention
    - Priority to rural health service
    - Promotion of self reliance and community involvement
    - The health policy has been further consolidated by the adoption of PHC as a strategy.

- PHC activities in Ethiopia, which formally began in 1980s, include the following
  - Education on the prevailing health problems and methods of preventing and controlling them.
  - prevention & control of locally endemic diseases
  - program on Immunization
  - Maternal and child health including family planning

PHC in Ethiopia…

- Essential drugs provision
- Nutrition promotion & food supply
- Treatment of common diseases and injuries
- Sanitation and safe water supply

- Since 1980 PHC has been the main strategy on which the health policy has been based.

PHC in Ethiopia…

- The 1985 review of PHC implementation in Ethiopia revealed the following achievements:
  - Expansion of health services to the broad masses
  - Expansion of Immunization programmes
  - Increasing number of medical and paramedical personnel.
  - Increased health propaganda attempts to improve health consciousness of the population.
  - Established PHC committees at the lowest local administrative level.

Cont…

- Emphasis for development of an equitable and acceptable standard of health service system was further stressed.
- The Health Policy further emphasized the decentralization of services and initiating the participation of people in health issues.

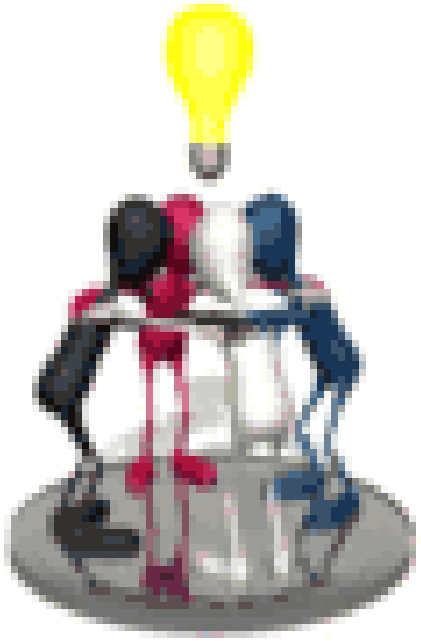
Major problems in the implementation of PHC in Ethiopia

- Absence of infrastructure at the district level
- Difficulty in achieving inter-sectoral collaboration
- Inadequate health service coverage and mal-distribution
- Inadequate resource allocation

- Absence of clear guidelines or directives on how to implement PHC
- Presence of harmful traditional practices
- Absence of sound legal rules to support environmental health activities
- Weak community involvement in health

Week 9: Managing a health team

Group dynamics and team work



'*Coming together is a beginning, Keeping together is progress, Working together is success.“*

Learning Objectives

- Define a group , team and its characteristics
- Discuss on the advantages of working in teams
- Explain the stages of team development
- Discuss on factors that affect group or team attractiveness and cohesiveness
- Identify roles in teamwork for improving organizational performance
- Discuss the techniques of effective coaching

Activity

- What is team and teamwork?
- What is the difference b/n team and group
- How does team building improve performance?
- How do teams contribute to the high-performance workplace?

- ***What Is a Group***?
- Two or more freely interacting individuals who share a common identity and purpose.
- **Informal groups**:
- A collection of people seeking friendship and acceptance that satisfies esteem needs.
- Developed spontaneously when members join together voluntarily because of similar interest

Group…

- **Formal groups**:

➢ A collection of people created to do something productive that contributes to the success of the larger organization.

➢ Officially designated or sanctioned by the organisation

What Does It Take to Make a Group

- Two or more people
- free interaction among members
- common characteristics
- common purpose

Why Do People Join Groups?

- Affiliation
- Identification
- Emotional Support
- Assistance
- Common Interest
- Common Goals
- Physical Proximity
- Assignment – It’s mandatory

Factors Affecting Group Performance

Cohesiveness

- Group Size: Folk wisdom says "two heads are better than one" but that "too many cooks spoil the broth."
- Communication Structure

Leading **Health Team**

What is a Team?

- A team is a small number of consistent people committed to a relevant shared performance goal.
- A team is a small group of people with complementary skills, who work actively together to achieve a common purpose for which they hold themselves collectively accountable

Team

- It is a special type of group
- Preferably 2-8 people,
- Interacting and influencing each other
- The members have attitudes of willingness to work and active participation,
- The members stimulate each other and show no domination of one member over another.
- Are truth worthy

Team

- ***Teamwork*** involves working together to achieve something beyond the capabilities of individuals working alone.
- **Team player**: A team player is someone who is able to get along with their colleagues and work together in a cohesive group

The heart of a true Team…….

- Respect each other
- Flexibility
- Communication
- Trust
- Honesty

Creating high performance team

- There are four equally important roles in teamwork

➢ **Initiate**:- start action, propose new ideas

➢ **Follow**:- accept the idea or proposal for action and support it actively

➢ **Oppose**:- question the direction

➢ **Observe**:- watch what is going on

Roles in Team work

Role	Positive	Negative
Initiate	Gets action started	Dominates
Follow	Supports movement of action	Mindlessly agrees
Oppose	Thinks critically	Obstructs
Observe	Reflects and gives feedback	Acts passively

Types of team

- **A) Formal teams**: deliberately organized and
- created by managers
- Examples:
- **a) Committee:** to carry out specific tasks; relatively long-lived
- **b) Taskforce or project team:** formed to address a specific problem; temporarily established

Types of team

- **B) Informal teams:** emerge whenever people come together and interact regularly; develop with the formal organization
- **Four major functions of informal teams :-**
- 1) Maintain and strengthen the norms (expected behavior) and values of members
- 2) Give members feelings of social satisfaction, status and security
- 3) Help members communicate; create additional channels
- 4) Help solve problems: e.g. social or organizational

Characteristics of an effective functioning team

A clear, understandable goal,

- Competent members
- Unified commitment:
- A collaborative climate:
- Standards of merit,
- External support and recognition, and
- Principal leadership: the leader

stages of team development

1. **Forming**
- Development acceptable to the group.
- Period of orientation or acclimation
2. **Storming**
- Members oppose the formation of the structure.
- Become hostile and fight to the ground rules.
3. **Norming**
- Conflicts are addressed and resolved.
- Group unity emerges

stages of team development

- **4. Performing**
- Structural issues resolved.
- Structure supports group dynamics and
- performance.
- Structure used for task accomplishment.

5.Adjourning: For temporary groups (task force): the group wraps up activities

- The attitude varies from excitement to depression

Team, Team work and Trust

- **Trust: A Key to Team Effectiveness**
- **Trust:** a belief in the integrity, character, or
- ability of others.
- Trust encourages self-control, reduces the need
- for direct supervision, and expands managerial
- control.

Six Ways to Build Trust

- 1. Communication: keep people informed.
- 2. Support: be an approachable person.
- 3. Respect: delegate important duties and listen.
- 4. Fairness: evaluate fairly and objectively.
- 5. Predictability: be dependable and consistent.
- 6. Competence: be a good role model

Team Vs Group

TEAM VERSUS GROUP

Team	Group
Common goal	Self interest, individual goals
Defined responsibilities	No role definitions
Works together	Act independently
Has a leader	Does/does not have a leader
Communicates continuously	Communicates if necessary
Takes responsibility	Blames others
Relies on one another	Relies on self

Communication

Out lines

- Introduction
- Definitions of communication
- Types of communication
- communication process
- Components of communication

Introduction

- Regardless of the type of organization, its maintenance and the relationships between its members is important.
- Communication among the members of an organization can have an impact on

individuals, groups, and the system as a whole

Introduction….

- Human being unable not to communicate.
- Without communication an individual could never become a fully functioning human being.
- It is all meaningful social interaction
- It is a means by which people influence others and, in turn influenced by.

Introduction….

- *"To live is to communicate.*
- *To communicate is to enjoy life more fully"*
- Communication serves many functions in organizations, but these are further complicated by the different status relationships that exist within organizations

What is communication??

- Communication is giving, receiving or exchanging information, opinions or ideas so that the "message" is *completely understood by everybody involved.*
- *Communication is the sum of all things one person does when he wants to create understanding in the minds of another.* includes "the act of communication, the things communicated, and means of communicating

What is communication?

- *A communication has two ends to the stick – it is composed of a speaker's intention and a listener's reception of what is said."*
- It is an *ongoing, essential, instrumental and purposeful process in our lives & involves conveying a messages*

Communication goals

- The ultimate goal of all communication is to create behavioral change
- **To change behavior**
- **To get action**
- **To ensure understanding**
- **To persuade**
- **To get and give**
- **Information**

The elements of communication

- The basic communication model consists of five elements of communication: the sender,

the receiver, the message, the channel and

feedback.

- Sender the sender plays the specific role of initiating communication. To communicate

  effectively,

- the sender must use effective verbal as well as nonverbal techniques

The elements of communication

- Speaking or writing clearly, organizing your points to make them easy to follow and understand,
- maintaining eye contact, using proper grammar and giving accurate information are all essential in the effectiveness of your message

The different types of communication

- Communication is often described in three different ways: **intrapersonal, interpersonal** and

mass communication.

- communication can be used to help build effective organizations,
- to help health staph communicate better with each other, as well as help people improve their health

The different types of communication…

- **Intrapersonal communication describes those kinds of communication which take place** within an individual, essentially it is a person's internal thoughts and reflections.
- **Interpersonal communication involves direct interaction between two or more people or**

within groups.

The different types of communication..

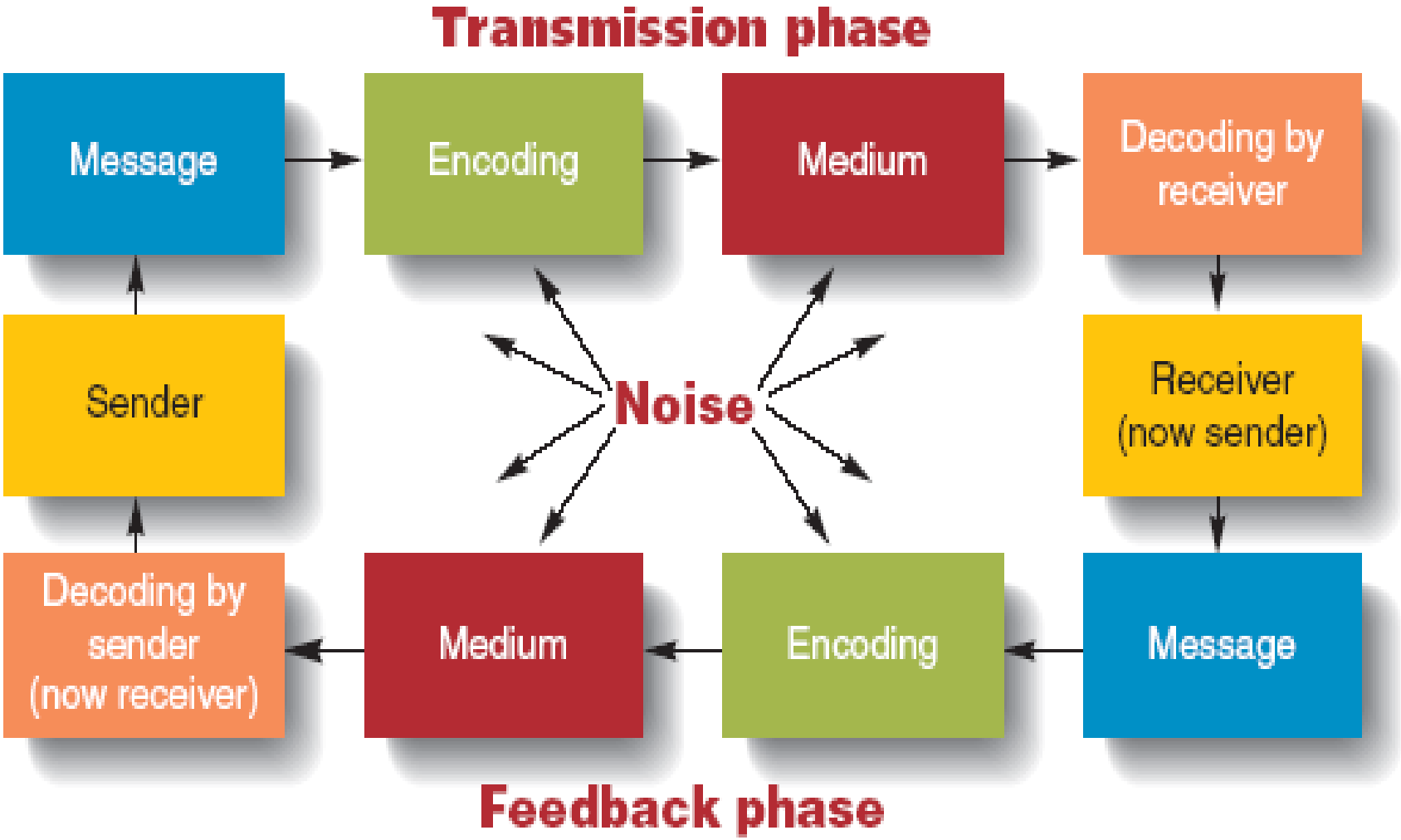
- **Mass communication is a means of transmitting messages to a large number of people,**
- usually using electronic or print media
- but it is important to remember that they have an impact on each other, and effective

communication will mean that you consider all of them whenever you communicate

Communication Process

- The communication process is a *system that involves an interrelated, interdependent group of elements working together as a whole to achieve a desired outcome or goal.*
- It is not a linear process rather it is a cyclical process that involve many elements.
- The most important thing is what happens when the message reaches the people it is aims at.

Communication Process..



Components of communication process

1, Sender: **the person who initiates the communication.**

2, Message: **the ideas that are being transmitted.**

3, Medium or channel: **can the message be conveyed by phone or email, or does it require a** face-to-face meeting with the person receiving the message?

4, Recipient(s): **these are the person(s) for whom the message is intended.**

5, Feedback: **can happen in many forms, but is essential in order to conclude that the process** of communication has been effective

1, Source (sender)

- The originator of message: can be an individual or groups; institution or organization.
- It should have high credibility to get acceptance
- Arrange his thoughts in such a manner to benefit the receiver.

2, Message

- Message is a piece of information, ideas, facts, opinion, feeling, attitude or a course of action that passed from the sender to the receiver
- The idea that is communicated, important thing for the audience to know or do.
- Including the actual appeals, words, and pictures and sounds.
- It can be considered as a stimulus.

3, Channel

- Physical means by which a message travels from source to receiver.
- Spoken words-the most common method
- Written words-any printed material
- Music/Sounds-artistic presentation of messages
- Non-verbal communication or body language.
- Any combination of the above

criteria: Channel selection

- Availability
- Cost
- Users' preference and receivers' access
- Adaptability to the communication purpose/objective
- Adaptability to the message content
- Type of recipient and their stage in the adoption process

- 4. **Receiver(Decoder)**

- The person for whom the communication is intended.
- The response to the message begins with the receipt of the stimulus and the perception.
- The brain analyses the message and makes sense out of it.
- This is referred to as *perception. It consists of decoding the stimulus and interpreting it.*

4. Receiver(Decoder)

- Decoding is the mental process by which the stimuli received by sensory organs are given proper meaning according to the individual's own way of thinking

5, Effect

- Change in receiver's attitude, knowledge and practice.

6.Feedback:

- Is the mechanism of assessing what has happened on the receiver.
- Can be either positive or negative with regard to desired change
- It may not necessarily be written language, etc. it can also be gesture, symbols or signs.

Barriers of communication

- Barriers may be

1. Physical: Competing Stimulus, Environmental Stress, Subjective Stress, Ignorance of the Medium

2. Mechanical: Channels barrier; message interfere with disturbance

3. Psychological: Perception process, selective perception

4. cultural or linguistic: even same word have different meaning and color in different context and culture

Forms of Communication

Verbal or Oral communication

None verbal communication

Written communication

Principles of Communication

1, **Perception**: Perception of the sender & the receiver should be closed as much as possible.

2, **Sensory involvement**: The more sensory organs involved in a communication the more is its effectiveness.

3 **, Face to face**: The more communication takes place face-to-face the more its effectiveness.

4, **Feedback** : give opportunity for timely & appropriate feedback

5,**Clarity**: Ideas, facts and opinions should be clear to the sender before communication happens.

6, **Correct information**: The sender should have at hand correct, current and scientific information before communication

Attributes of Effective Communication

- **How to achieve effective communication**?

✓ Direct Communication and with small groups

✓ Using easily understandable language

✓ Increased similarities between sender and receiver.

✓ Keeping the message short and clear.

✓ Putting yourself in the receiver's shoes.

✓ Using multiple ways of communicating

✓ Keeping confidences and listening

Common attributes of effective communication are:

1. **Accuracy** ……free of errors and valid
2. **Availability** …place where audience access
3. **Balance** ……where appropriate present both risk and benefits
4. **Consistency** …internally consistent over a time and consistent with other sources
5. **Cultural competency** ……culture sensitive
6. **Evidence base** …relevant scientific evidence

Attributes of Effective Communication…

7. **Reliability** ……source of content should credible and up to date
8. **Reach** …….should gets the largest possible audience
9. **Repetition** …repeat over a time either to reinforce or to reach new generation
10. **Timelines** …..deliver when the audience are most receptive or in need of information
11. **Understandability** ……consider language, reading level, technical words

Qualities of effective communication

The communicator should be knowledgeable, positive attitude, skilled and have credibility.

- **The message** should be simple (or brief & clear) meaningful, appropriate, relevant, and timely (SMART).
- **The channel** should be familiar, appropriate, available & accessible.
- **The receiver** should also be responsible with proper attitude to receive the information

Conflict resolution

- **Conflict Management in the Health Sector**

Conflict resolution……

At the end all students are expected to;

- Define conflict
- Describe the various types of conflict
- Determine the causes of conflict
- Explain conflict resolution model

Conflict resolution……

- **Conflict:** is a situation in which two or more people disagree over issues of organizational substance and/or experience some emotional antagonism with one another.
  - **Substantive conflict:** conflict that occurs in the form of a fundamental disagreement over ends or goals to be pursued and the means for their accomplishment.
  - **Emotional Conflict:** conflict that involves interpersonal difficulties that arise over feeling of anger, mistrust, dislike, fear, and the like.

Conflict resolution……

- It is the perceived incompatible differences that result in interference or opposition.
- Conflict exists in situations where goals, interests or values of people are incompatible and they block other's efforts to achieve their goals.
- It is natural and inevitably arise

- Conflict is often needed. It:
- Helps to raise and address problems.
- Energizes work to be on the most appropriate issues
- Helps people learn how to recognize and benefit from their differences

➢ Conflict isn't a problem!!

- It will be a problem when it is poorly managed.
- Conflict is a problem when it:

1. Hampers productivity
2. Lowers morale
3. Causes more and continued conflicts
4. Causes inappropriate behaviors

What are the types of conflict?

1. Interpersonal Conflict: between individuals based on differing goals or values.
2. Intragroup Conflict: occurs within a group or team.
3. Intergroup Conflict: occurs between 2 or more teams or groups.
4. Interorganizational conflict: occurs across organizations. Managers in one firm may feel another is not behaving ethically.

- Managers play a key role in resolution of this conflict.

Sources of Conflict

Different goals and time horizons: different groups have different goals.

2. Overlapping authority: two or more managers claim authority for the same activities.

3. Task interdependencies: one member of a group fails to finish a task that another depends on.

- This makes the worker that is waiting fall behind.

Sources of Conflict

. Incompatible evaluation or reward system:

workers are evaluated for one thing, but are told to do something different.

5. Scarce Resources: conflict might arise as a result of scarce allocation of resources.

6. Status inconsistency: some groups have higher status than others

Conflict management

Conflict management is;

- The use of strategies and tactics to move all parties toward resolution.
- At least containment/ suppression/ of dispute, in a manner that avoids escalation/ intensification/ and the destruction of relationships.
- Within organizations, it is the manager who most often manages conflicts and who is most responsible for dealing with them

Conflict Resolution Approaches

1.Traditional approach - people selected outside institute/ neutral groups to mediate disputes

2. The modern approach

a) Win-Lose method

- Is based on force
- Personal goals are satisfied at another experience through the use of authorities

b) Lose-Lose Method

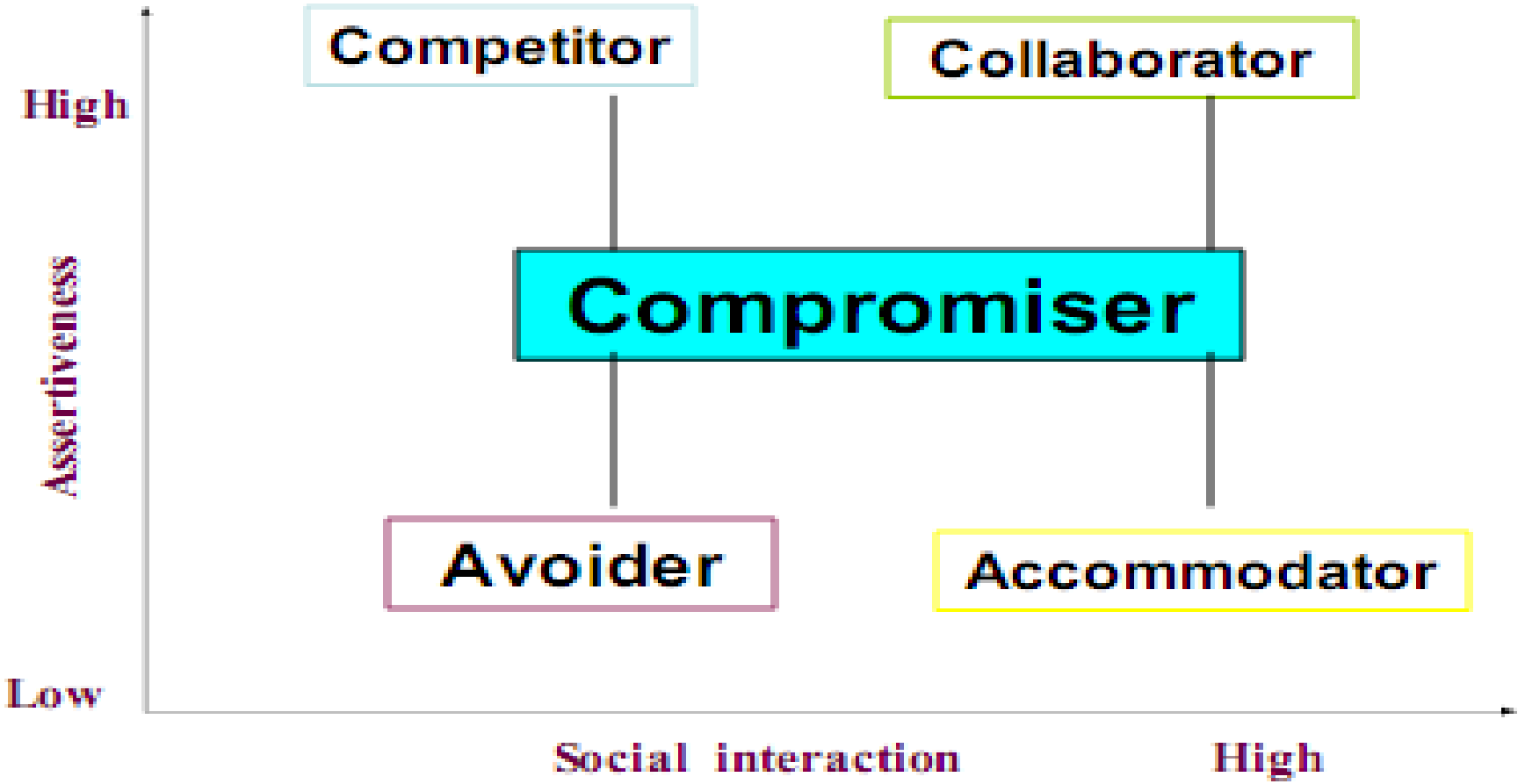
- Neither party being truly satisfied
- With no clear winner
- Both parties pay the costs

Conflict Resolution Approaches

c) Win - Win method

- The most constructive resolution but most difficult to reach.
- Finally settle the most mutually beneficial solution
- Ideal approach

Conflict resolution styles



1. Avoiding or Inaction

- The goal is to do nothing or delay
- Denial of the existence of conflict or unwillingness to deal with the issues

"No way"

You may be using this style if you:

1. Avoid situations that create tension
2. Avoid controversy
3. Avoid open discussions of issues or concerns
4. Postpone difficult negotiations

2. Accommodator

- Low assertiveness but high social interaction
- The goal is to let the other party win
- Giving the other side what they ask or demand

  "Your way"
- You may be using this style if you:

1. Focus on other parties concerns more than your own
2. Trying to help the other party even when it means giving something up
3. Trying to keep the other party happy
4. Trying not to hurt the other parties feelings

3. Collaborator/problem solving

- High assertiveness and high social interaction
- The goal is to find a win/win solution
- You confront conflict directly.
- You communicate your feelings as well as facts so that there is a basis for understanding and working through the conflict.

"Our way"

You are negotiating with a collaborating style if you:

1. Bring issues into the open.
2. Issues are important to both parties.
3. Looking for creative solutions.
4. Seek to build trust and satisfy both parties.
5. Exchange information and ideas freely

4.Competitor

- You would probably do this only if you believe the cause is important and your position is correct.
- You take a win-lose approach and fight to win your own points as long as possible.
- Adopted when other strategies of conflict resolution are not workable

Advantages:

- Asserting your position
- Possibility of a quick victory
- Self-defense

Disadvantages:

- Sets a pattern about use of power
- May increase power differential, harm relationships
- Doesn’t build ownership, may create resistance

- **Thank you very much**

Week 10 and 11: Managing Resource for Health

For

2nd year Regular B.Sc. Midwifery students

Prepared by: Wodaje Gietaneh (Bsc, MPH)

May,2020

DMU

Lesson Contents

- Human Resource for Health Management
- Managing space
- Managing Finance
- pharmaceutical logistic and managing drugs
- Material management
- Managing time

Human Resource for Health Management

Human Resource for Health Management

Session objectives

At the end of this session students will be able to:

- Discuss functions related to HRM
- Identify the different steps of employment
- Understand the concept of performance appraisal
- Describe the different steps of disciplinary actions

Human Resource Management

- HRM is the part of the organization concerned with the "people" dimension.

- *The process of attracting, developing and maintaining a talented and energetic workforce to support organisational mission, objectives and strategies.*

Human Resources Management

Definition:

HRM is the management function that deals with:

- Recruitment,
- Selection,
- Placement,
- Training, and
- Development of organization members

HRM…

HRM includes seven basic activities:

1. Human resource planning
2. Recruitment
3. Selection
4. Socialization/Orientation/induction/
5. Training and Development
6. Performance Appraisal
7. Promotions, Transfers, Demotions, and Separations.

1.Human Resource Planning

- The process by which management ensures it has the right number and kinds of people in the right places at the right time, who are capable of helping the organization achieve its goals
- Steps in the planning process:
  1. Assessing current human resources
  2. Assessing future human resources needs and developing a program to meet those needs
  3. taking into account analysis of both internal and external factors.
  4. Planning for recruiting & development of employees

2. Recruitment

- Searching for and attracting prospective employees
- The development of a pool of job candidates in accordance with a human resource plan

Methods of recruitment

- **Peer recruiter** (advantage: well informed, person is identified)
- **Within the organization** (advantage: familiar, inspiring, less expensive)
- **Outside the organization** (e.g. colleges, graduate schools, other organizations)
- **Formal announcement** (mass media)

Legal considerations

1. Prohibiting discrimination by: Race, Sex, Age, Colour, National origin
2. Equal employment opportunity, which

   should apply to both public and private sectors.
3. Affirmative action for (women, disabled or minority group)
4. Comparable worth: Different jobs that require comparable skills and knowledge deserve comparable pay (like pay for like job)

3. Selection

- It is the process of choosing individuals who can successfully perform a job from available candidates
- It is a crucial process in management and requires constant attention, interest and concern of management.
- The three sources of information used in selection are **application forms, pre-employment interviews and testing**

Activity

In pairs;

- *Reflect your experience when you arrived at your work place for the first time.*
- *List what the organization/supervisor has done for you with regard to the work environment.*
- *Have you faced any challenge? How did you resolve it?*
- *Identify areas that you feel are important to improve work environment for new employees.*

4. Introduction (Socialization)

- When the candidates or the best applicant is selected and offered a job, it is necessary to introduce the new employee to the philosophy, rules and polices, etc. of the organization.
- Thus, before the employee begins his/ her work, he/she should be assimilated to job and organizational environment.
- It is a program designed to help employees to fit into the organization smoothly


Those all are our Managers.....
And this is.....our staff !!
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Socialization…

Employee's concerns:

- Anxious/ worry (new environment)
- Perception of the tasks and performance
- Experience in relation to job &organization
- How to go along with other employee
- Personal and family problems.

5. Training and development

- Begins the very first day, which is designed to improve the person's skills and knowledge to do the current job at high level.
- Designed to provide learners with the knowledge and skills needed for their present jobs – *formal and informal*
- Involves learning that goes beyond today's job – more long-term focus

Merits of continuing education

- Shares and exchanges experience with colleagues
- Avoids professional decay and continuing ignorance
- Motivates the health work force
- Improves performance efficiency and proficiency

6. Performance Appraisal

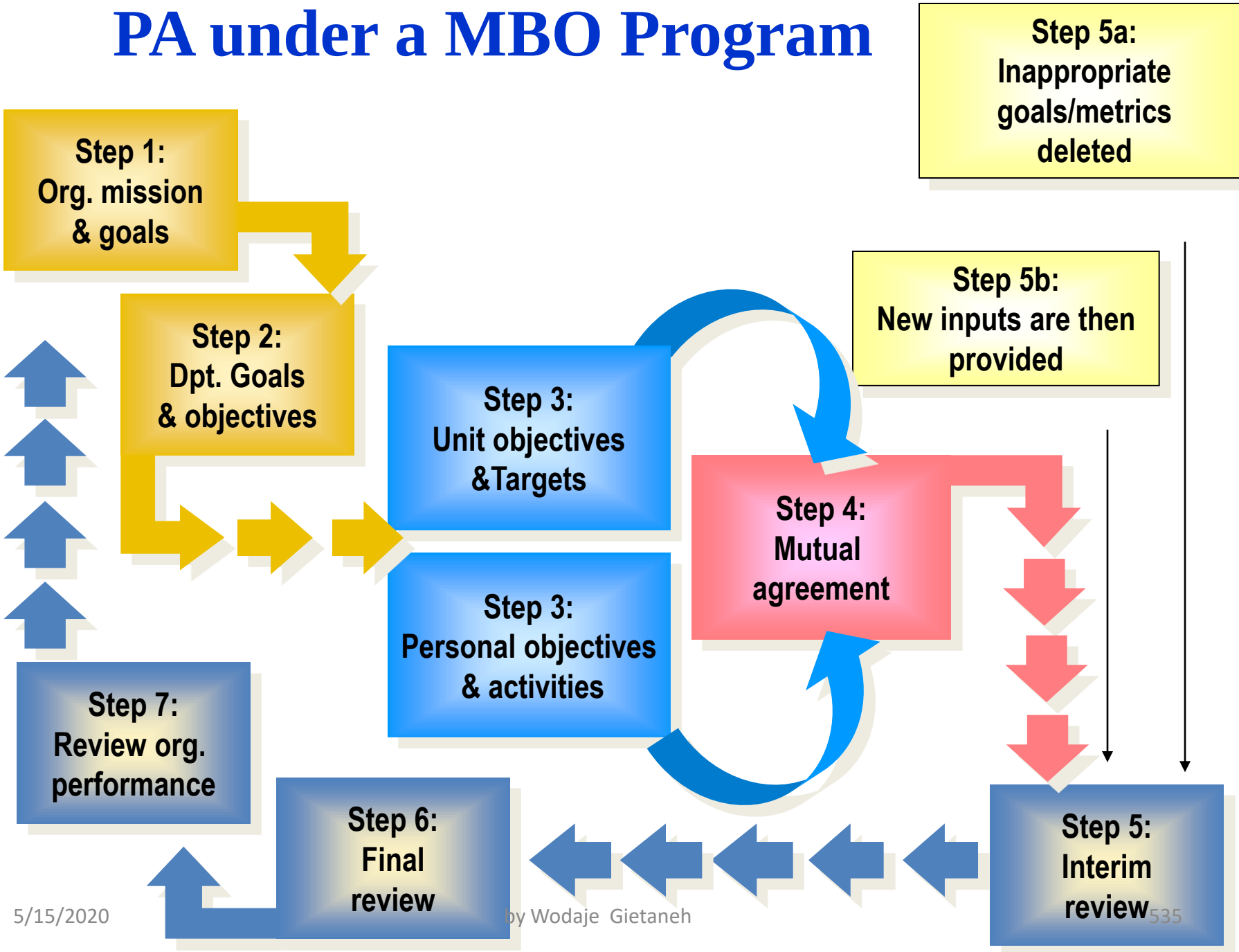
- The *process* by which an employee's *contribution* to the *organization* during a specified *period* of time is *assessed*.
- It is the process through which a manager measures employees' activities and output against organizations objectives.
- It involves measuring actual performance of an employee and providing information about his/her strengths and weakness
- It is systematic, periodic review and analysis of employees' performance.

Performance Appraisal…

Purpose:

- To give feedback,
- To recognize outstanding performance,
- To locate the need for additional training
- To identify candidates for promotion

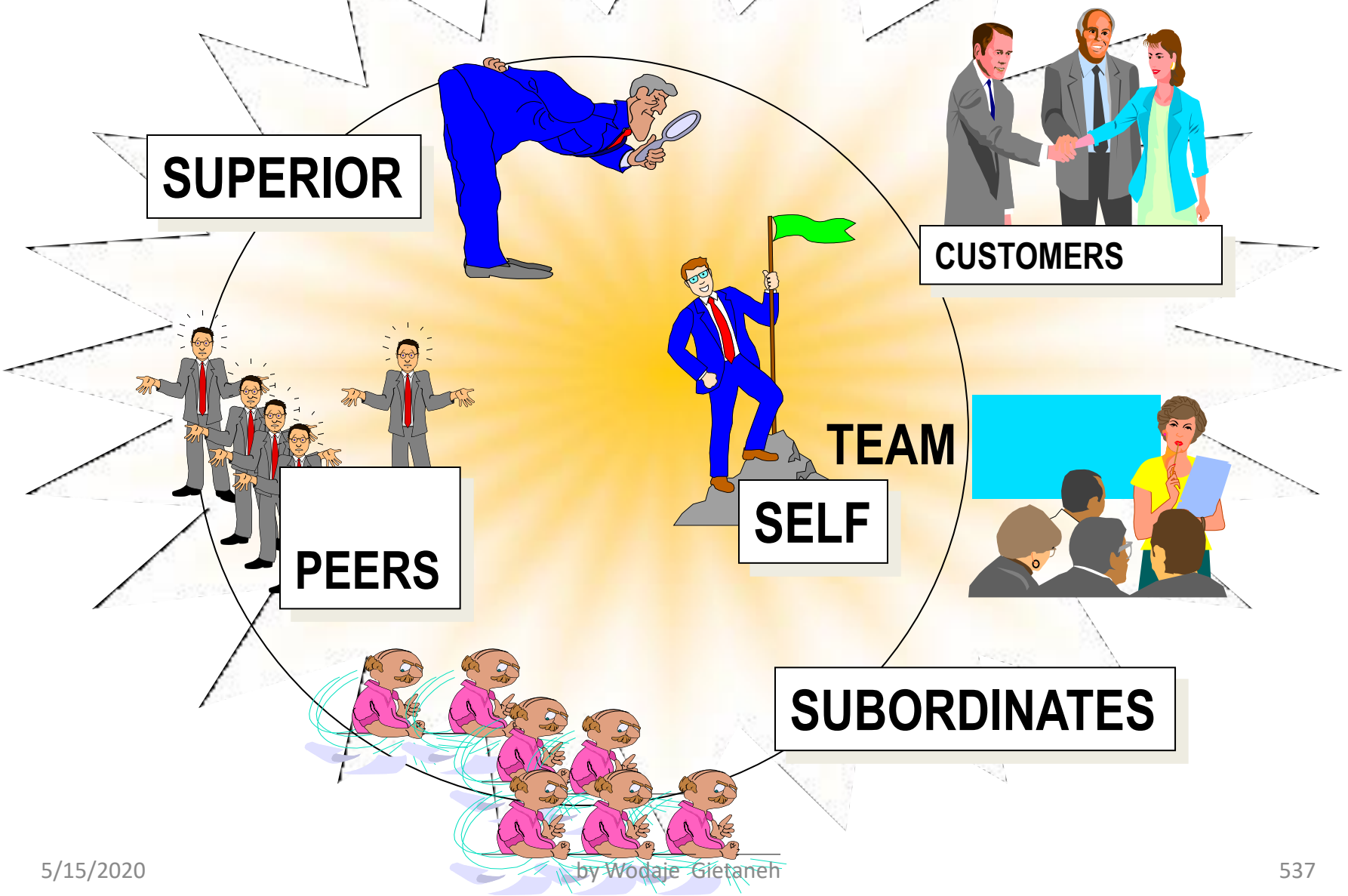
PA under a MBO Program



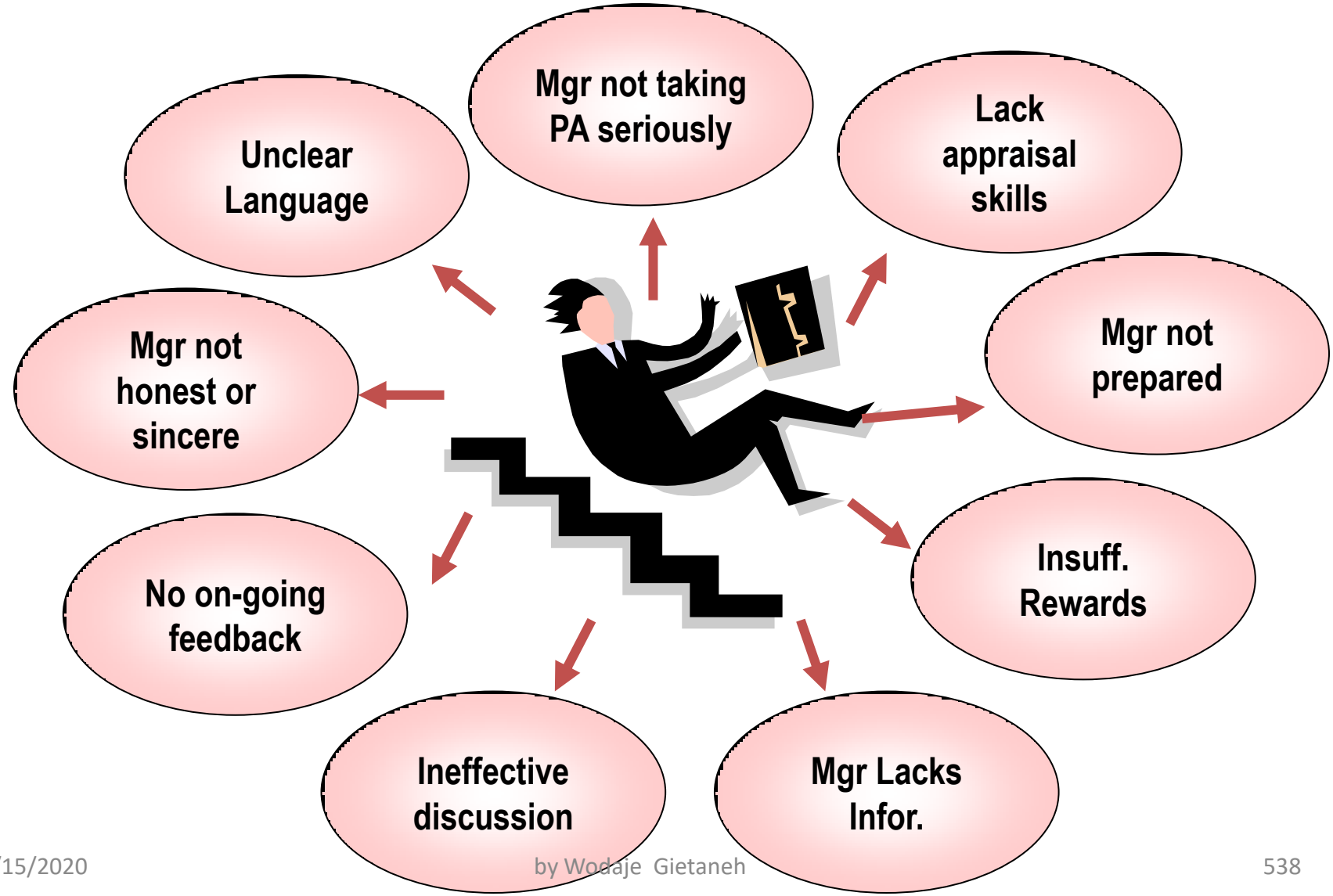
Who Appraises Performance?

- **Self**
  - Self appraisals can supplement manager view.
- **Peer appraisal**
  - Coworkers provide appraisal; common in team settings.
- **360 Degree**
  - A performance appraisal by peers, subordinates, superiors, and clients who are in a position to evaluate a manager's performance

Balanced & 360 Performance Appraisal



Why Performance Appraisal Fails?



7. Promotion, Transfer, Demotion and Separation

Promotion

- Moving to a higher position and responsibility
- Recognize outstanding performance
- Should be fair (merit-based)

Transfer

Shift to other positions without change in status or pay.

- For experience
- To fill gap
- To keep promotion ladders open
- To keep individuals interested in the job sometimes, for those with inadequate performance

Discipline, Demotion and Separation…

When the organization's policy is violated.

Steps:

- Counseling/Advising
- Warning
- Probation
- Suspension
- Disciplinary transfer
- Demotion& discharge
- ***"For poor performance, separation is better than letting the employee stay on the job".***

Managing space

- Two kinds of working space and how to make the best of them in providing health care are:
  - The **buildings**/other settings where health care is given,
  - The **geographical/Catchment's area**

1. Arranging workspace

- There are no complex rules about the arrangement of working space.
- Only two simple questions need to be answered.

Managing space…

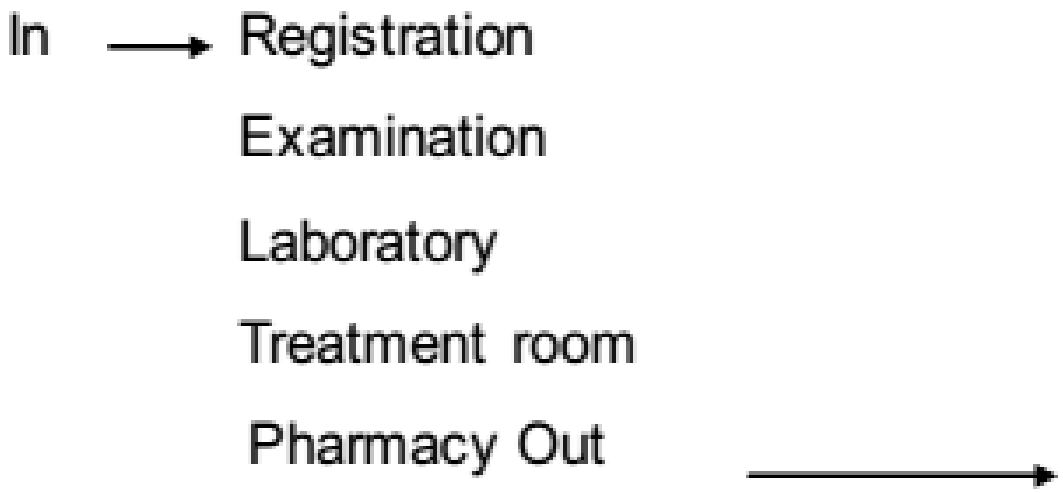
- What work has to be done where?
- Could this space be arranged in another way that would make the work easies and suit the patients better?

2. Arranging work-flow

- Workflow is an arrangement in which series of work functions are coordinated in space and time so that delays are minimal.

Managing space…

- The usual flow in an out patient unit is as follows:



To improve the worktlow

- Every door should be labeled so that patients know where to go.

Managing space…

3. Defining the Catchments area

- In health, it means the area from which patients come to the health service.
- In the case of a regional/district hospital, the catchments area is the whole region/district
- for a health Centre it would be the villages around the health Centre, and
- for a health post it might be only one village

Managing space…

4. Using maps in district health work

- To show distances to various health units and villages.
- To plan routes.
- To decide on travelling methods etc…

5. Making a health-district sketch map

- Geographical mapping is difficult & time-consuming
- If there is no official map, a rough sketch-map of the whole is better than none.

Management of finance and logistics

Management of finance

- Could not implement our plans with out finance.
- Needs to be handled and managed properly.
- Managers are more responsible to use it more effectively and efficiently.
- Given in the form of budget.

Budget

- An estimate of income and expenditure for a set period of time.

- Budget is a plan for the allocation of resources and a control for ensuring that the results comply with the plans.

✓ The results are expressed in quantitative terms.

✓ Budgeting – Is the process of planning and controlling future operations by comparing actual results with planned expectations.

Functions of Budget

- **P**roper allocation of resources: - to relate expenditure decisions to specified objectives
- To relate all major decisions to the state of the national economy;
- To ensure efficiency and effectiveness in the implementation of government programs;
- To facilitate legislative control over the various phases of the budgetary process.
- Equitable distribution of income and wealth

The Overall Budget Category

A. **Revenues**

- Tax revenues
- Non Tax revenues
- Grants

B. **Expenditures**

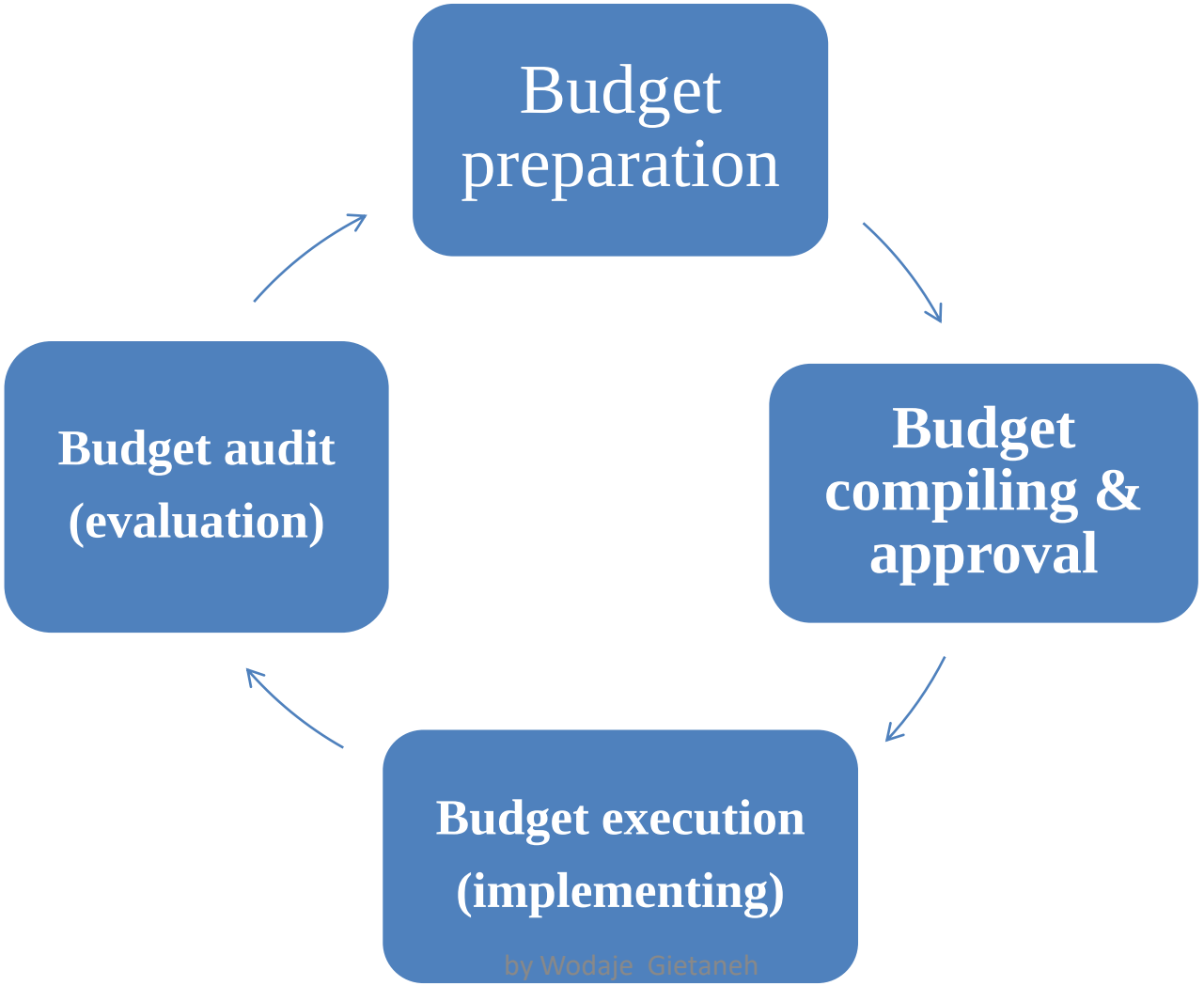
- Recurrent Expenditures
- Capital Expenditures

Budget . . .

❖The budget for both recurrent and capital will be presented **by line items** (or code of expenditures).

- Line item budget has a number of advantages:
- It promotes control since the budget is detailed down to particulate expenditure items.
- The use of the budget of one line item for another may require the verification of both the finance and health office.

Budget Cycle:
Budget processing & management



Budgeting

- There are two types of budgeting

1. **Program budgeting**

- used by large organizations
- money can be used in areas of importance in the organization
- flexible decisions
- usually obtained from aids and funds

2. **Line – item system** of budgeting

- a fixed amount of money is allocated to a given item
- And expenditure above the allocation, is impossible without prior request and authorization from government
- It is provided to you in the form of breakdown

Coding the line item budget

- The Ethiopian government prepares its revenue and expenditure budgets using Line item budgeting.
- In line-item budgeting a fixed amount of money is allocated to a given item.

There are three major line item Coding

- 1000: Revenue items
- 6000: Items for recurrent budget: } expenditures
- 8000: Item for capital budget }

A. Line items for revenue budget(1000)

There are 7 major items for revenue budgets

- 1100-1300: tax revenues
- 1400:None tax revenues
- 1500: capital revenues
- 1600:regional & woreda budget supports
- 1700:Municipal revenues
- 1800:treasury
- 1900:internal revenues

Eg.

- 1436:drug &medical supplies
- 1437:laboratory&other medical services

B. line item for expenditures

B1:Capital budget, there are 4 major items

- **8100:** Surveying, surveillance, design and engineering works
- **8200:** Building construction and related works
- **8300:** Labor and running expenses
- **8400**: capital transfer
- Any government organization is expected to sort its expenses by items of expenditure monthly.

Coding the line item . . .

B2:Recurrent budget, there are 6 major items

- 6100: Expenditure for social services e.g. salary, pension . . . for civil Servants
- 6200: Non-social contract based services e.g. electricity, stationery, telecomm., water, post .. . .
- 6300: Expendable goods and equipments e.g. fuel
- 6400: Support and contribution
- 6500: Purchase of vehicles and machines
- 6600: Military construction works and equipment

6000: recurrent budget . . .

6111: Salary for civil servants

6211: uniform

6214:medical supplies

6231: per diem

6232: Transport

6253: Information advertisement and publication

6244: Equipment, building and fence maintenance

6205: Repair and maintenance of vehicles

6271: training

The Balance Sheet

- Summary of the financial position of a company at a particular date
- Assets: cash, accounts receivable, stock, land, buildings, equipment and intangible items
- Liabilities: accounts payable& notes payable
- Owners' Equity: net assets after all obligations have been satisfied
- Assets = Liabilities + Owners' Equity

Financial Audit

- An audit is the examination of the financial report of an organization - as presented in the annual report - by someone independent of that organization.

The financial report to be audited includes:

- Balance sheet
- Income statement
- Statement of changes/budget transfers
- Cash flow statement

MODELS DEALING WITH PROPERTY AND FINANCE

- **Model 20**:Model for requesting items/drugs
- **Model 22**:Model for issuing items/drugs
- **Model 19**: Model for confirming delivery of items
- **Model 33** (Pay roll) – payment of salary
- **Model 85** – to deposit money
- **Model 86** – to release deposited money

Logistics and Pharmaceutical Management

Pharmaceutical Logistics Mgt.

It is a system of:

- Selecting
- Quantifying
- Supply-planning
- Ordering/procuring
- Distributing products from one level to another

Types of Logistics Systems

- **Allocation or "Push" System**: the higher-level decides what, when and how much of each pharmaceuticals move down through the system

- **Requisition or "Pull" system**: the lower level orders what, when and how much of each pharmaceuticals, thus pulling or receiving through the system

Managing drugs

- Most leading causes of morbidity and mortality can be treated, prevented or at least alleviated with cost - effective essential drugs

- Despite this fact, most of the populations do not have regular access to essential drugs.

- Many of those who do have access are given the wrong treatment, receive too little medicine for their illness, or do not use the drugs correctly.

- Drugs are powerful must be used with skill, knowledge-& accuracy, otherwise they are dangerous.

Why managing drugs?

- Three reasons can be given to explain why drugs need to be managed properly.
- **Firstly**, drugs are part of the link between the patient and health services.
  - their availability or absence will contribute to the positive or negative impact on health.
- **Secondly**, poor drug management, particularly in the public sector of developing countries, is a critical issue
  - but major improvements are possible that can save money and improve access.

Why managing drugs?...

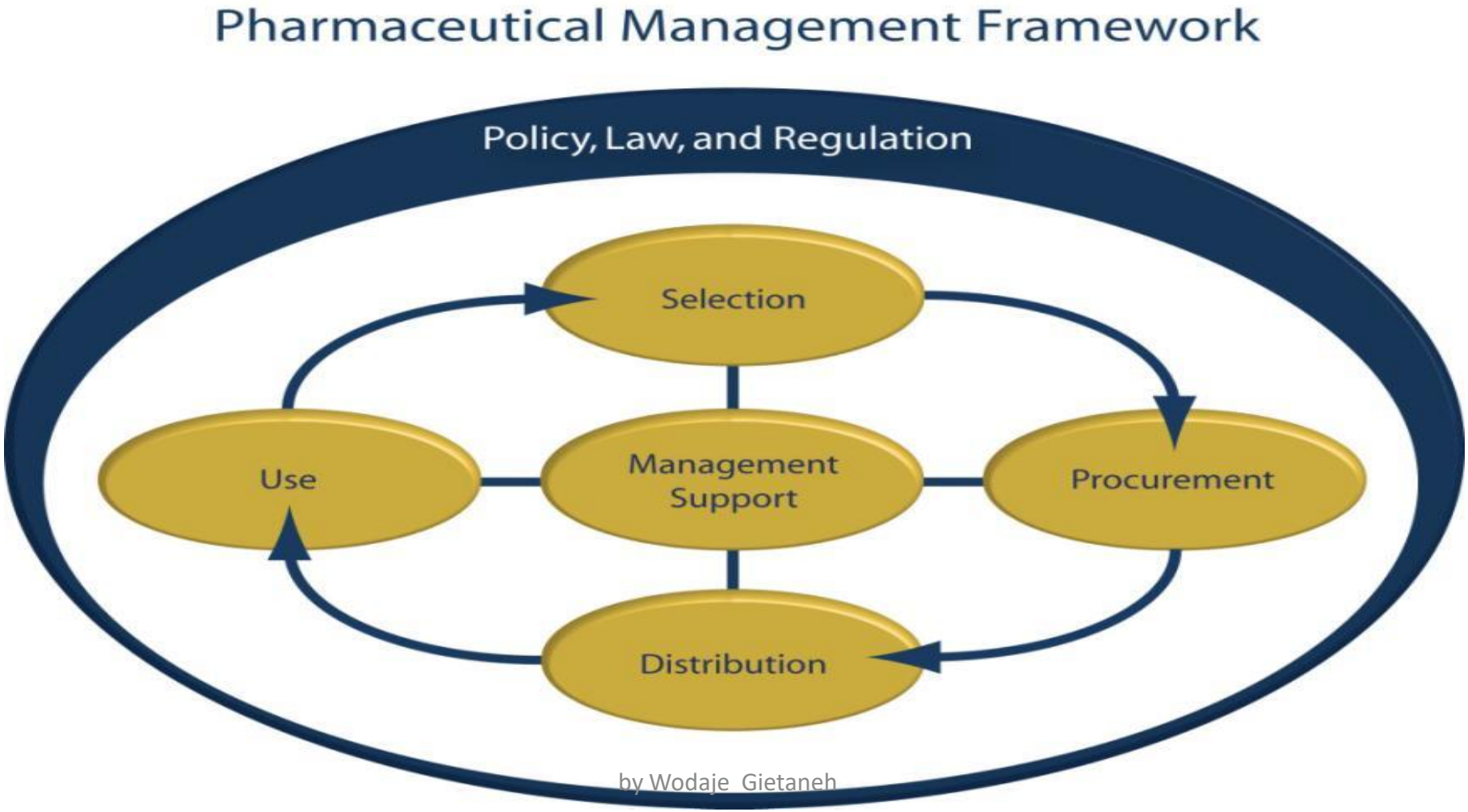
- **Finally**, drugs are no longer the responsibility of health workers only.

- Drug management functions are undertaken in four principal phases, which are interlinked & are reinforced by appropriate management support systems (i.e. tools).

- From drug selection to drug use, passing through procurement, storage and distribution, a whole range of management capacities are required

Drug management cycle

- Drug management involves four basic functions: selection, procurement, distribution, and use.



Selection of drugs

- Ministries of health normally determine the types of drugs and dosage forms that are selected for use in a country.

- ***Essential drugs*** are those deemed to satisfy the health care needs of the majority of the population & should be available in the appropriate dosage forms and strengths at all times.

- The rational for selecting a limited number of essential drugs is that it may lead to better supply, more rational use, and lower costs.

Selection…

Essential drugs should be selected on the basis of:

1. Relevance to the pattern of prevalent diseases,
2. Proven efficacy and safety,
3. Adequate scientific data and evidence of performance in d/t settings
4. Adequate quality,
5. Favorable cost-benefit ratio,
6. Desirable pharmacokinetic properties
7. Availability as single compounds.

Drug procurement

- Procurement of drugs is based on selected drugs and dosage forms and available financial resources.

Procedures adopted in procuring drugs include:

- Estimating quantity of drug required for a given period,
- Finding out the prices of the different drug dosage forms
- Allocating funds (based on priority and available finance)

Drug procurement…

Estimation of drug requirements

- The estimate of the drug & dosage forms required for a given period is undertaken:
  - To avoid shortages (out of stock)
  - To prevent excess stock and avoid waste

Determining drug types and quantities required

- three factors, delivery (lead) time, monthly consumption and request indicator are considered as the basis for calculating quantity of a particular drug to be ordered.

Drug procurement…

Delivery (lead) time

- It is important to establish how long it takes to have a drug delivered and receipted in the store so that the drug does not become out of stock. This period is called the delivery or lead time.

Request indicator (re-order)

- The request indicator (RI) is the level of drugs in stock; it indicates when fresh orders should be made.

Drug distribution

- Effective drug distribution relies on good system design and good management.

There are four major elements of a distribution system:

1. System design

- Geographic or population coverage, number of levels in the system, degree of centralization;

2. Information system

- Inventory control, records and forms, consumption reports, information flow;

Drug distribution…

3. Storage

- Selection of sites, buildings design, materials handling systems, order picking;

4. Delivery

- This includes collection versus delivery, choice of transport, vehicle procurement and maintenance, routing and scheduling of deliveries.

Drug use

- This includes diagnosing, prescribing, distributing, and proper consumption by the patient.

- ***Rational use*** when patients receive medications
  - appropriate to their clinical needs,
  - in doses that meet their individual requirements,
  - for an adequate period of time, and
  - at the lowest cost to them and their community.

- ***Irrational drug use*** occurs with poly-pharmacy, use of wrong ineffective drugs, or under use or incorrect use of effective drugs.

Preventing drug wastage

- Health workers should be well informed and should show a mature & responsible attitude towards their use.
- Health workers should take great care to tell patients how to take their drugs,
- explaining in a simple way why particular drugs must be taken in particular ways.
- Patients with TB or leprosy who have to take drugs for many months need a great deal of explanation and encouragement.

Preventing drug wastage…

- Preparing a standard drugs list;
  - health work and knowledge about diseases and treatments are constantly changing
- Calculating drug requirements
  - Ordering more drugs than are needed cause wastage
  - Ordering fewer drugs than needed results in shortage
- Drugs received are recorded in a stock ledger or on stock cards
- Most drugs must be kept dry, cool and away from light.

The Ethiopian context

- In Ethiopia MM is carried out using different-models developed and distributed by Ministry of Finance.
- *Model 19*: Model for confirming delivery of items/drugs
- *Model 20*: Model for requesting items/drugs
- *Model 21*: Model for approving item delivery by person in authority
- *Model 22*: Model for issuing items/drugs

Integrated Pharmaceutical Logistics System (IPLS)

- In the integrated pharmaceutical logistics system, pharmaceuticals are handled and managed in an integrated manner.

- There are three pipeline levels namely;
  - Central PFSA,
  - PFSA Hubs/branches and
  - Health Facilities (health centers and hospitals).

I. Central Level (Central PFSA)

- This level is the central medical store where pharmaceutical products are procured, received and stored.

- Major activities done at this level are:

  - Perform forecasting and quantification and procure pharmaceutical products necessary for the country

  - Perform supply planning, follow shipment status of procured supplies

  - Receive, store, manage and distribute them to PFSA Hubs (branches)

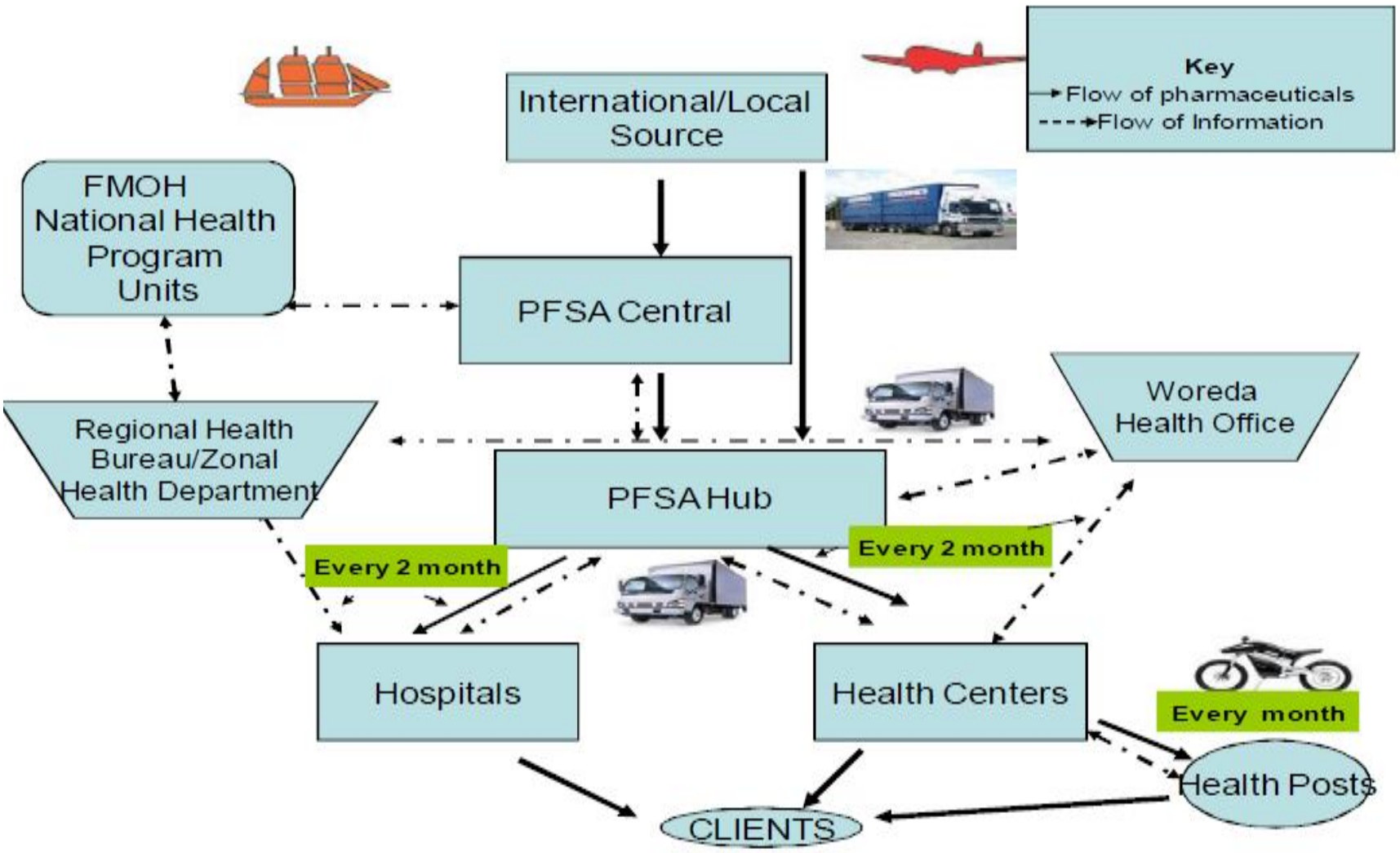
II. PFSA Branch or PFSA Hub Level

- Major responsibilities of branch PFSAs are:
  - Plan, quantify and request pharmaceutical requirement from central level for health facilities under their area, periodically.
  - Receive, store, and manage supplies coming from central level
  - Receive and check requests coming from facilities
  - Distribute products to facilities appropriately

III. Facility Level

- Prepare and submit their reports and requests on time
- Receive, store and manage supplies at their facility
- Receive periodic reports from different units (for health centers this includes from health posts) and issue supplies to them

Flow of pharmaceuticals and information in the IPLS



Inventory Management (Inventory Control) System

An **inventory management** is a system that informs the store manager:

- How much stock is available
- When to order more stock
- When to issue
- How much to order or issue and
- How to maintain an appropriate stock

Materials management

Definition

- is the integrated functioning of *purchasing* and *allied activities* so as to achieve the maximum coordination and optimum expenditure in the area of materials.
- One of the objectives of materials management is to have the ***right materials*** at the ***right place*** at the ***right time***.
- This depends on effective policies of forecasting, inventory, and materials distribution.

Type of materials

Expendable /consumable/ recurrent:

- Are those materials/items that should be regularly kept in stock for *production purposes* or *maintenance* of the machines and
- are used within a short time
- e.g. cotton, laboratory stains, paper, syringes, raw materials, etc.

Type of materials…

Non-expendable/ capital/ non-recurrent:

- Are those materials/items that are required only for *specific purposes or jobs*
- are not to be automatically earned and lasts for several years and needs care and maintenance
- e.g. microscopes, vehicles, capital equipment, etc.

Activities of material management

- The following **five activities** generally came within the sphere of materials management.

1. Ordering Equipment
2. Purchasing
3. Storing Equipment
4. Issuing Equipment
5. Controlling and maintaining equipment

Ordering materials

- This is obtaining equipment from stores or shops.
- Only some people are authorized to order.

Ordering requires the following skills:

- ***Listing requirements:*** from a knowledge of past use and estimates of present use.
- Some resources are always limited, consumable items should be used economically.

Ordering materials…

Balancing requirements with available resources and making cost estimates.

- Priorities must therefore be established among needs and the needs must be balanced against resources (available funds)
- Cost-estimate must be made before completing the order-form.
- To make a cost -estimate, the items required, the quantity, price per unit, and total price should be listed in tabular form.

Ordering materials…

use of a catalogue

- A catalogue is a book that contains a list of articles available for purchasing from a certain place.
- It is used whenever things are ordered at a distance.
- A disadvantage of purchasing from a catalogue is that the purchaser does not see the articles being ordered.
- The catalogue must therefore be studied with great care and the exact item number, description, and price carefully noted.

Ordering materials…

Completing an order-form/ requisition form

- An order-form has a column for each of the following: item reference number, name of article, quantity ordered, price per unit, total price.

Table showing an example of ordering form

Item No	Name of article	Type	Unit	Quantity needed	Price per unit	Total cost

Purchasing

- It is the procuring of **raw materials**, **components** & **services** that the organization needs to achieve its goals.
- The function of the Purchase Section is to procure materials against purchase requisitions received from stock control or other departments.
- It keeps record of the sources of supply of various items.
- This section has also to ensure that materials do arrive at the right time.

The Purchase Procedure

1. The unit needing the item initiates a requisition.
2. The purchasing department reviews requisition.
3. Suppliers are selected.
4. An order is placed.
5. The order is monitored to determine if goods have been on line and will be delivered as anticipated.
6. The income /material is received, inspected, and accepted.

Purchasing…

Purchase requisition

- is the written authority for the Purchase department to make purchases.
- It gives the specification and quantity of materials to be bought.
- The purchase requisition must also be authorized by an officer appropriately empowered

Purchasing…

- Any functional area of the firm can initiate a purchase requisition.
- It usually includes the name, and description of the item wanted, the quantity desired, the signature of the one who prepared it.
- The purchasing agent reviews the requisition to determine if another item costing less can be substituted.
- They can make alternatives, but they cannot make unauthorized changes.

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Purchasing…

Purchasing Principles

- The essentials of efficient purchasing are *right quality*, *right quantity*, *right time*, *right price*, *right source* and delivery at the right place.

Source of Supply

- The selection of the right source of supply is an important factor in obtaining the desired quality, quantity, price and service.

Storing equipment

- **Store keeping** is the function of receiving, storing and issuing materials.
- In the stores materials are properly stored until drawn by the various using departments.
- Materials are equivalent to money and great attention has to be paid to the proper storage so that they are free from damage and pilferage.
- Materials/Equipment are stored in two places:
  - A main or reserve store where stocks are kept but not used
  - The place of use, after issue.

Storing equipment…

- To store equipment, the following skills are necessary:
  - recording the receipt of new articles and the issue of articles,
  - keeping a stock-book or ledger in balance.
- A new item is usually delivered with a document, either an **invoice (**a statement of the cost of the article), if the item is not yet paid for or
- a **delivery note** if payment has been made.

Storing equipment…

- Invoices and delivery notes must be placed in separate files kept for this purpose and labeled appropriately.
- The receipt of the item is then noted in the stock-book or ledger

Item	Date	Received from	Invoice	Quantity Received	Quantity Issued	Balance in stock

Issuing Equipment

- After equipment has been ordered, received, and recorded in the stock book or ledger, it is issued for use when it is needed.
- Three paperwork procedures are involved in issuing equipment:

A. Ledger Record

– Unless issues are recorded in the stock ledger and the balance of stock remaining is calculated, it is very difficult to know when to order more stock.

Issuing Equipment…

B. Issue Voucher

- **Issue means** supply of materials from stores to the various workshops or departments of an organization.
- Issue vouchers must be filed and kept in the store.
- Duplicating copies are given to the department that receives the equipment.

C. Inventory

- An inventory is a list of items that are kept in a certain place.

Controlling & maintaining equipment

- Expendable equipment must be controlled to avoid wastage.
- Non-expendable equipment must be maintained, i.e. kept in good working condition.
- To control and maintain equipment, the following skills are needed:
  - convincing staff regarding proper use of equipment
  - using an inspection check list and inspection schedule
  - detecting discrepancies and explaining them.

Managing Time

Individual activity

- *Take a day as an example in the past week and list what you have done in that particular day.*
- *Categorize the activities at personal and organizational level so as to appreciate the amount of time you spent on each activity.*
- *What led you to spend your time for the listed tasks?*
- *Share your experience to the team members.*

There are 168 hours in every week 24 hrs for a day

How are you spending yours?

- **Sleeping**
- **Going for a recreation**
- **Shopping for groceries**
- **Caring for family members**
- **Cultivating a relationship**
- **Meeting new people**
- **Going to office hours**
- **Volunteering**
- **Going to class**
- **Reading in library**

- ***Taking a nap***
- ***Exercising***
- ***Communicating***
- ***Helping a friend***
- ***Checking email***
- ***Getting coffee***
- ***Chatting with friends***
- ***Personal hygiene***
- ***Attending religious issues***

Time

- It is a non-renewable resource
- No event can take place unless there is time for it.
- Using time efficiently requires managerial skills.
- Time can not be stored
- Time is equally shared to people
- Time is expensive and utilization is fixed

Time management

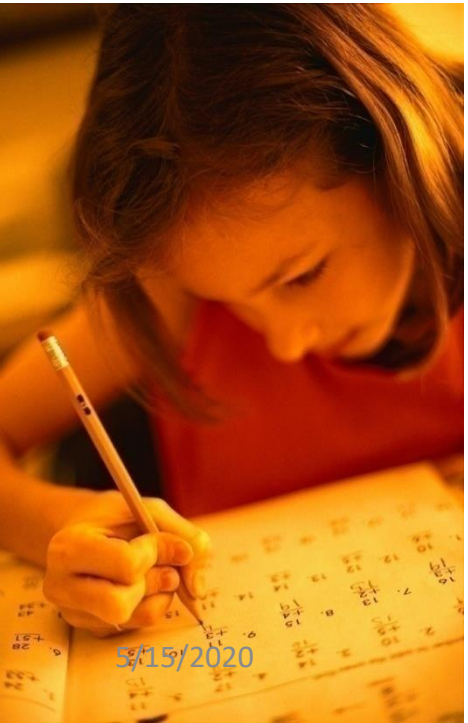
- It is a skill that can be learnt& practiced
- It is a skill that everyone needs
- It is not a way to make you work harder and longer, but a means to help you work smarter to accomplish your work more easily and rapidly.
- Spending time on important, not just urgent matters
- Distinguishing clearly between importance and urgency
- Focusing on results not methods
- Not feeling guilty when saying no

Cont'd…

- Time management can be seen as "self management",
- the skill of making smart decisions about how to allocate your time in order to accomplish set goals.
  - It is about working "smart" and not just "hard"
  - Strategically determining how you use your time in order to succeed

The Benefits of Time Management

Yes!



- ✓You are more productive.
- ✓You reduce your stress.
- ✓You improve your self-esteem.
- ✓You achieve balance in your life.
- ✓You avoid meltdowns.
- ✓You feel more confident in your ability to
- ✓ get things done.
- ✓You reach your goals.

What is Time Management?

Simply, making the most of your time and energy for smart activities !

Symptoms of poor time management

- Messy desk and cluttered files
- Miss appointments, need to reschedule them late
- Unpreparedness for (tasks, classes, meetings…)
- Volunteer to do things other people should do
- Tired/unable to concentrate, stress. . .
- Getting early or staying late at work
- Difficulty of Saying No.
- Overlapped programs

Strategies to Effective TM

1. Set Goals
2. Set priorities
3. Scheduling yourself
4. Avoid Procrastination
5. Delegation

Where to start?

1. Set Goals!

- What should your goals be?
- Start big, then set smaller goals designed to achieve the large goal
  - Make your goals specific and concrete.
- Set both long-term goals and short-term ones to support them.
- Set a deadline for your goals.
- Integrate your goals: school, personal and career.
- Realize that goals change, but know which goals to stick to!

2. Set priorities.

- What's important and what isn't?
- What order do things need to be done?
- Keep calls short
- Based on your priorities, plan out a schedule for the time period
- Planning may seem hard at first, but the more you do it, the easier and more natural it gets.

3. Make a Schedule/time planning

- Begin with blocking/portion/ all activities.
- Office Work, field work, social work religious, meetings and so on…
- Highlight all project *due dates.*
- Identify routine work days.

Make a Schedule…

Planning time arrangements for work

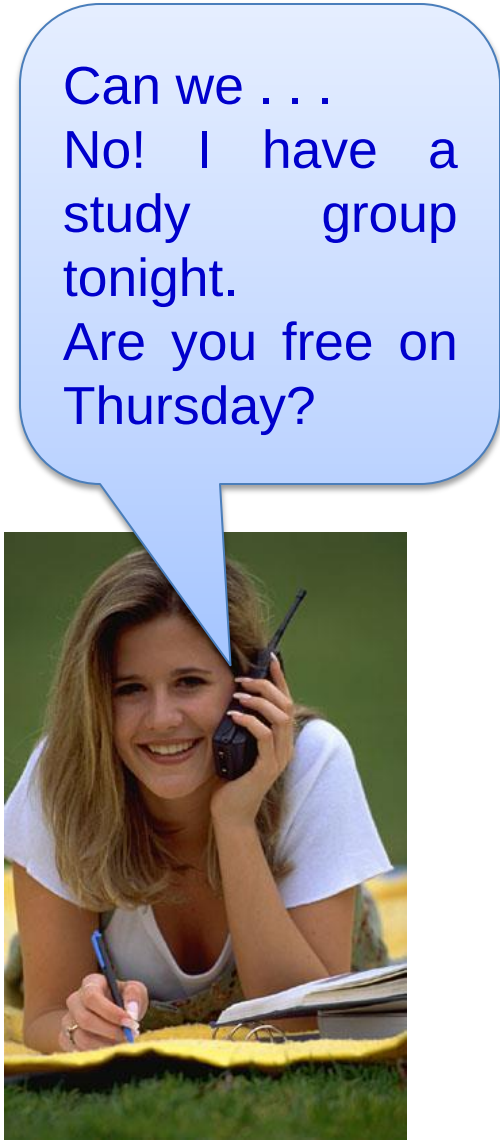
- what will be done (list of activities), where it will be done (place), who will do it, and when it will occur?
- There are common ways of time plan arrangement.
- Time table: - used for daily/weekly recurring and regular events e.g. staff meeting, classes...
- Schedule: - for intermittent, irregular or variable events, including details of where the events take place. E.g. visit to peripheral health centers

Time plans. . .

- **Program: -** for long term arrangements of several different events or activities of which the time plan is only one part.
- **Year calendar**: **-** acts as a reminder of definite important events, usually out of one's control.
- In addition it shows where it is possible to fit in new events such as special meetings or periods of travel

Learn to say “No!”

- Avoid the temptation to socialize when you’ve scheduled work.
- Socializing is important when you don’t have other things to worry about!
- Study somewhere you won’t be tempted to chat, watch movies, YouTube, or use social utilities like Face book.



4. Avoid Procrastination

- **"Procrastination is the thief of time"** – it is a time waster.
- It is the act of postponing tasks that could have been done now.
- Doing things at the last minute is much more expensive than just before the last minute
- Deadlines are really important: establish them yourself!

How to Overcome Procrastination

- Set and keep deadlines.
- Organize, schedule & plan.
- Divide a big job into smaller ones/blocking/
- Find a way to make a game of your work or make it fun.
- Tell your friends and room mates to remind you of priorities and deadlines.
- Use memo
- Learn to say “no” to time wasters.

Use lots of Stickies

5. Delegation

- No one is an island, we live with our colleagues, subordinates, superiors, families, friends . . .
- You can accomplish a lot more with help
- Delegation is not dumping/discarding tasks.
- It is granting authority with responsibility.
- Treat your people well by delegating for tasks
- Graduate students, subordinates, secretaries, families, colleagues . . .are member’s to be delegated; they should be treated well!

Time management Matrix

	Urgent	Not Urgent
IMPORTANT	**I** ✓ Crisis ✓ Pressing problems ✓Deadline-driven projects, meetings, preparations ✓ vital programs/schedules	**II** ❖ Prevention/Preparation ❖ Values clarification ❖ Planning ❖ Relationship building ❖ True re-creation
Not IMPORTANT	**III** ➢ Interruptions, some phone calls ➢ Some mail, some reports ➢ Some meetings ➢ Many popular activities-breaking news	**IV** ▪ Irrelevant talks ▪ Some Time wasters ▪ Irrelevant e-mails & chat ▪ Excessive TV ▪ Long fictions/novels

Quadrant I

- Represents things that are both “urgent” and “important” – *we need to spend time here.*
- This is where we manage, we produce, where we bring our experience and judgment to bear in responding to many needs and challenges.

- Many important activities become urgent because we don’t do enough prevention and planning

Quadrant II

- Includes activities that are “important, but not urgent”- Quadrant of Quality
- Here’s where we do our long-range planning, anticipate and prevent problems, empower others, broaden our minds and increase our skills
- Ignoring this Quadrant feeds and enlarges Quadrant I, creating stress, burnout, and deeper crises for the person consumed by it
- Investing in this Quadrant shrinks Quadrant I

Fail to anticipate crises
/result of failure in Q-II.

Quadrant III

- Includes things that are “urgent, but not important”
- Quadrant of Deception/misleading.
- The noise of urgency creates the illusion of importance.
- Actual activities, if they’re important at all, are important to someone else.
- Many phone calls, meetings and interruptions fall into this category

Quadrant IV

- Reserved for activities that are “not urgent, not important”- Quadrant of Waste.
- Reading addictive novels, watching mindless television shows, or gossiping and talking at office would qualify as Quadrant IV time-wasters.
- ***Prioritize, and do the most important things first***

Socialize between tasks.

The 80/20 rule (Pareto principle)

- 20% of your time produce 80% of the results. *Where are you?*

You're in your 80% if you're:

- Working on tasks other people want you to, but have no investment in them
- Frequently working on tasks labeled "urgent"
- Spending time on tasks you're not good at
- Complaining all of the time

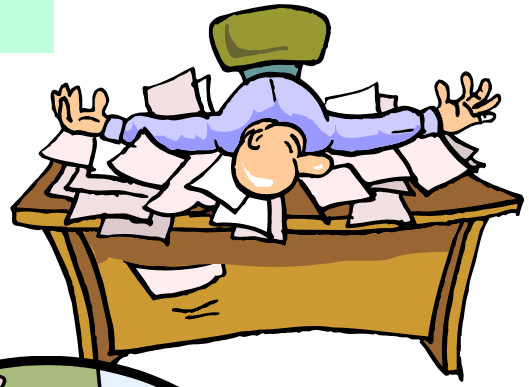
The 80/20 Rule…

You're in your 20% if you're:

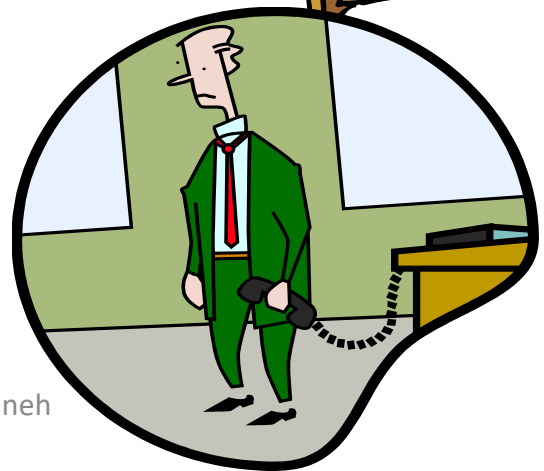
- Engaged in activities that advance your overall purpose in life
- Doing things you have always wanted to do or that make you feel good about yourself
- Working on tasks you don't like, but you're doing them know they related to the bigger picture
- Smiling

Obstacles to effective TM

- Unclear objectives



- Inability to say “no”



Obstacles to effective time. . .

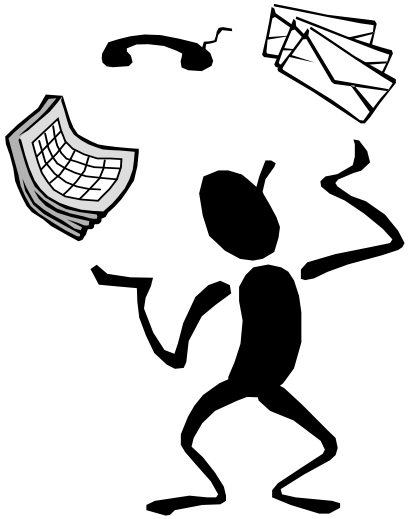
- Interruptions

More interruptions

- Periods of inactivity

Obstacles to effective time. . .

- Too many things at once



- Stress and fatigue

- All work and no play


Thank you very much!

Week 12: Introduction to health economics

Lesson contents:

- Introduction to health economics
- Definition, concepts, principles of health economics
- Application of economics to the health sector
- Demand and supply in the health sector

Lesson's Learning Objectives

❖ At the end of this lesson students will be able to:-

- Define economics and health economics
- Explain the concepts of economics
- Identify the classification of economics
- Explain role of economics in health care

Brainstorming!! 10 minutes

- **Health – a Priceless/invaluable/ Commodity**
- What is Economics?
- What is Health Economics?
- Why Health Economics?
- How do you apply economics in Health?

Introduction

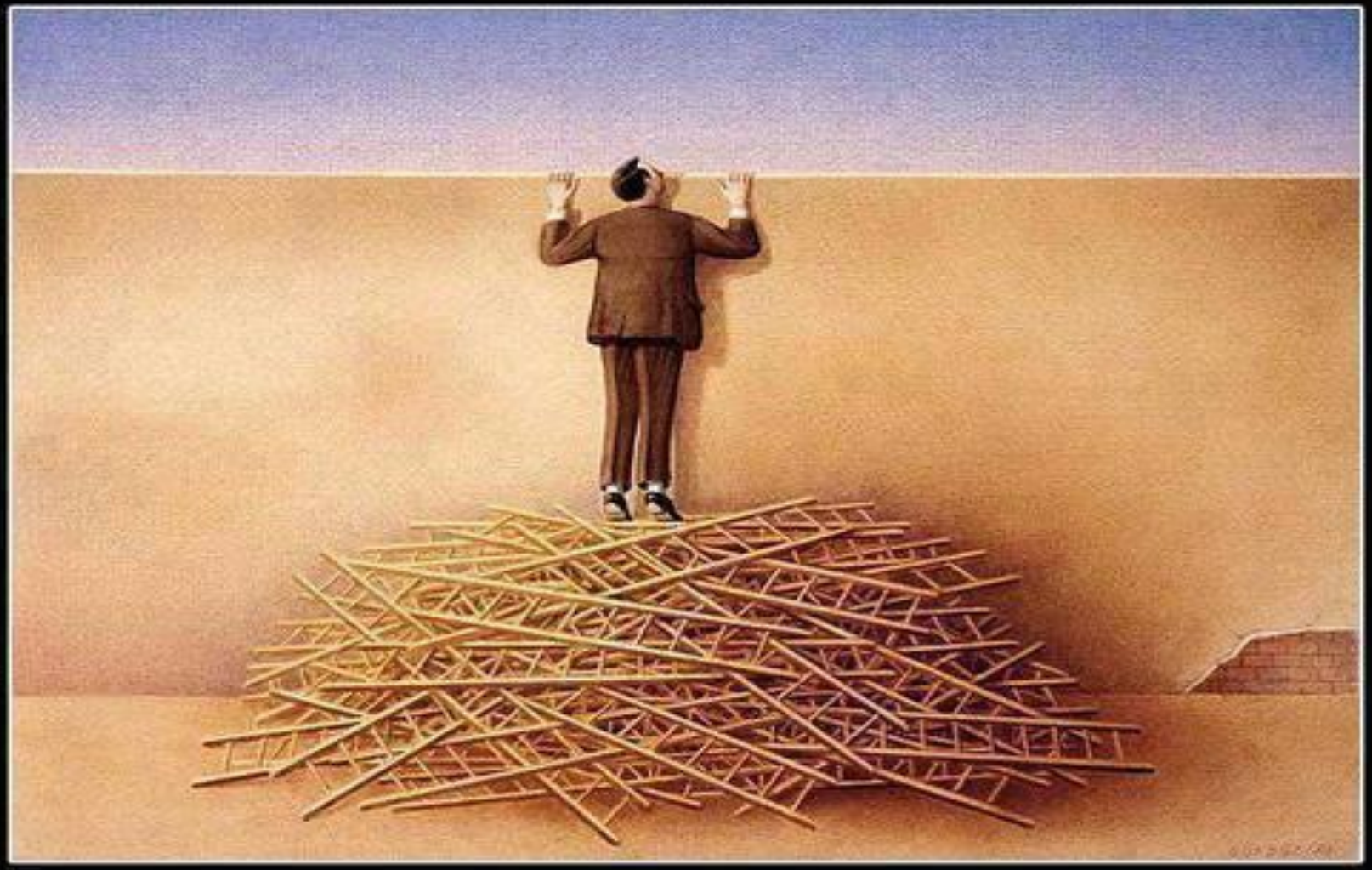
- Economic considerations play a key role in all aspects of life.

The discipline of economics is built upon two immutable facts:

1. Human want is unlimited.
2. Resources are scarce.

- To balance the two, economics is very important.

It doesn't matter how many resources you have.



If you don't know how to use them,
it will never be enough.

What is Economics?

What is Economics?

The discipline of economics is built upon two immutable facts:

1. **Limited resources**
2. **Unlimited "wants"**

Scarcity

Choice

What is Economics?

Economics

- The science that explains the choices that individuals, businesses, governments, and entire societies make choices and how those choices change as they cope with scarcity.
- Economics is the study of how we choose to use scarce & productive resources that have alternative uses to produce commodities of various kinds (Samuelson) .

- Economics is a science of choice
- Economics is often described as the 'science of scarcity' (Witter & Ensor, 1997)
- It explains why nations export some goods &import others & analyze the effect of putting economic barriers at national frontiers

What is Economics?...

- The definition implies:

1. The productive resources are scarce
2. Human wants are infinite, go so far beyond the ability of our productive resources to satisfy them all
3. It is a challenge in **economizing** those productive resources so as to satisfy the largest possible number of our wants

Why economic questions?

- All economic questions arise because
  - we want more than we can get.
  - we want a peaceful and secure world.
  - we want clean air, blue water.
  - we want long and healthy lives.
  - we want spacious and comfortable homes…

- However, what each of us can get is limited by time, by the incomes we earn, by the prices we must pay.

- Everyone ends up with some unsatisfied wants.

Why Economics in Health care?

- ✓Health resources are finite
- ✓Choice must be made about which resources to use to inform health care decision-making
- ✓Most beneficial activities are chosen within the resources available.
- ✓Equity, Efficiency…
- ✓Decisions about how health care is funded, provided, and distributed are strongly influenced by the economic environment and economic constraints

How Economics could be applied in Health care?

- The analysis of the economic costs of diseases
- Benefits of programs
- Aspects of health problems - type, quality, quantity & prices of the resources used
- Population problem, the quantity & quality of resources allocated to the health area
- The medical industry's efficiency & losses due to illness, disability & premature death
- Distribution of health care resources

What is Health Economics?

Health:

- As defined by WHO, a state of complete physical, mental and social wellbeing, and not merely the absence of disease.

- Different approaches to the definition of health are common. Perceptions of health vary and beliefs about what may improve or damage health change.

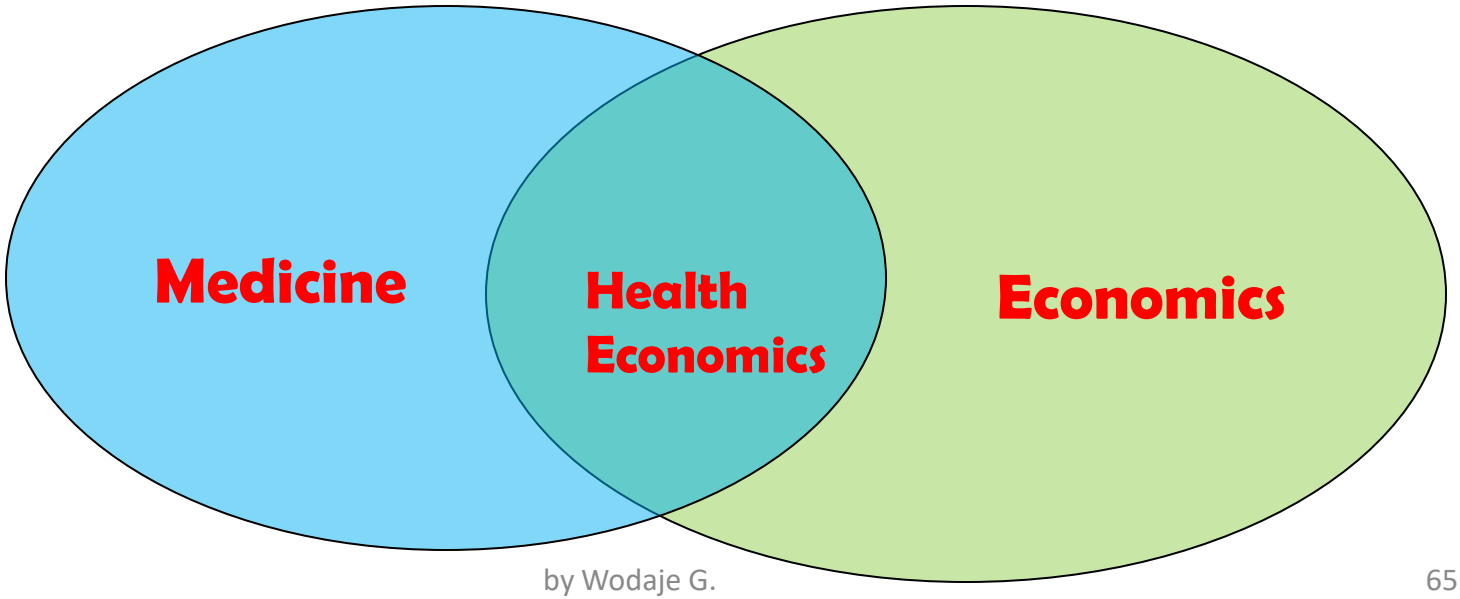
- Different health systems define health in different ways according to the legal, social and economic implications of official recognition of health and or disease states, for example, whether ill-health is sufficient to justify sickness benefit;

WHAT IS HEALTH ECONOMICS.....

- The discipline of economics applied to the topic of health.
- Branch of economics concerned with issues related to scarcity in the allocation of health and health care
- The science that examines the ways in which services and resources are provided to the entire population and the efficiency and equity of providing these services.

WHAT IS HEALTH ECONOMICS ...

- Looks at the economic aspects of health and healthcare.
- It encompasses the casual relations between the health status of individuals and groups and their economic activities



Health Economics...

It is concerned with:-

1. The allocation of resources to various health promoting activities
2. The quantity of resources used in health care delivery
3. The efficiency with which resources are allocated and used for health purposes
4. The effect of preventive, curative and rehabilitative health services on individuals and society
5. Funding organizations for health institutions

Some Key (Basic) Concepts in Economics

1. Scarcity (What is scarcity)?
2. What are Resources?
3. Opportunity Costs
4. Production Possibilities Curve (Frontier)-PPC (PPF)
5. Efficiency and Inefficiency
6. Economic Growth

1. Scarcity (What is scarcity)?

- ***Scarcity*** is the lack of enough resources to satisfy all desired uses of those resources.

- That is, we cannot have everything we want because relative to our wants, **Economic Resources** are limited in supply (availability).

- Thus it is the foundation of economics

2. What are Resources?

- Are factors of production that are used to produce goods and services with which we satisfy our needs.
- *Inputs* that are needed to produce *outputs*

Four Basic Factors of Production

Land : refers to all natural resources such as crude oil, water, air, and minerals.

Labor : refers to the skills and abilities to produce goods and services.

Capital : refers to goods produced for use in the production of other goods, e.g., equipment, structures.

Entrepreneurship: is the assembling of resources to produce new or improved products and technologies. (know how, managerial capacity)

3. Opportunity Costs

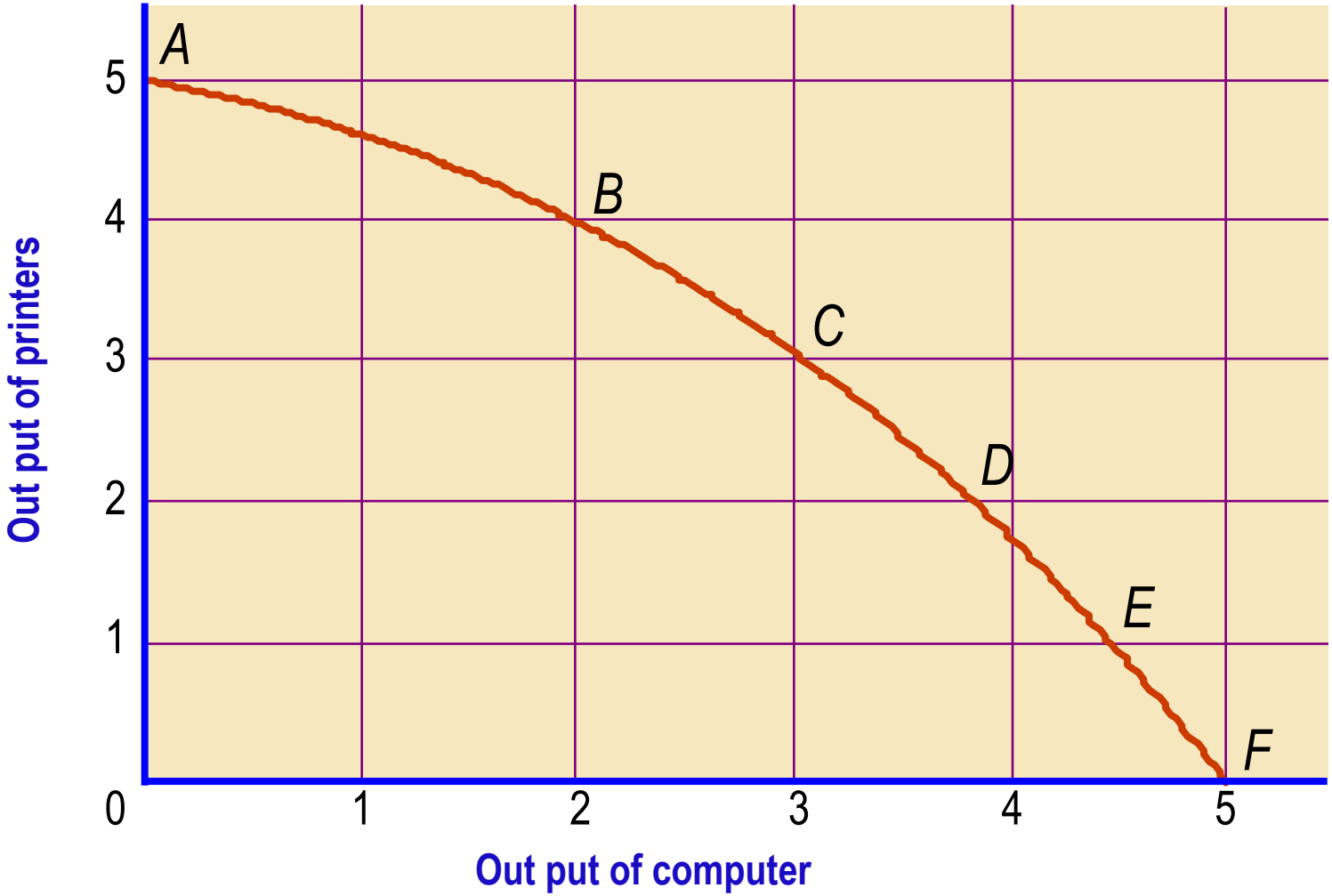
- It is what is given up in order to get something else. (The best alternative forgone)
- Opportunity cost is the most desired goods or services that are forgone in order to obtain something else.
- The cost of allocating scarce resources for one use rather than the other use

4. Production Possibilities Curve (Frontier) - PPC (PPF)

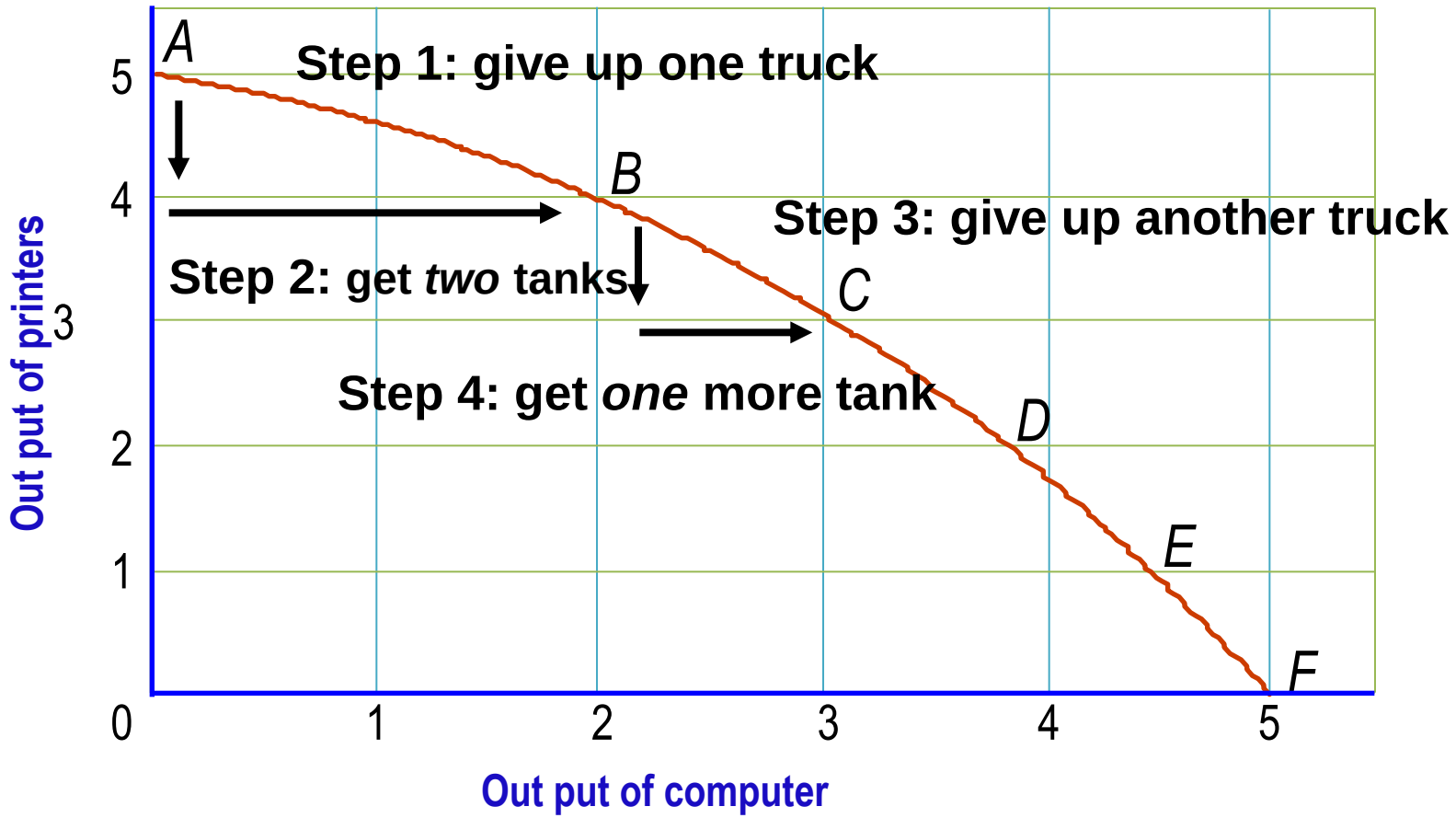
- A graphic representation of production possibilities

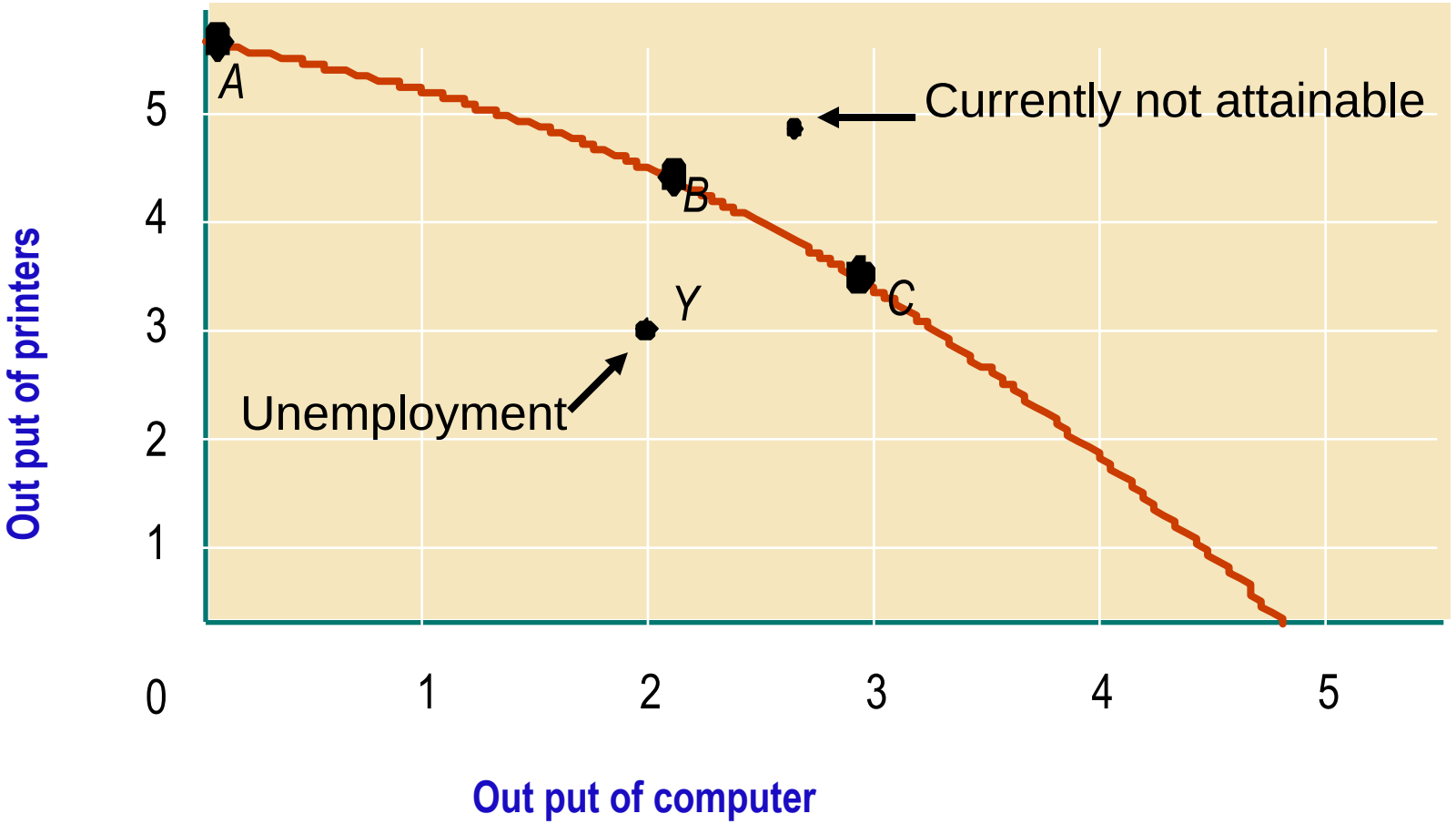
- ***Production possibilities*** are the maximum alternative combination of goods and services that could be produced in a given period of time with all the available resources and technology.

The Production Possibilities Curve



Opportunity Costs




A
B
C
Y
Currently not attainable
Unemployment
5
4
3
2
1
0
1
2
3
4
5
Out put of printers
Out put of computer

PPC

- PPC curve also shows the law of opportunity cost, which is stated as;-
- ***Increasing quantities of any good can be obtained only by sacrificing ever-increasing quantities of other goods***

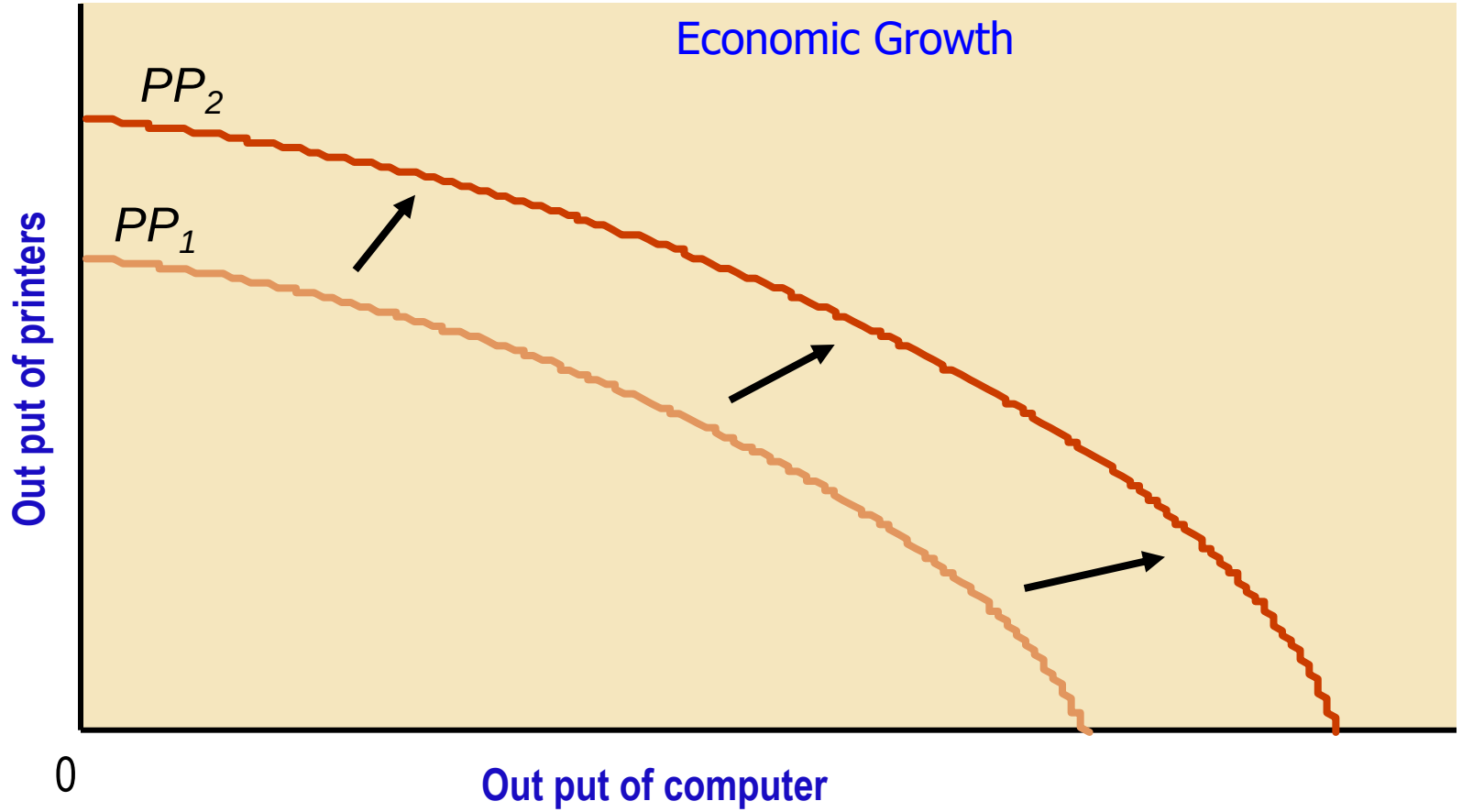
PPC

- PPC also shows whether outcomes (of allocation decision) are Efficient or Inefficient
- **Efficiency** means getting the maximum output of a good from the resources used in production
- Every point on a production possibilities curves is efficient.

PPC…

- Any point inside the PPC represent inefficient outcomes…leads to unemployment
- A point ***outside*** the production possibilities curve suggests that we could get ***more*** goods than we are capable of producing->Economic Growth

with more resources or better technology, production possibilities curve may shift outward.



Class Activity 1; 10 minutes

Combination	Disease prevention (No. of preventions)	Disease control (No. of patients cured)
1	30	0
2	26	6
3	20	10
4	12	13
5	0	15

1. Draw the PPF
2. Label an efficient combination, an inefficient but attainable combination and an unattainable combination
3. What is the opportunity cost of increasing the number of patients cured from 0 to 6? And increasing the number of patients cured from 13 to 15?

PPC

- ✓ Thus movement along PPC represent opportunity cost
- ✓ How much we give up in the production of one output to get more of the other output)- tradeoffs

Prioritization - Choice on how to use scarce resources requires prioritization of health interventions on some agreed criteria.

  - The costs and benefits of alternative interventions have to be compared.

Ceteris Paribus

- ✓ Is a fundamental assumption in economics to facilitate understanding the concepts and principles of economics by holding other variables/parameters/things constant.

5. *Efficiency and Inefficiency*

- PPC also shows whether outcomes (of allocation decision) are Efficient or Inefficient.
- ***Efficiency*** means getting the maximum output of a good from the resources used in production.
- Every point on a production possibilities curves is efficient.
- ***Inefficiency***
  - Recall that a production possibilities curves shows potential output, not necessarily actual output.

6. Economic Growth

- ***Economic growth*** is an increase in output (real GDP) - an expansion of production possibilities.
- PPC also shows Economic Growth or Decline
- A point ***outside*** the production possibilities curve suggests that we could get ***more*** goods than we are capable of producing!
- With more resources or better technology, production possibilities curve may shift outward.
- Such a shift represents Economic Growth

Ten Principles of Economics

- How people make decisions.
  - ✓People face tradeoffs.
  - ✓The cost of something is what you give up to get it.
  - ✓Rational people think at the margin.
  - ✓People respond to incentives.

- How people interact with each other.
  - ✓Trade can make everyone better off.
  - ✓Markets are usually a good way to organize economic activity.
  - ✓Governments can sometimes improve economic outcomes.

Ten Principles of Economics …

- how the economy as a whole works.
  - ✓The standard of living depends on a country's production.
  - ✓Prices rise when the government prints too much money.
  - ✓Society faces a short-run tradeoff between inflation and unemployment.

Classification of Economics

Macroeconomics

- It studies the activities and behavior of the economy as a whole.
- It is the study of rate of flow in the economy (income, unemployment, output spending, investment, etc) and what factors influence this rate of flow.

E.g. Total national output, general price level, the unemployment rate etc.

Micro economics

- Deals with the theory of individual choice, that is decisions made by a particular consuming unit such as an individual, industries ,firms , household etc.

E.g. How purchasing decisions of consumers are influenced by changing prices and income.

Classification of Economics…..

Macro economics: concerned with the behavior of the economy as a whole or with the broad aggregate of economic life.

Macroeconomics is the study of aggregate economic behavior, of the economy as a whole.

Micro economics: deals with the behavior of individual prices and quantities (Issues at individual level)

Microeconomics is the study of individual behavior in the economy, of the components of the larger economy.

Macroeconomics vs Microeconomics

- Macroeconomics
  - The study of the aggregate (or total) effects on the national economy and the global economy of the choices that individuals, businesses, and governments make. *Macro = 'big'*
- Microeconomics
  - The study of the choices that individuals and businesses make, the way these choices interact, and the influence that governments exert on these choices. *Micro = 'small'*

Normative Vs positive economics

- Classification based on whether it is **prescriptive and descriptive**

❖ **Positive economics (Fact)**

➢ Describes the facts and behavior in the economy.

➢ Describes what the world actually is

E.g. what is the percentage of un employment?

How many people earn less than 3 dollar/day.

Positive Economics

- Positive statements are about *what is and* describes facts and behavior in the economy.
  - Can be proven right or wrong.
  - Can be tested by comparing it to facts.
- Example:
  - "Universal health care will cut the amount of work time lost to illness".
  - What percentage of teenagers are unemployed?
  - How many people earn less that $6,000 a year?
  - What will be the effect of higher cigarette taxes on the number of smokers?
  - These are questions that can be resolved only be reference to facts; they are all the dominion of positive economics.

Normative Vs positive economics…

❖ **Normative economics (value judgments)**

- It is prescriptive by nature and involves ethical and value judgments.
- It cannot be proved true or false: our view of it depends on our value system.
- Tells what the world should be.

E.g.- Should government give money to poor people?

- "Health care is a basic right and should be provided free"

Normative Economics

- Normative statements are about *what ought to be* and involves ethics and value judgments.
  - Depend upon personal values and cannot be tested.

- Example:
  - "Every Ethiopian should have equal assess to health care".
  - Should the government give money to poor people?
  - Should the public sectors (government) or the private sector (business) provide extra jobs for unemployed teenagers?
  - Should higher taxes or lower spending reduce the budget deficit?

Macroeconomic Questions

- Three big issues that macroeconomics tries to understand are:
  - The standard of living
  - The cost of living
  - Economic fluctuations-recessions and expansions

The Standard of Living

Standard of living

- The level of consumption of goods and services that people enjoy, on the average; it is measured [not perfectly] by average income per person.

Goods and services

- What people value and produce to satisfy human wants.
- Goods are physical objects, and
- Services are things done for people.

The Standard of Living

- For most people achieving a high standard of living means finding a good job or reducing unemployment.

Unemployment

- The state of being available and willing to work but unable to find acceptable work.

The Cost of Living

Cost of living

- The number of birrs /dollars it takes to buy the goods and services that provide a given standard of living.

Inflation

- A situation in which the cost of living is rising and the value of money is shrinking.

Economic Fluctuations: Recessions and Expansions

Business cycle

- The periodic but irregular up-and-down movement in production and jobs is called the business cycle.
- The worst recession ever was the Great Depression.

Great Depression

- A period during the 1930s in which the economy experienced its worst-ever recession.

Objectives and instruments of macroeconomic policy

Four objectives are central to evaluating macroeconomic performance:

- output,
- employment,
- foreign sector, and
- prices.

Output. High employment, Foreign sector

Output

- The ultimate yardstick of a country's economic success is its ability to generate a high level of production of economic goods and services for its population.

High employment

- Providing good jobs with reasonable payment for those who want to work is another objective of macroeconomic policy.

Foreign Sector

- Involvement of foreign sector and good trade balance with foreign trade exchanges.

Stable price

- The fourth macroeconomic objective is to ensure stable prices with free markets.
- This objective contains two parts:

1. Price stability denotes that the overall price level does not rise or fall rapidly.

Why do societies prefer stable prices?

- The reason is that price is a common yardstick whereby economic values are measured.
- When the economic yardstick changes quickly during periods of rapidly changing prices, contracts and other economic agreements become distorted and the price system tends to become less valuable.

Stable price…

2. The second half of he objective of stable prices
   - maintenance of free markets:
     - means that market forces should determine prices and quantities by supply and demand to the maximum possible extent.

   - Free markets allow the economy to allocate resources efficiently and in a way that is responsive to individual tastes.

Microeconomics

- Microeconomics focuses on the behavior of individual agents (such as consumers, firms), and how they come together in markets.

  Studies:

  - Prices and Quantities
  - Effects of government regulation and taxes

Three Basic Questions of micro Economics

1. What to produce?
2. How to produce?

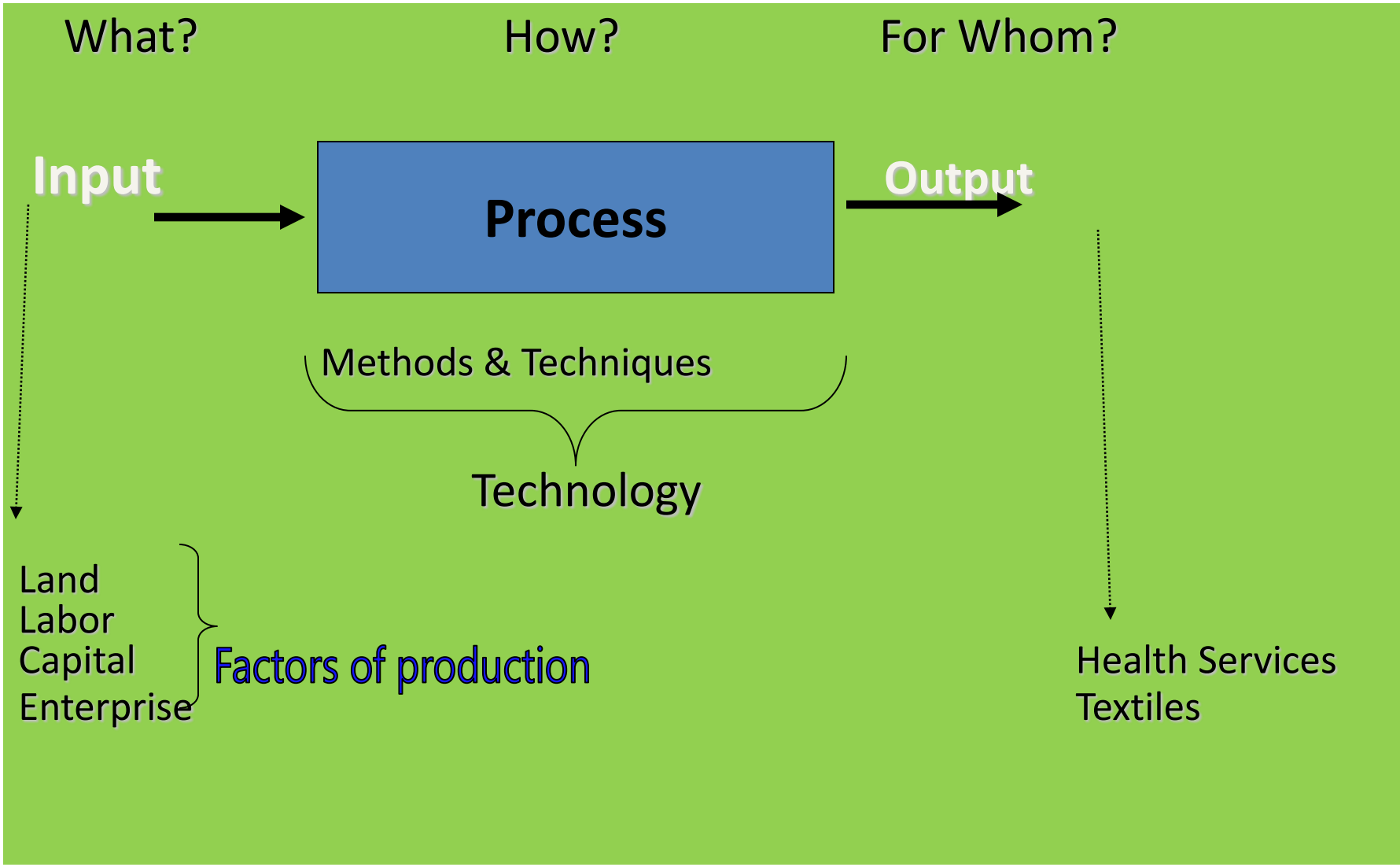
Question of Allocation

Deals with the economic goal of EFFICIENCY

3. For whom to produce?

Question of Distribution

Deals with the economic goal of EQUITY


What?
How?
For Whom?
Input
Process
Output
Methods & Techniques
Technology
Land
Labor
Capital
Enterprise
Factors of production
Health Services
Textiles

What?

- **What** goods and services are produced ?
  - (Do we produce houses or camping vehicles?)

- In U.S., the five largest services sectors: real estate, retail trades, wholesale trades, health and education. They are a service economy.

- Five largest categories of goods: construction, electronic equipment, food, industrial equipment and chemicals.

How?

- *How are* goods and services produced?
  - Do we use humans or machines to produce the goods we want?

- There are four categories of factors of production:
  - land, “gift of nature”
  - labor, work time and work effort
    - human resources- quality of labor: education, training, experiences
  - Capital, tools, instruments, machines, buildings and other constructions
  - Entrepreneurship, who organizes land, labor and capital

For Whom?

- For whom are goods and services produced? It depends on the incomes that people earn.
  - Land earns rent.
  - Labor earns wages.
  - Capital earns interest.
  - Entrepreneurship earns profit.

Microeconomic Agents

- Firms
  - Produce and sell goods and services
  - Buy inputs (labor, capital & raw materials)

- Consumers
  - Buy goods and services
  - Sell inputs (labor services, loanable funds)

Uses of Microeconomics

- Microeconomics is the study of the choices made by households, firms, and government, and of how these choices affect the markets for goods or services.
- We can use microeconomic analysis to:
    1. Understand how markets work and predict changes.
    2. Make personal and managerial decisions.
    3. Evaluate public policies.

Uses of Macroeconomics

- **Macroeconomics** is the study of the nation's economy as a whole.
- We can use macroeconomic analysis to:
  1. Understand why economies grow.
  2. Understand economic fluctuations.
  3. Make informed business decisions.

Demand and supply in the health care

Health care production , and Health care markets

session Objectives

At the end of this session you/students will be able to:

- Define demand and supply
- Identify Determinants of demand and supply
- Explain concept of market equilibrium
- Describe the concept of market in economics
- Identify models of demand and supply

Demand

- **Demand** is the amount of a good (service) buyers want & able to purchase at different prices.
- It does not mean the desire to obtain.
- It refers to the willingness/desire and ability to buy a good.
- Demand = Need + ability and willingness to pay for a commodity.

Factors influencing consumer demand

- The price of the good
- The price of substitutes
- The price of the compliments of the good
- Change in income of consumer
- Change in taste of consumer. Likes and dislikes in consumption.

Factors influencing…

- Consumer expectation about future;
  - Change in future price of goods
  - Change in future income
- Population Change
  - As the number of consumers in a market changes the demand will change.

Shifts in Demand

- **Substitutes**

  – Other goods which satisfy the same wants, or provide same characteristics.

  – Goods that can be consumed in place of one another.

  E.g: Private and public hospitals, coffee and tea,Pepsi and Coca .

  – Two goods are substitutes when a change in the price of one causes a shift in demand for the other in the same direction as the price change.

Shifts in Demand…

- **Complements**
  - Goods that are related in such a way that an increase in the price of one leads to a decrease in the demand for the other.
  - Two or more goods which are consumed together. E.g. sugar and milk, Car and Engine, etc.

Normal and Inferior Goods

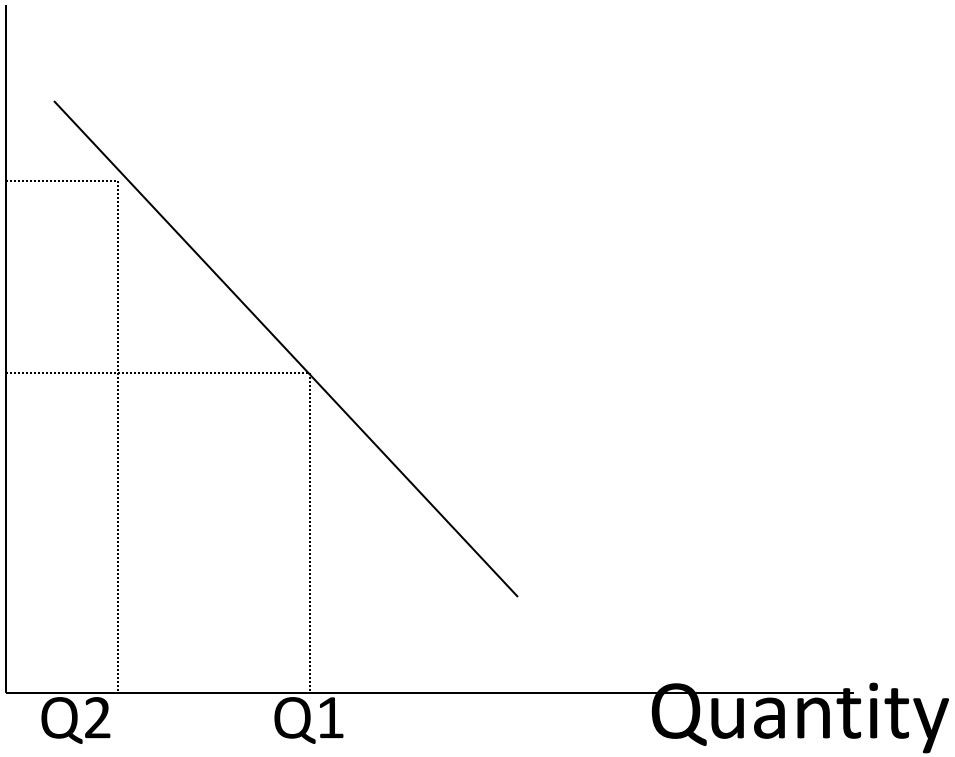
- **Normal Goods**
  - Goods for which demand rises as income rises, most goods are normal goods
- **Inferior Goods**
  - Goods for which demand falls as income rises

Law of Demand

- "The Lower the price, the greater the quantity demanded, keeping the other factors constant".
- This **inversely** relationship between price and quantity demanded is known as **law of demand.**
- At lower prices people are able and willing to purchase more of a commodity than at higher prices.

Demand Curve

- Price
- P2
- P1



Supply

Supply is the amount of a good producers/sellers are willing to produce and sell at different prices.

❖ Factors influencing the supply of a good or service:

- own price-positively b/c sellers need more profit.
- production cost of a good itself-negatively
- production cost of substitutes-positively
- Market structure/organization-if monopoly (positively)
- Other factors

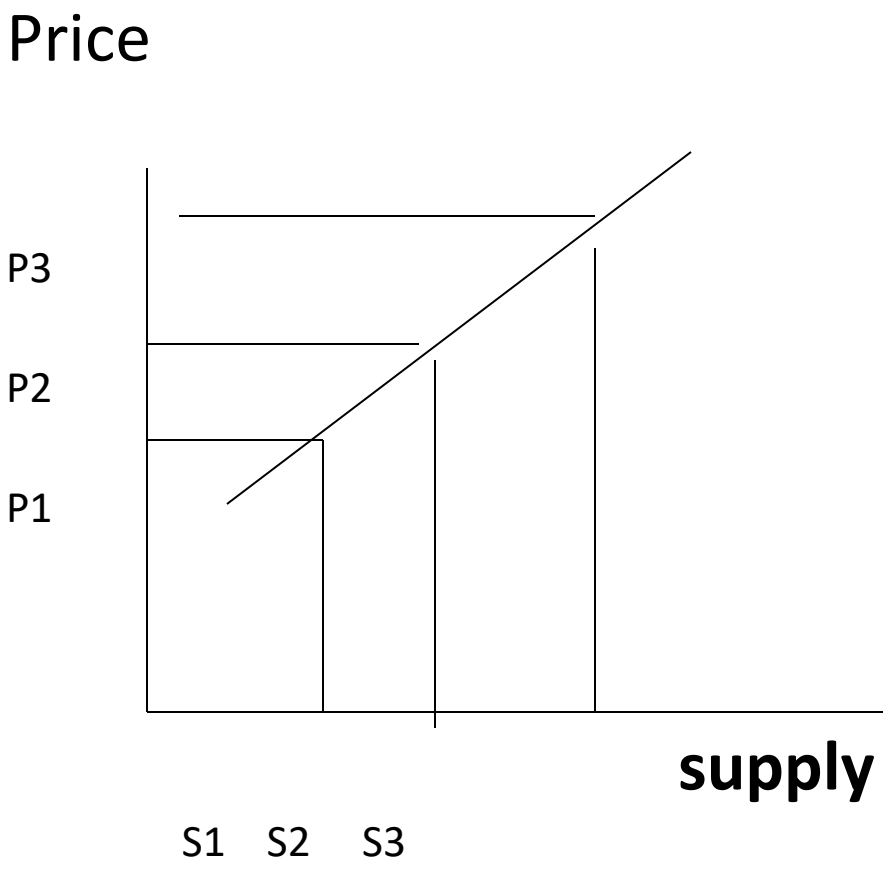
Law of Supply

- It states that the quantity supplied of a good is positively related to its own price.

- **Supply Schedule:** is the tabular presentation of quantity of a good supplied by the producer/seller at different prices.

- **Supply Curve:** is graphic presentation of the supply schedule.

Supply curve




Elasticity of
Demand

Elasticity

- **Elasticity** is a measure of responsiveness or sensitivity of the dependent variable(demand/supply) to the change in the independent variable (factors affecting demand/supply).
- It provides a way of measuring how demand or supply is sensitive to factors such as a change in price.

Types of elasticity

- Different types of elasticity:
  - Price elasticity of demand (Єd)
  - Income elasticity of demand (Єy)
  - Cross elasticity of demand (Єxy)

1.Price elasticity of Demand

❖ Price elasticity of demand (Єd) is sensitivity of the quantity demanded of a good to the change in the price of the good.

$$Єd = \frac{\%\text{ change in quantity demanded (Q)}}{\%\text{ change in price (P)}}$$

Price of Surgery	Quantity Demanded
Br. 1000	400
1500	300
2000	200
2500	100

Q: What is the price elasticity of demand for price increase from Br.1500 to Br.2000?

How do you classify the elasticity coefficient?

Price elasticity …

Elasticity cut-off points:

Єd is < 1 demand is inelastic

Єd is > 1 demand is elastic

Єd is = 1 demand is unit elastic

Єd is ∞ demand is perfectly elastic

Єd is 0 demand is perfectly inelastic

N.B- The sign of elasticity coefficients indicate the relationship between demand and other variables

Price elasticity…

- If price elasticity of demand is elastic, total expenditures will change in the opposite direction from a change in price.
  - i.e . if PED is elastic, a rise in price will lead to people spending less, while a fall in price will lead to people spending more.

Price elasticity…

- If price elasticity of demand is inelastic, total expenditures on a commodity will change in the same direction as a change in price.
  - i.e if PED is inelastic; a rise in price will lead to people spending more, while a fall in price will lead to people spending less

2.Income elasticity of demand (YED)

- **YED** measures how demand reacts to changes in income.
- The formula for income elasticity of demand is:

$$\frac{\%\text{ change in quantity demanded}}{\%\text{ change in income}}$$

- If the result is **positive**, then the goods are **normal**, if it is **negative** then they are **inferior**.

3.Cross price elasticity of demand (XED)

- It measures how demand reacts to changes in the price of other goods.
- Cross price elasticity of Demand =

$$\frac{\%\ \text{change in quantity demanded of main good}}{\%\ \text{change in price of other good}}$$

- If cross price elasticity of demand is **positive** then this indicates that the goods are **substitutes**.
- If it is **negative**, then the goods are **complements**.

The purpose of analysis of demand in health care

- Is to determine those factors which, on the average , most affect a persons utilization of medical services.
- The better our understanding of those factors, the better we will be able to explain variation in utilization among population groups and among areas.

Elasticity of Supply

- If the amount put on the market is highly responsive to price changes, the supply is elastic.
- If the amount offered is little affected by price variations, the supply is inelastic.

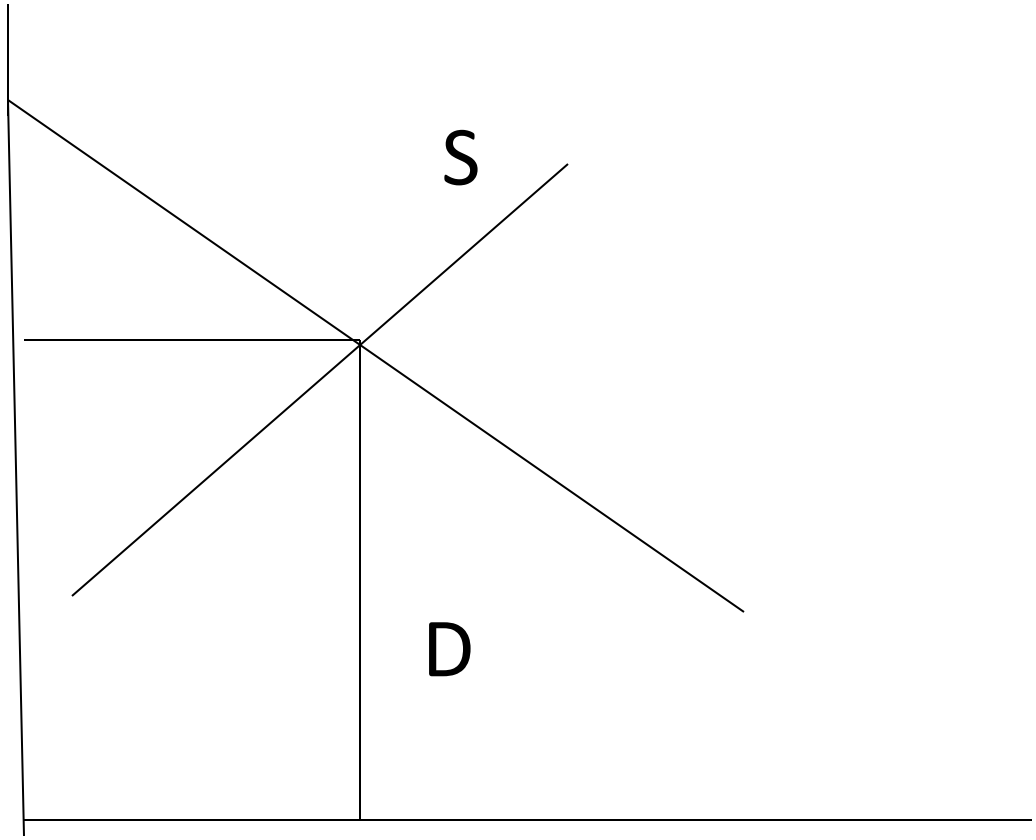
Market Equilibrium

- Is the situation when quantity supplied equals quantity demanded at a particular price.
- The supply and demand forces in the market place will produce an equilibrium price and equilibrium quantity, or market equilibrium.
- The market-equilibrium comes at that price and quantity where the supply and demand forces are balanced.

Market Equi…

- At such a price and quantity, the amount that buyers wish to buy is just equal to the amount that sellers wish to sell.
- At the equilibrium, price and quantity tend to stay the same, as long as other things remain equal, until something operates to change supply and demand.

Equilibrium of supply and demand



Need Vs. Want

- A **Need** is something that is necessary for humans to live a healthy life.
- Needs are distinguished from wants because a deficiency would cause a clear negative outcome, such as dysfunction or death.
- In economics, a **want** is something that is desired.
- It is said that people have unlimited wants, but limited resources.
- Thus, people cannot have everything they want and must look for the best alternatives which they can afford.

Need Vs Demand

Need	Demand
•Someone's subjective idea •Money is not a factor	•Objectively observable as behavior in the market. • Money is a key factor. "Demand" is also called "effective demand," because it's expressed only by spending money

A model of demand for medical care

- Consumers purchase goods and services for their utility.
- If the commodity demanded by consumers is good health, then health can be produced by goods and services purchased in the market as well as by the time devoted to preventive measures

A model of demand for medical care …

- According to Michel Grossman" consumers have a demand for health for two reasons

1) Health is a consumption commodity -it makes the consumer feel better
2) Health is an investment commodity -a state of health will determine the amount of time available to the consumer for productivity.

A model of demand for medical care …

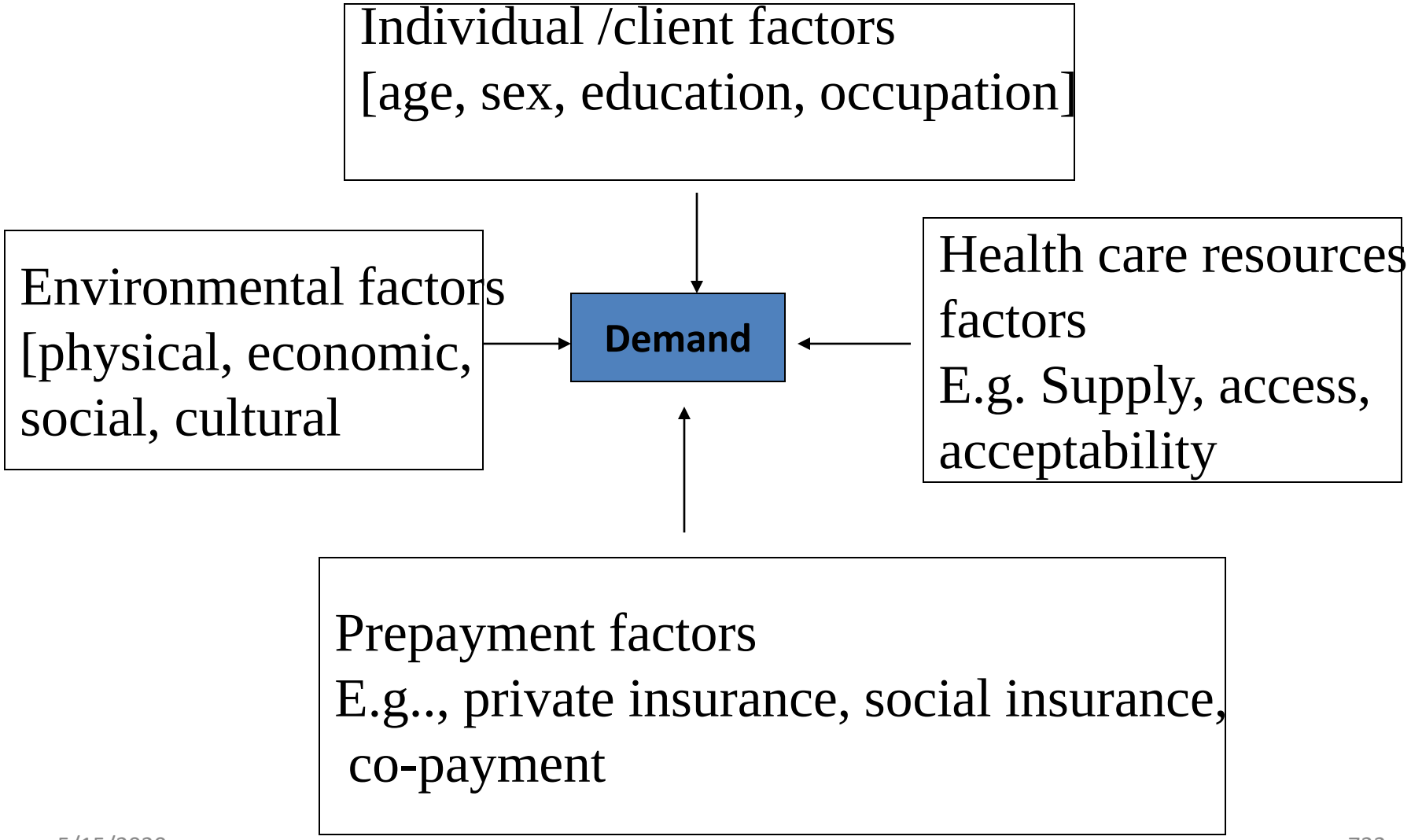
- Health is a consumption good means that health related activity will improve the quality of life, prevent discomfort or illness

E.g. cosmetic surgery, speech therapy, physiotherapy etc

A model of demand for medical care …

- Health is an investment means, being unhealthy brings discomfort, increase the number of sick days, loss of income from reduced work hours, absence from schools etc ⟹ decreased productivity(low economy)

GROSSMAN'S DEMAND MODEL



MICHEL GROSSMAN'S DEMAND MODEL...

- According to this model every one inherits a stock of health when born.
  - Health depreciated overtime, however an investment is required to sustain health.
- As peoples' age advances there is an increase in rate of illness and in the utilization of health services.
- The stock of health can be sustained by investment to maintain health, such as in use of health services and health promoting activities.

Medical care demand…

❖ **According to the view of Gross man;**

- First, Increase in age result in an increase in the rate at which the persons stock of health depreciates.
- Over the life cycle people will attempt to offset part of the increased rate of depreciation in their stock of health by increasing their expenditure on health services.

- Second, the demand for medical care will increase with increases in persons wages.
  - There is a positive relationship between wages and demand for health care.
- Third, education has a negative effect on the demand for health, because more highly educated people are presumed to be more efficient in producing health.

Market

- Is an arrangement by which buyers and sellers of a commodity interact to determine its price and quantity.
- We all want good health …
- This suggests that everybody is potentially a buyer (or consumer) of health care.

Market…

- More precisely, at any moment, a buyer would be any body who was ill or who wanted preventative medical treatment such as vaccination or who wanted guidance/ counseling about their health.
- The sellers would be those people who could provide medical and health care services, such as doctors, nurses, physiotherapists, dentists etc

Market Structures

- Market structure refers to how an industry (broadly called market) that a firm is operating in is structured or organized.

- **The key ingredients of any market structure are:**
  - Number of firms in the market/industry
  - Extent of barriers to entry
  - Nature of product
  - Degree of control over price.

Types of Market Structure

- **Four broad market structures have been identified by economists:**
  - Perfect competition
  - Monopoly
  - Monopolistic competition
  - Oligopoly

Types of Market Structures…

Type of market	Number of firms	Freedom of entry	Nature of product	Examples	Implication for demand curve of firm
Perfect competition	Very many	Unrestricted	Homogenous (undifferentiated)	Grains (wheat) or vegetables	Horizontal; firm is a price taker
Monopolistic competition	Many / Several	Unrestricted	Differentiated	Plumbers, restaurants	Downward sloping but relatively elastic; firm has some control over prices.
Oligopoly or Cartel	Few	Restricted	1. Undifferentiated or 2. Differentiated	Cement, cars, electrical appliance, oil.	Downward sloping relatively inelastic but depends on reactions of rivals to a price change
Monopoly	One	Restricted or completely blocked	Unique	WAPDA, or KESC	Downward sloping more inelastic than oligopoly; firm has considerable control over price

1. Perfect Competition

- **The main assumptions of perfect competition are:**
  - Large number of buyers and sellers, therefore firms price-takers.
  - No barriers to entry (also implies free mobility of factors of production).
  - Identical/homogeneous products (extent to which products can be regarded as substitutes for each other)
  - Perfect information/knowledge.
- Perfect competition can be thought of as an **extreme form of capitalism, i.e. all the firms are** fully subject to the market forces of demand and supply.

2. Monopoly

- Is the other pole or extreme of the market structure spectrum.
- A situation where there is a single producer in the market.
- Economists are often interested in how much monopoly power any firm (not necessarily a monopoly) has.
- Here monopoly stands for the extent to which the firm can raise prices without driving away all it customers.
- In other words, monopoly power and price elasticity of demand are inversely related.

Types of monopolies

- More efficient for only one business to produce the goods = ***Natural Monopoly***
- No other business chooses to compete in that area = ***Geographic Monopoly***
- Results from new discoveries and inventions.
- The government grants these monopolies through the issue of patents and copyrights = ***Technological Monopoly***
- Involves products people need that private industry might not adequately provide = ***Government Monopoly***

Disadvantages of Monopolies

- Monopolists produce lower quantities at higher prices compared to perfectly competitive firms.
- Monopolists earn supernormal profits compared to perfectly competitive firms
- Most of the "surplus" increase to monopolists.
- Monopolists do not pay sufficient attention to increasing efficiency in their production processes.
- Efficiency = Maximizing social net benefits

3. Monopolistic Competition

- Monopolistic competition is also characterized by a large number of buyers and sellers and

- Absence of entry barriers. In these two respects it is like perfect competition.
- Firms are price-takers but not in the extreme sense of perfect competition.

- Products are differentiated and in this respect, it is different from perfect competition.

4. Oligopoly

- Similar to monopoly in the sense that there are a small number of firms (about 2-20) in the market and, as such, barriers to entry exist.

- It is similar to perfect competition in the sense that firms compete with each other which may result in prices very similar to those that would obtain under perfect competition.

- It is similar to monopolistic competition since there is a possibility of having differentiated products.

Taxes

- Governments levy taxes to raise revenue for public projects.
- Taxes discourage market activity.
- When a good is taxed (commodity tax), the quantity sold is smaller.
- Buyers and sellers share the tax burden.
- Sale Tax: a tax on buyer

  Example: USA $0.50 tax per ice-cream cone bought.
- Excise Tax: A Tax on Seller

  Example: Taiwan $0.50 tax per ice-cream cone sold

Thank You!!!

Week 13:equity in health care; economic evaluation and health care financing

Contents of this week's lesson:

- Issues of equity in the health sector
- Methods of economic evaluation and costing of health care programs
- Principles and types of healthcare financing
- Healthcare financing in Ethiopia

Issues of equity in the health sector

Objectives: at the end of this session students will be able to:

- Define and Understand basic concepts of equity.
- Classify equity.
- Compare and contrast equity and equality.
- Know how to measure inequality in health care
- identify some strategies to narrow inequities in health care.

Definitions and concepts of health equity

There are multiple definitions of health equity.

- horizontal equity requires equal treatment for equal need(Gavin Mooney, 1983).
- health care is equitable when resource allocation and access are determined by health needs (Aday, Fleming and Anderson,1984).
- Equity in health care can mean: equal utilization, distribution according to need, access, equal health outcomes (Culyer and Wagstaff, 1993).
- equity in health implies that ideally everyone should have a fair opportunity to attain their full health potential and, more pragmatically, that no-one should be disadvantaged from achieving this potential if it can be avoided' (Margaret Whitehead 1991, page 220).

Definitions and concepts…..

- Acc. to WHO Equity means that people's needs rather than their social privileges guide the distribution of opportunities for wellbeing.
- Pursuing equity in health means trying to reduce avoidable gaps in health status and health services between groups of different levels of social privilege(Braveman et al 1996, page 1)
- WHO operationally define Equity in health as minimizing avoidable disparities in health and its determinants that are systematically associated with underlying social disadvantage or marginalization (Braveman 1998, cited in Braveman 2006).

Definitions and concepts..

- ❖ According to most policy analysts; health equity implies:
- The absence of socially structured inequalities and differential outcomes.
- ❖ It refers to ensuring **quality care and best outcomes** regardless of race, religion, language, income or any other individual characteristic.
  - One of the 6 domains of quality of health care.
- ❖ The 6 domains of quality of health care: Safe, Effective, Patient-centered, Timely, Efficient and **Equitable**

The 6 domains of quality care

- **Safe**: Avoiding harm to patients from the care that is intended to help them.
- **Effective**: Providing services based on scientific knowledge to all who could benefit and refraining from providing services to those not likely to benefit (avoiding underuse and misuse, respectively).
- **Patient-centered**: Providing care that is respectful of and responsive to individual patient preferences, needs, and values and ensuring that patient values guide all clinical decisions.
- **Timely**: Reducing waits and sometimes harmful delays for both those who receive and those who give care.
- **Efficient**: Avoiding waste, including waste of equipment, supplies, ideas, and energy.
- **Equitable**: Providing care that does not vary in quality because of personal characteristics.

Why equity in health care?

- ‘The “inverse care law” states the availability of health care varies inversely with the population’s need for it; in effect, those most in need of health care have the least access to it’ (Hart 1971).
- Despite significant improvement, persistent disparities in health access, quality of services and outcomes remain.
- Those in low socioeconomic groups are still the most disadvantaged.

Forms/types of equity

- **End-state equity** A situation where there is an equal distribution of income (or utility, or health, etc.).
- **Horizontal equity** The equal treatment of individuals or groups in the same circumstances.
- **Process equity** A situation where people have the same opportunities even if the outcomes are unequal.
- **Vertical equity** The principle that individuals who are unequal should be treated differently according to their level of need.

Vertical vs horizontal equity

- Based on Aristotle's formal theory of distributive justice :
- horizontal equity refers to equity between people with the same health care needs.
- vertical equity refers to those with unequal needs who should receive different or unequal health care.
- i) Vertical equity – is the unequal treatment of unequal need.
  - It can be justified on the basis of morally relevant factors(e.g. Autonomy, need),
  - however, morally irrelevant factors(e.g. Age; sex) should not be the basis for employing vertical equity.
- Vertical equity or 'proportional universalism is an approach or actions taken proportionate to need and level of disadvantage in a population (Michel Marmot).

Vertical vs horizontal equity

ii) **Horizontal equity** – equal treatment of equals

- Most developed countries have achieved horizontal equity, but none have achieved vertical equity.
- The reality is that both are needed within a health system that aims to provide health care to all people and to enable greater care when faced with greater need.
- Whitehead coined the term ‘equal use for equal need’ to explain vertical equity (Whitehead 1991).
-

Equality versus equity

- Equality is ‘sameness’,
- equity is an ethical construct that recognizes different groups may require different approaches to get the same outcomes.
- Uniform approaches are indeed equal, because they provide the same care to every person.
- However, uniform approaches become inequitable (unfair) as soon as there are differences between groups.
- Uniformity fails to account for the contextual differences between people baseline characteristics .

Equality versus equity…..

- In contrast, equitable approaches are seldom equal,
- because they consider and aim to minimize the impact of avoidable differences in baseline characteristics.

➢ Some definitions to remember:

♣ Equality = sameness

♣ Inequality = unequal

♣ Equity = fairness

♣ Inequity = unfair or unjust

Equality versus equity…..

- Acc. to CDC equity is a process and equality is an outcome of that process.
- Understanding the difference between health equality and health equity is important to public health.
  - To ensure that resources are directed appropriately
  - as well as supporting the ongoing process of meeting people where they are.
- For various reasons, providing the same type and number of resources to all is not enough.
- In order to reduce the health disparities gap, the underlying issues and individual needs of underserved and vulnerable populations must be effectively addressed.

Health inequity vs health inequality

- Health **inequity**: unjust differences in health between persons of different social groups; a normative concept.
- Health **inequality**: observable health differences between subgroups within a population; can be measured and monitored.

Types /forms of health inequality

Total health inequality versus social inequality in health

- **Total inequality**: the overall distribution of health
  - Consider only health indicator variables (no equity stratifiers)
- **Social inequality**: health inequalities between social groups
  - Indicate situations of inequity, where differences between social groups are unjust or unfair

Types /forms of health inequality…

- **Within-country inequality** exists between subgroups within a country, based on disaggregated data and summary measures of inequality
  - For example, comparing the difference between infant mortality rates among urban and rural subgroups
- **Cross-country inequality** shows variability between countries based on national averages
  - For example, comparing countries on the basis of national infant mortality rates
- **Cross-country comparisons of within-country inequality** are possible
  - For example, countries may be compared based on the level of rural–urban inequality in infant mortality rate within each country

How to measure inequalities?

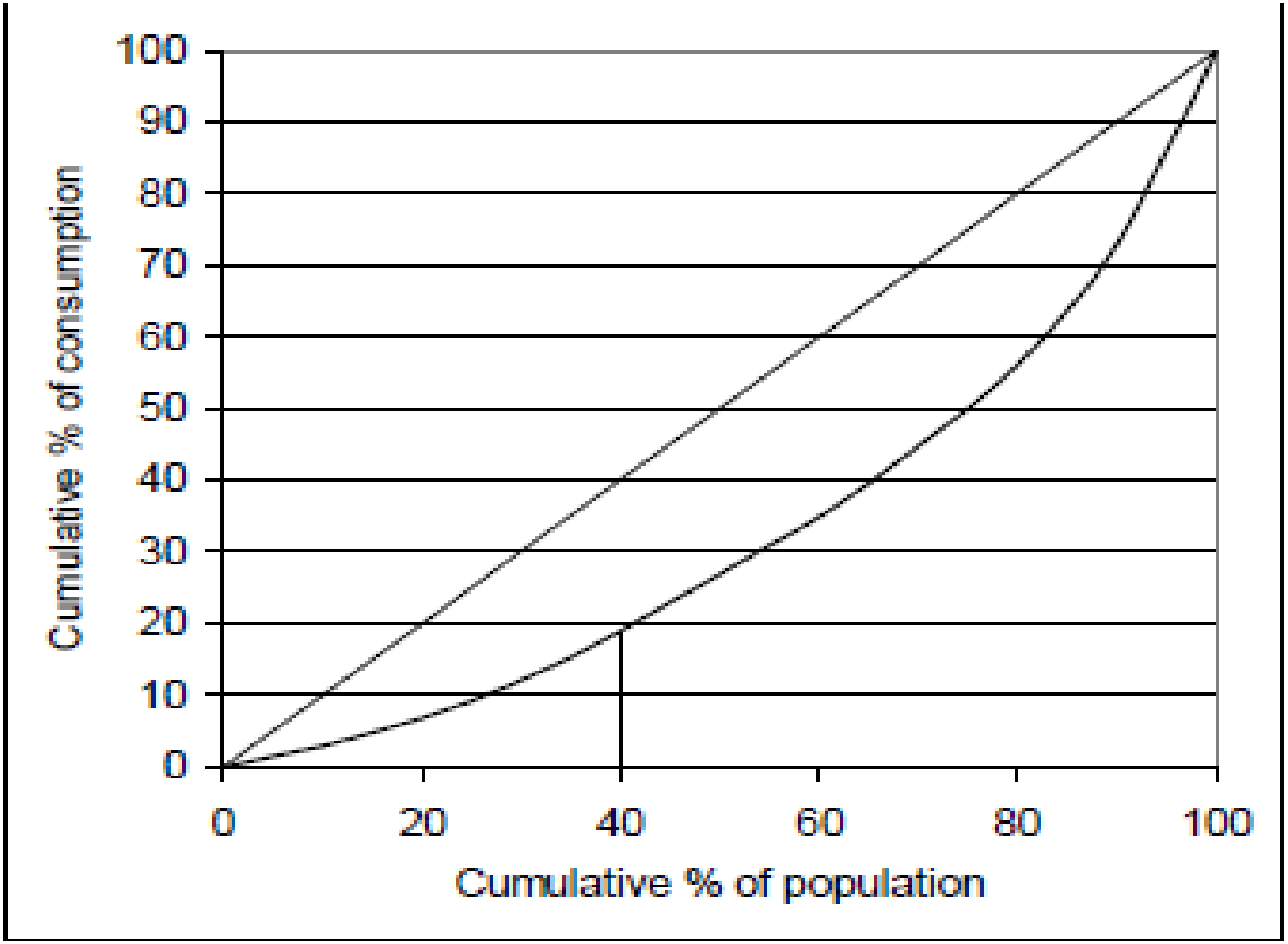
Measuring health inequalities can be achieved by:

- Measuring health need (measuring demand through health needs assessment - ‘Participatory needs assessment’)
- Measuring access to health care (‘Measures of supply and demand’) health care use e.g. avoidable admissions, barriers to admission e.g. waiting lists, patients’ perceptions of healthcare provision
- Measuring quality of health care.

The Lorenz curve:

- The most frequently used chart.
- The curve maps the ***cumulative expenditure*** share on the vertical axis against the ***cumulative distribution of the population*** on the horizontal axis
- If each individual had the same consumption, or total equality, the Lorenz curve would be the “line of total equality”

Fig; Lorenz Curve



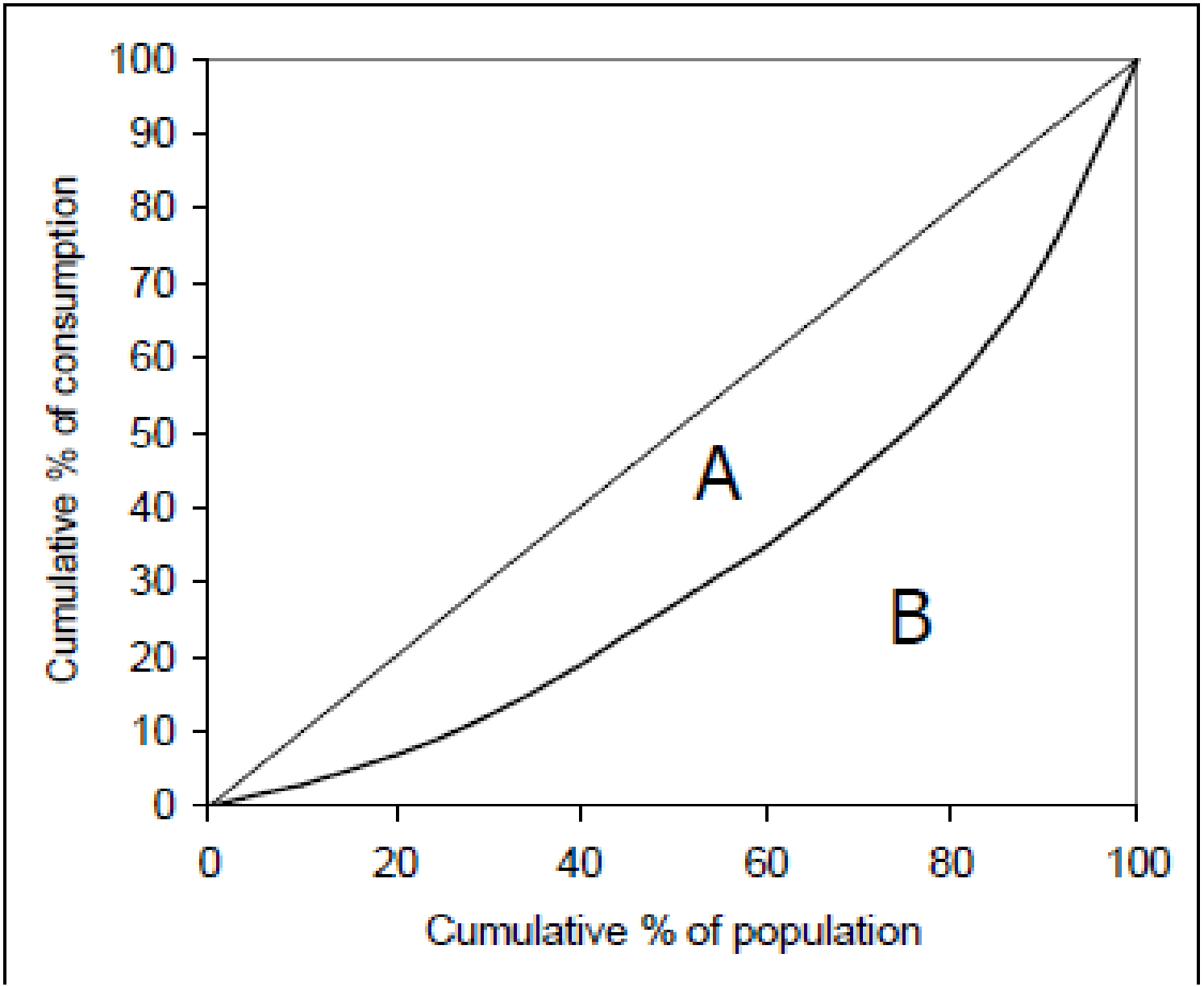
- *The more the Lorenz Curve is bowed away from the diagonal, the more unequal is the distribution of income, the larger will be the Gini coefficient*

Gini Coefficient of Inequality

- The Gini coefficient is the most commonly used measure of inequality (Corrado Gini, 1912**)**.
- The coefficient varies between 0, which reflects complete equality and 1, which indicates complete inequality, i.e., one person has all the income or consumption and all others have no income or consumption.

Gini Coefficient of Inequality

- It measures the extent to which the distribution is “far“ from that of total equality
- It is calculated as the area A divided by the sum of the areas A and B.
- It typically ranges from 0.3-0.5


Cumulative % of consumption
100
90
80
70
60
50
40
30
20
10
0
A
B
0
20
40
60
80
100
Cumulative % of population

Is equity an ethical issue?

- The concept of equity in health is an ethical principle.
  - closely related to human rights, in particular, the right of all humans to experience good health.
- The 1948 Universal Declaration of Human Rights, state that people have the right to 'the highest attainable standard of health'(WHO constitution ,1948).
- The right to health can be interpreted as governments providing equal opportunities to all people to be healthy.
- Equitable allocation of resources in society is underpinned by the ethical principle of distributive justice, described by philosopher John Rawls (Rawls 2001) and others.

Is health inequity an issue only in developing countries?

- Almost all countries in the world suffer from pervasive health inequalities, with poor people dying younger and enduring more years of diminished health.
- The issue of health in equity is the concern both for developing and developing countries.
- All advanced countries – even those with best overall health – have significant disparities in health outcomes
- There is evidence that health disparities have increased in many countries and often the immediate challenge is seen to be preventing health disparities from continuing to worsen.

Pre-conditions and strategies for achieving greater health equity

The pre-conditions for achieving greater health equity include:

- reduction of poverty, inequality and social exclusion.
- positioning individual and community needs at the heart of policy, planning and service delivery.
- provision of culturally appropriate social support and health care.
- availability and accessibility of a full and seamless continuum of health and social services to all citizens.
- health and human services systems that focus on the most disadvantaged individuals and population groups.
- ‘up-stream’ investment in disease prevention and health promotion.

WHO Recommendations for promoting equity within the health sector

- Recognize that the health sector is part of the problem
- Prioritize diseases of the poor.
- Deploy or improve services where the poor live.
- Employ appropriate delivery channels.
- Reduce financial barriers to health care.
- Set goals and monitor progress through an equity lens.

Role of government in public health and health equity

- Health system strengthening
- human resource development
- capacity building
- regulation
- Population stabilization,
- gender mainstreaming and empowerment,
- reducing the impact of climate change and disasters on health,
- improving community participation and governance.
- Making public health a shared value across the various sectors.
- governments ought to take a bold approach to addressing healthy inequities.

Role of research to support health equity

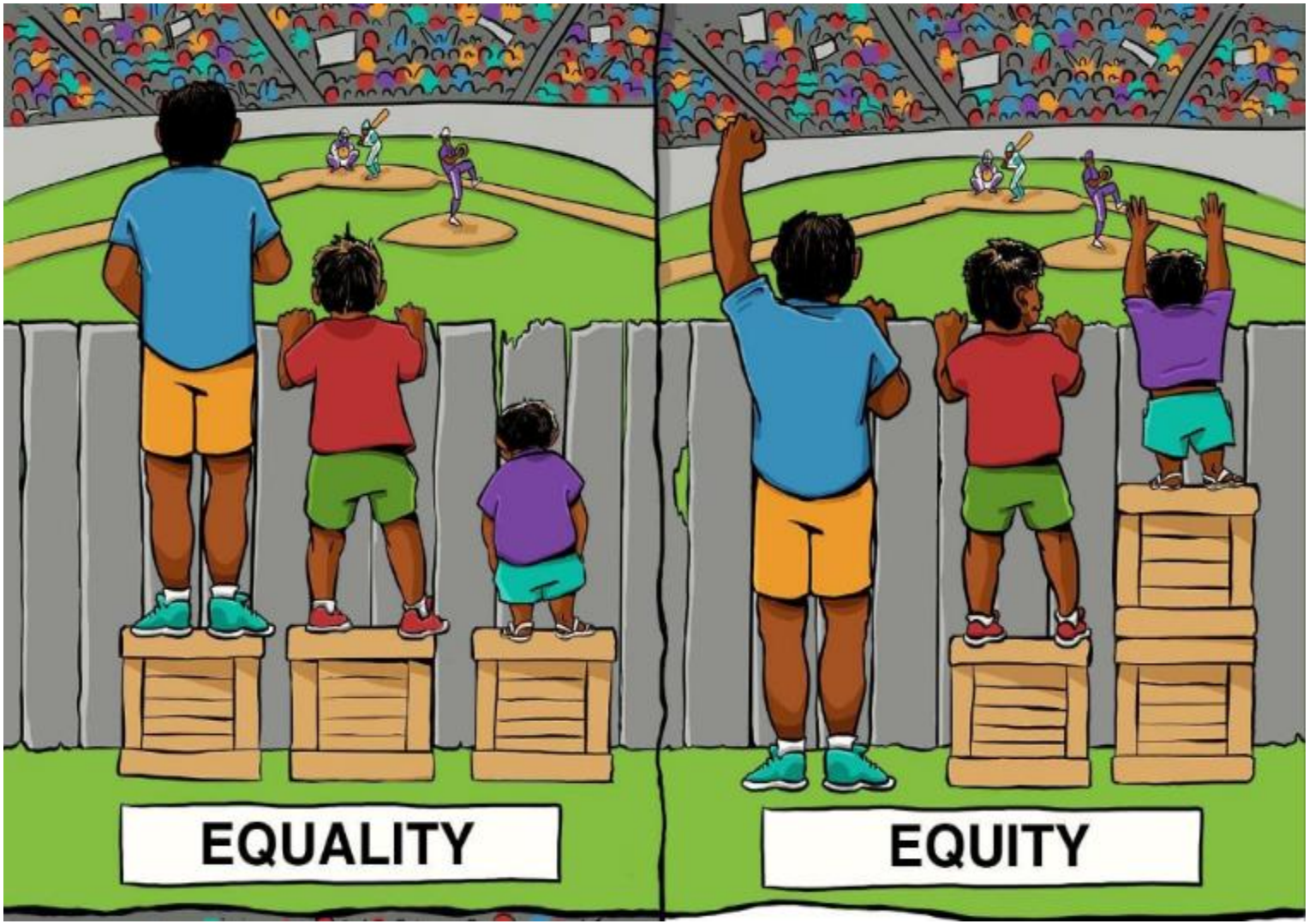
- Community-based research is critically important to inform public policy and practice.
- information and data collection need to go beyond the metrics collected about the performance of the healthcare system.
- Systematic and comparable data must also be collected to support equity and diversity planning.
- Community-based research takes place in community settings and involves community members.
- Such activities should respect for the principle of "doing no harm" to the communities involved.

Ethiopia's effort in achieving health equity.

- Health equity is a cross-cutting theme in the United Nations 2030 Agenda for Sustainable Development, and
- a priority in health sector planning in countries including Ethiopia.
- Introduction of HEP
- Equity issue is one of the primary focus of HSTP.
- HCFR , initiation and implementation is safeguarding health equity and UHC.
- Priority area in the newly draft health policy.

Equity

Equity



Thank you!

- There is no quality with out equity!!!!

Home take reading assignment

School of thoughts or approaches of addressing equity:

- ♣Egalitarian approach
- ♣***Rawlsianism*** approach
- ♣utilitarianism
- ♣Communitarian approach
- ♣Welfaresim
- ♣Extra-Welfaresim
- ♣The new-paradigm of health economics

Methods of economic evaluation and costing programs

At the end of this session students will be able to:

- Define cost
- Identify the Reasons of costing in health
- Differentiate Types of costs
- Define economic evaluation
- Compare and contrast types of economic evaluation techniques
- Apply cost analysis and economic evaluation techniques.

What is cost?

Definition

- Cost means the amount of expenditure incurred in obtaining the services.
- **Cost** is" the price paid for something." [oxford dictionary]

Why do Costing in Health?

- To set prices
  - calculating the unit cost of services helps to set accurate prices that are in line with the true costs of production.

Why do Costing in Health?.....

- To estimate efficiency
  - costing can allow us to see how an organization is spending its resources, and to compare the cost of producing the services to the price charged and the revenues received.

Why do Costing in Health?.....

- To plan for the expansion or replication of services
  - it is important to be able to predict costs when scaling up interventions or replicating an existing intervention in a different setting.

Costing Health interventions

- Uses of Cost Data

–Assessing efficiency

  –Assessing equity

  –Assessing priority

  –Considering cost recovery

Type of costs

- Direct cost; these are those costs which are directly associated with a cost unit or job or process.

e.g. cost of medicines , lab. reagents, OPD visits etc.

- Indirect cost; the cost can not be directly associated with a particular cost unit, process or department.

e.g. rent, managerial salaries, wages lost because of travel/absent from work etc.

Type of costs…..

- Opportunity costs; refers to the value of resources used that could have been applied to other uses.

E.g. Hospital land and building costs could be allocated for other purposes such as primary health care facilities, school health programs etc

Type of costs……

- Intangible costs
  - psychic costs associated with treatment

The cost of health services

Table 1 Cost categories

Cost Category	Costs
Direct medical costs	Medications
	Supplies
	Laboratory tests
	Healthcare professionals' time
	Hospitalisation
Direct non-medical costs	Transportation
	Food
	Care for family members, e.g. children
	Home aides
Indirect costs	Lost wages (morbidity)
	Lost work /leisure time for carers
	Income forgone because of premature death (mortality)
Intangible costs	Pain
	Suffering
	Inconvenience
	Grief
Opportunity costs	Lost opportunity
	Revenue forgone

Economic evaluation

- *Definition*

  It is the comparative analysis of alternative courses of action in terms of both their costs and consequences/benefits.

Economic evaluation….

❖The real purpose of doing economic evaluation is to:

- Improve efficiency:
  - The way inputs (money, labour, capital etc)
  - Can be converted into outputs (saving life, health gain etc)
  - Improving quality of life

Evaluation needs to be comparative as an intervention can:

- Only be labeled as good or bad relative to some benchmark or
- If an evaluation is not comparative and does not consider both costs and consequences, then it is only a partial evaluation.
- It is a description of either just the costs or just the benefits of one intervention in isolation.

Type of economic evaluation

- **The most vital techniques of economic evaluation are :**

1. Cost effectiveness analysis (CEA)

2.Cost utility analysis (CUA) and

3.Cost benefit analysis (CBA)

4.Cost minimization analysis (CMA)

Cost Effectiveness Analysis (CEA)

- A type of economic assessment that considers the costs and effects of at least two types of possible intervention where the effects are different, but measured in natural units.
- Examples of natural units are: cholesterol level, visual acuity, blood pressure, incidence of the ill health condition, prevalence of the condition, the number of lives saved and mortality rates.

CEA…..

- For example, a hospital operation A costs £13500 for the electrophysiology stimulation in treatment of ventricular arrhythmias.
- Suppose that the hospital intervention saves the lives of eight out of ten patients.
- The alternative healthcare intervention is a course of medicine B at a cost of £7500 per course.
- Suppose the intervention with medicine is successful in six out of ten patients.

CEA……..

- On the basis of the evidence of costs and effects, which option provides better value for money, A or B? One way to make a decision on these data is to calculate the cost per unit effect.
- In the example above, the cost per unit effect is the cost per life-year saved.
- A course of hospital electrophysiology stimulation costs £1687.50 (£13 500/8) per life saved.
- A course of medication in a primary care intervention regime costs £1250 (£7500/6) per life saved.

CEA…..

- On the basis of this evidence, intervention in primary care is more cost-effective than hospital electrophysiology stimulation in the treatment of ventricular arrhythmias.
- The program with the lower cost per unit of outcome –would be considered more *cost-effective i.e* the most effective method is the one that achieves the same goal using the least resources.

CEA…

Generally Cost-effectiveness analysis (CEA) is:

- ✓ Concerned with technical efficiency.
- ✓What is the best way of achieving a given goal
- ✓ What is the best way of spending a given budget?
- ✓ Used when the interventions being compared can be analyzed with common measures.

CEA….

- Its disadvantages are
  - the worth of an outcome (what it means to people) is not valued,
  - it cannot compare interventions that have different outcomes and
  - it cannot encompass quality of life.

Cost-utility analysis (CUA)

- A type of economic assessment that considers the costs and effects of at least two types of possible healthcare interventions where the effects are not the same but are measured in units of **utility or satisfaction**.

CUA…….

- It can be thought of as a sophisticated form of CEA, since it also makes comparisons between health programs in terms of cost effect ratios.
- CUA tends to be used when quality of life is an important factor involved in the health programs being evaluated.

CUA…..

- **Utility** is simply a measure of preference, where values can be assigned to different states of health.

✓This is normally done by assigning values between **1.0 and 0.0**

✓Where 1.0 is the best imaginable state of health (**completely healthy**) and

✓0.0 is the worst imaginable (**perhaps death**).

Quality – Adjusted Life – Years (QALY)

- One of the features of conventional CUA is its use of the QALY concept.
- Results are reported in terms of cost per QALY gained
- **QALYs: - combine life years gained with a measure of the** quality of those years.

Limitation of CUA

- How do you value health status (0-1) ?
- Discounting of future benefits
- Ethical problems

Cost Benefit Analysis (CBA)

- A type of economic assessment that considers the costs and effects of at least two alternative courses of action, where costs and benefits are measured in Money terms.
- It is the most comprehensive and theoretically sound form of economic evaluation.

Cont…

- Cost-Benefit analysis estimates and totals up the equivalent money value of the benefits and costs to the community , projects to establish whether they are worthwhile.
- These projects may be dams and highways or can be training programmes and health care systems.

CBA….

- The main difference between cost-benefit analysis and other methods of economic evaluation is that:
  - It seeks to place monetary values on both the inputs (costs) and outcomes (benefits) of health care.
  - Among other things, this enables the monetary returns on investments in health to be compared with the returns obtainable from investments in other areas of the economy.

CBA.....

- Goal of analysis CBA:
  - CBA is a full economic evaluation because programme outputs must be measured and valued.
  - CBA converts all costs and benefits to money.

- If the value of benefits exceeds the costs of any intervention, then it is potentially worthwhile to carry that intervention out.

Cost-minimization analysis (CMA)

- A type of economic assessment that considers the costs and effects of at least two types of intervention where the effects are found to be, or can be assumed to be, the same or not significantly different.

CMA…

- It is comparing the costs of more than one course of possible intervention when the outcomes from each intervention are alike.
  - Strictly speaking, the outcomes have to be of the same magnitude.

CMA…

- In a cost minimization analysis, the consequences /benefits of two or more interventions being compared are/assumed to be equivalent.
  - The analysis therefore focuses on costs alone.

CMA…

- An example of this type of analysis would be the comparison of two antibiotics, which have the same treatment benefits and side effects.

- Cost-Effectiveness Analysis
  - Measure benefits in natural units e.g. LYG
  - Addresses technical efficiency, difficult to compare across programs
- Cost-Utility Analysis
  - Measure benefits in terms of QALYs
  - Addresses technical efficiency, easier to compare across programs
  - Cannot be used to determine optimal size of health programs

- Cost-Benefit Analysis
  - Measure benefits in terms of dollar valuations
  - Addresses allocative efficiency, easier to compare across programs
  - Can be used to compare health and non-health programs

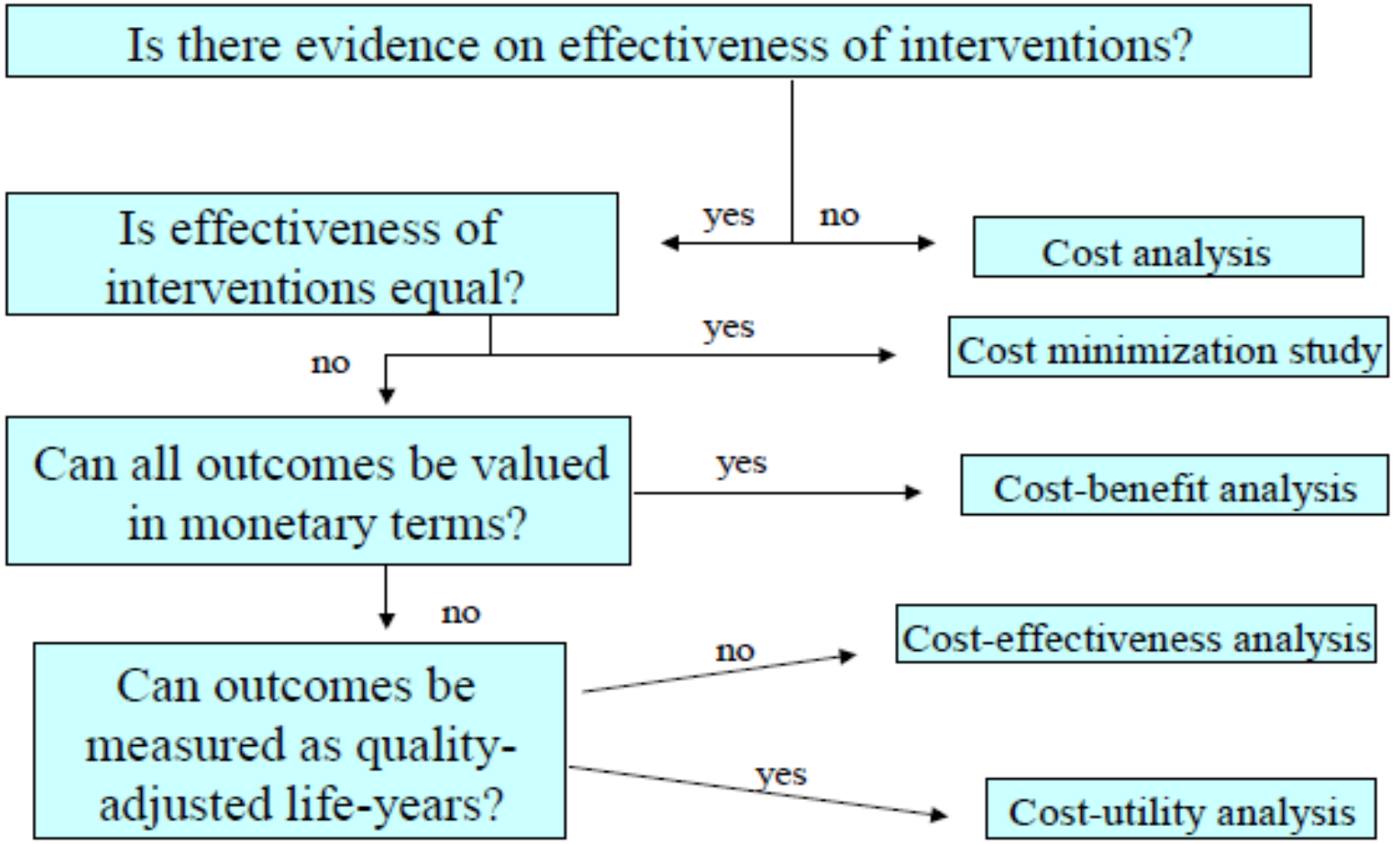
Cost Effectiveness Analysis (CEA)

- Concerned with technical efficiency issues
- Technical efficiency issues are what is the best way of achieving a given goal or what is the best way of spending a given budget
- Comparison can be made between different programs in terms of their cost effectiveness ratio.
- Cost per unit of effect

Cost effectiveness analysis (CEA)

- Under CEA effects are measured in terms of the most appropriate one-dimensional natural unit
- E.g. What is the best way of treating renal failure?
- The most appropriate ratio with which to compare programs might be cost per life saved
- The advantage of the CEA approach is that it is relatively straight forward to carry out and is often sufficient for addressing many questions in health care.

. Types of Economic evaluation

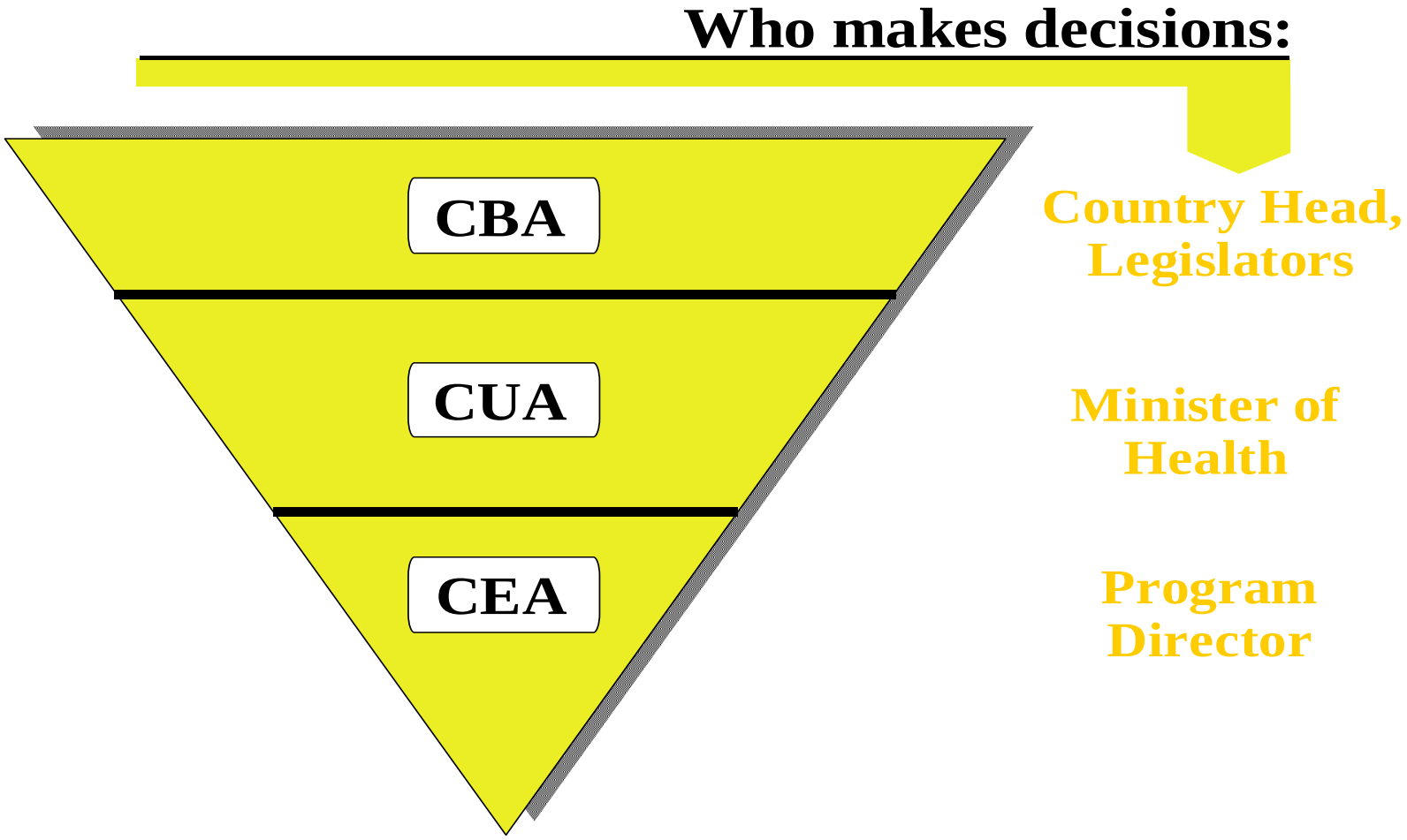


Source: Gray, A. Economic Evaluation in Dawes, et al. Ed. Evidence Based Practice: A primer for health care professionals. 2001.

Types of Economic Evaluation

Type of Analysis	***Costs***	***Consequences***	***Result***
Cost Minimisation	Dollars	Identical in all respects.	Least cost alternative.
Cost Effectiveness	Dollars	Different magnitude of a common ***measure*** eg., LY's gained, blood pressure reduction.	Cost per unit of consequence eg. cost per LY gained.
Cost Utility	Dollars	Single or multiple effects not necessarily common. ***Valued*** as "utility" eg. QALY	Cost per unit of consequence eg. cost per QALY.
Cost Benefit	Dollars	As for CUA but ***valued*** in money. eg willingness-to-pay	Net $ cost: benefit ratio.

Use of Economic Evaluation in Setting Health Policy




Thank you!

Principles and types of healthcare financing: Healthcare financing in Ethiopia

session objectives

❖ At the end of this session students will be able to:

- Define health care financing and health care insurance.
- Identify sources of health services financing.
- Describe elements of health care financing.
- Differentiate Ethiopian health care financing reform components.
- Discuss the types of health insurance.

Health Care Financing

- Deals with mobilization, allocation, and utilization of funds for health care to cover the health needs of the people and for specific types of health care services.
- It is concerned with where the money comes from, how it is collected, how it is pooled and how it is used to pay health service providers .

HCF Cont…

- **Health care differs in a number of ways from other market systems**

1. The need for health care is sporadic and unpredictable.
   - So that it is hard to ensure to pay for it when it needs.

2. Health care is very expensive particularly in the case of hospital treatments, accidents and long term illnesses.

HCF Cont…

3. Poor people are unable to afford health care costs, however they are more likely to require more health care due to poor *housing*, *nutrition*, and *employment conditions.*

Major questions to be addressed on health care financing:

- What services should be produced to achieve health goals?
- How much do they cost?
- Who gets what?
- Who pays?

Elements of Health care financing

- Raising sufficient revenue in a sustainable manner
- Pooling risk equitably and efficiently
- Purchasing health services to cover the health needs of the community

Elements of HCF…

- **Revenue collection** is the way health system raise money from households, businesses and external sources.
- It is concerned with the sources, structures and means by which funds are collected.

Elements of HCF…

- **Risk pooling** is the collection and management of financial resources so that large unpredictable individual financial risks become predictable and are distributed among members of the pool.
- Prepayment allows pooling of risks.

Elements of HCF…

- **Purchasing/resources allocation** refers to the many arrangements for buyers of health care services to pay health care providers and suppliers.
  - It is a mechanism to secure services from public and private providers.
- Resources can be allocated using formula taking into account population size, demographic composition, disease burden (mortality rate, ..), socioeconomic status and so on.

Sources of Health Services Financing

- **Public sources;**
  - Federal, state, and local government general revenues; mainly from taxes
  - Compulsory heath insurance.
  - Lotteries.
  - Dedicated taxes, alcohol, cigarette, etc.

Sources of Health Services Financing …

- **Private sources;**
  - Private health insurance
  - Private donations
  - Private foundations
  - Voluntary community services
  - User fees

Sources of Health Services Financing …

- Private financing for health care can be:
  - Direct
  - Indirect
- **Direct Payment**
  - Personal payment made directly to a wide range of providers
  - Direct out of pocket made by patients to private providers at the time a service is rendered

Sources of Health Services Financing . . .

- **Indirect Payment**
  - By large & privately owned industrial complexes in developing countries.
  - By employers in industrialized countries.
  - By non-government bodies such as local charity fund-raising for health causes.

Sources of Health Services Financing …

- **International co- operation;**
  - United nations affiliation
  - Foundations
  - Religious organizations
  - World bank
  - Non governmental organizations

Health Sector Reform And Financing Health Care

Objectives of health sector reform:

1.To generate resources for the health sector

2. To equity in health care delivery

3. To improve efficiency of health services

Health Care Financing Reform Components

1. Revenue retention and utilization
2. Systematizing fee waiver system
3. Standardizing exemption services
4. Outsourcing of nonclinical services in public hospitals
5. User fee setting and revision
6. Initiation of health insurance
7. Establishment of a private wing in public hospitals
8. Health facility autonomy through establishment of governing bodies

Why private wing?

- To mobilize additional resources
- To improve quality of service in the non-private wing sections
- To increase motivation and reduce attrition of health workers
- To provide an alternative choices of care

Health care insurance

- Is a means of pooling risks across different population groups as a means of avoiding the financial burden of unanticipated and catastrophic illnesses.
- Is a way of paying for some or all of the costs of health care.

Health Insurance

- Health insurance is a means of pooling risk across different population groups as a means of avoiding the financial burden of unanticipated and catastrophic.
- A means by which money is raised to pay for health services by financial contributions to a fund
- The fund then purchase health services from providers for the benefit of those for whom contributions are made or who are otherwise covered by the system/design.

Health care insurance…

- It can protect insured persons from paying high treatment costs in the event of sickness.
- is based on ***risk aversion*** and ***uncertainty of illness*** and ***medical outcomes***.

Rationale for health insurance

1. Elimination of catastrophic health expenditure
2. Improves utilization of health services
3. Creates risk pooling b/n different income groups
4. Improves the quality of healthcare services

Rationale for health insurance…

5. Ensures equity in health care provision
6. Strengthen community participation in the management of health services
7. It provides additional source of funds to the health sector
8. Cost sharing

Factors Affecting the Demand for Insurance

- ***Premium Loadings***
  - As loading increases, quantity of insurance purchased generally falls

- ***Income and Wealth***
  - More wealth is usually associated with more assets to lose and therefore more insurance coverage
  - Limited resources may prevent people from purchasing insurance
  - Limited liability may cause poor people to buy less liability insurance coverage

Factors Affecting the Demand for Insurance…

- ***Information***
  - Individual's perception of loading
  - Underestimate the true risk ==> buy less insurance
  - Overestimate the true risk ==> buy more insurance

- ***Other Sources of Indemnity***
  - If others (e.g., society or family) will pay uninsured loss, buy less coverage

- ***Non-monetary Losses*** (examples: pain and suffering)
  - Demand for insurance against non-monetary losses differs from demand for insurance against monetary losses

Types of Health Insurance

- The main features to classify are:-
  - whether risk is shared or not
  - whether funding is managed by profit-making or non-profit making organizations.
  - how the premium paid by individuals is calculated based on income
  - whether membership is voluntary or compulsory.

Three Principal Types of Insurance

I) Social Health Insurance:

- SHI aims at protecting all population groups against financial risks due to illness to achieve full universal protection against healthcare costs.
- There are substantial difficulties in implementation.

Social Health Insurance…

- provide compulsory or ,to a lesser extent, voluntary coverage for people employed in the formal sector .
- Premiums or contributions are generally based on the individual's income regardless of actuarial risk.

Social Health Insurance…

- Key features that are common to all SHI everywhere are:
  - It is legislated by government and requires regular, compulsory contributions by members.
  - Eligible members cannot out of a scheme or be excluded by the scheme.
  - Premiums are calculated according to ability to pay (i.e. according to income).
  - Benefit packages are standardized.

Social Health Insurance…

- **Strengths:**
  - More resources for health care system
  - Less dependence on budget negotiation than state-funded systems
  - High redistribution system
  - Strong support by the population

Social Health Insurance…

- **Weaknesses:**
  - Possible exclusion of the poor
  - Negative economic impact of payroll contributions.
  - Complex and expensive to manage
  - Poor coverage for chronic diseases and preventive care

2) Private insurance

- Provides coverage for groups or individuals through third party payer institutions operating in the private sector.
- Premiums tend to be based on an actual calculation of incidence of disease and the use of services

Private insurance…

- They are generally not income-related and vary with age and sex.
- Excludes pre-existing and self-inflicted illnesses +HIV/AIDS & STD

3.Community-based health insurance

- Applying the principles of insurance to the social context of communities, guided by their references and based on their structures and arrangements.
- The collective effort of the community for the organization and management of health services.

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Community based health insurance…

- Here the community may contribute to the health facilities money in kind, or in the form of labour services.
- Community members can be free of charge or a certain discount at the point of deliver of medical services.

Community based health insurance…

- Its targets are households in informal sector (in contrary to social insurance)
- focus on voluntary enrollment
- uses some level of involvement of local leadership/influential groups

Key features

- Usually voluntary
- Tend to be set up in small scale
- Usually targets a different set of people

  complementary to social insurance (for people left out from SHI)

Strength and weakness

- **Strengths:**
  - Better access to health care for low-income people
  - Useful as a component of a health financing system involving other instruments

Strength and weakness…

- **Weaknesses:**
  - Limited protection of members
  - Sustainability is questionable
  - Limited benefit to the poorer part of the population
  - Limited effect on delivery of care

	SHI	CBHI	PHI
Solidarity	Present	Present	Not Present
Pooling risks	Present	Present	Present
Participation/ empowerment	Present	Present	Not Present
Equity	Present	Present	Not Present
Membership	Mandatory	Usually Voluntary	Voluntary
Management	Government Institution	Members & Key Stakeholders	Private Insurers
Profit Motive	Not-for- Profit	Not-for- Profit	For- Profit
Premium	According to income	Community rating According to income	Individual risk

Health insurance problems

- Different problems can be raised in relation to health insurance schemes.

1. Adverse Selection:

- Sicker individuals will choose to enroll more than healthier individuals which will drive up the cost of the premium and broke the scheme.

Health insurance problems…

- As a result insurers want to exclude those
  - Who are most *likely to get sick*
  - Who have *chronic illnesses*
  - Who most *in need of health care*

2. Moral Hazard

- People are less fearful of catastrophe once they are protected by insurance and this affects their behavior (Unnecessary use of health services).
- Different corrective measures can be taken:

- Co-payments by patients
- Limitation on benefits
- Patient education

3. Cheating:

- It is the abuse of membership through different mechanisms.
- Various types of corrective measures can be taken like

- Clear guidelines on who is a member
- Good patient tracking system
- Patient and provider education

THANK YOU!!!