# PERFORMANCE MODEL OF THE PUBLIC AND PRIVATE HEALTH SYSTEMS FROM ROMANIA

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**Abstract:** The subject of this paper is about the interdependence existing between the public health system and private health system in Romania. Interconnection is revealed by the analysis of certain components: professional competence, health services and financial management. In our opinion the three components chosen by us are fundamental elements underlying the performance in the health system.

JEL classification: I15, I18, H00

### Key words: public health system; private health system; perfromance model; performance; non-performance

#### 1. Introduction

It is well known that the aspiration to health is one of the main goals of the state and it's population, because of the impact that health has on the lives of individuals, on the entire community, as well as on the economic and social development of a country.

Thus, each country has a way of organizing health services which responds to these aspirations.

Although there are countries where health systems have standards to which Romania, in the coming years, can not even hope for, any kind of health system organization can be improved.

For a health system to be effective and competitive it is necessary for healthcare organizations to meet certain criteria:

- The organization must have a documented strategy to guide it's work;
- The processes and activities carried out by departments of the organization must be based on a documented business plan;
- Organizational and strategic objectives must be set in a clear and measurable way;
- Setting objectives at all levels of public health;
- The objectives and performance indicators of departments of health organization must be correlated;
- Analysis of the departments must provide an insight into performance and results throughout the organization;

- Communication of objectives of public health organization. For objectives to be met successfully is very important the communication between compartments and departments of the organization, manager and subordinate and individual individual:
- Establishing a system of indicators to improve performance of activities and public health organization processes:
- Further development of the system of performance indicators;
- Monitoring the organization's objectives;
- A system of performance management must be present- structured process of planning and evaluation of employee performance;
- The use of integrated systems and tools for performance management.

## 2. PERFORMANCE MODEL OF THE PUBLIC AND PRIVATE HEALTH SYSTEMS FROM ROMANIA

Having as a starting point the health system we constructed a theorethical model of the public-private health system. At the base of the model there are 3 elements: professional competences, health services and financial management, which make the base of a performant system. We consider that all of these 3 are the base of any health system, either public either private.

Analyzing the 2 systems, from the professional component, health services and financial management point of view, we can state that the public system is deficient, and the private one is performant.

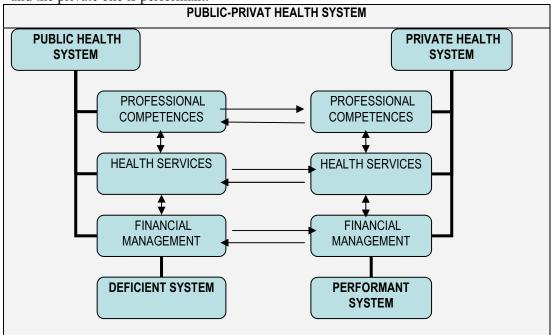


Fig no.1 – Theoretical model of private-public health system

Begining with the theoretical model of the public/private health system, we constructed a practical model of the romanian health system.

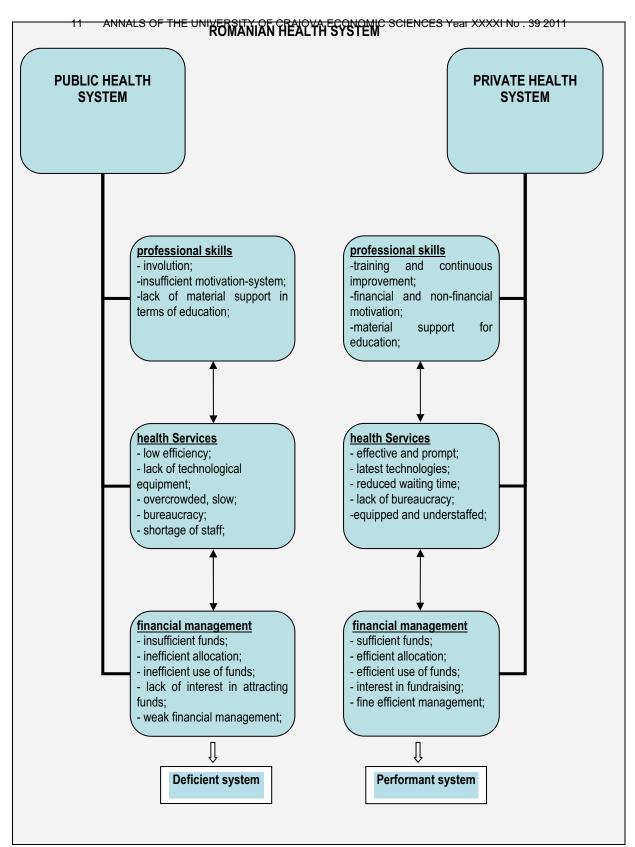


Fig no. 2 Practical model of Romanian public-private health system

The public and private health system performance in Romania, depicted in Figure no.2 -The practice of public-private health system- requires addition of comments.

In the component skills of Romanian public health the staff training qualification is satisfactory, but not always correspond to current scientific and technological level. Employees are not supported material in order to ensure their continous education. In terms of human resources in public health sector we can not discuss nor a financial motivation - salary, but no one non-financial professional recognition, advancement, appreciation, decent working conditions, etc..

The role that human resources play in any health system is indisputable. Essential to obtain health performance is the quality of human resource management. In order to overcome the human resources crisis facing public health organizations in Romania, specialists in the field have made several key recommendations: develop a coherent training, development and human resource allocation in health, increasing medical staff and career development in the medical field.

Training and staff development are learning activities and accumulation of new knowledge, skills and abilities necessary to meet individual objectives. Workforce in the health sector requires a continuous training process for the following reasons: training medical personnel is a long process, human resources must be constantly aware of health news. To meet the needs of public health medical personnel need to undergo a process of permanent training.

When discussing the professional competence of health professionals in the private health system we can talk about their appreciation through a system of well-defined human resource management: very good working conditions, promotion, training and continuous improvement, lifelong learning support for employees (books, specialized courses, trainings, congresses sponsored etc), financial system and non-financial motivation.

In Romania we should note that most health professionals working in the private health system are still working in public health. However, professionals from the private sector differs by an intense training program.

Regarding health care component, the differences between the two health systems are notable. Health services are weak in quality in public health system through increased bureaucracy, delay provision of medical services due to staff shortages and supplies, lack of technological facilities, lack of supplies. Overcrowding is another reason for poor health services, large numbers of patients, insufficient number of beds and doctors make the waiting time to receive health care very high. This has led to deterioration of the doctor-patient relationship, which is not very good.

Health organizations in the private sector excel in terms of medical services because they are economic agents. They are well represented, efficient, prompt, the medical staff is patient-oriented, it is desired to form a strong bond based on trust and mutual respect between doctor and patient. The lack of bureaucracy, low waiting time, sufficient medical personnel and supplies necessary makes health services offered by private health system superior to public sector health services.

Financial management is a component of performance management of the organization, but due to lack of performance management in public health organizations, the financial management is inefficient. It is true that there are insufficient funds for public health, but this sector is characterized by the inefficient

allocation and use of funds, lack of interest in attracting funds - projects, research, donations, sponsorships, transparent procurement, signing contracts with the National Health Insurance CASa, european projects, etc..

As I said above the health organizations in the private sector are economic agents that are interested and have a performance management , they invest in it, and implicit in the financial management. Financial management is based on effective and efficient allocation of resources, the main objective being the profit. In this case the funds held by public health organizations are sufficient in relation to the services they render. Another objective of financial management is the collection of funds, projects, research, donations, sponsorships, transparent procurement, signing contracts with the National Health Insurance casa, European projects, recruitment of well known medical staff to attract patients .

#### 3. CONCLUSIONS

Comparing the two health systems, private with the public, we conclude that the public health system in Romania is poor and the private sector is performing. However, noting that in Romania the private sector is not very well represented and developed and it provide only medical services that are cost-effective economical, excluding generally complex medical cases which are still reserved for the state system.

Analysis of romanian health system performance, both the public health system and private sector, should be targeted and applied to the three critical levels of the organization:

- Strategic level;
- Operational level;
- The individual level.

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