

CHAPTER 2

LITERATURE REVIEW

The main purpose of this chapter is to cite the information, obtained from reviewing related literature and studies, used in creating the conceptual framework. This chapter is separated into five main sections. The first section involves Health Care Reform Project. The second section concerns with Khon Kaen Health Care Financing Reform Project. The third section presents the project of Development of Health Card Fund Allocation: Case Study in Namphong District. The fourth section is Evaluation Research. The last section covers the Success in Model Management of Fund Allocation to Hospital and Health Center, the condition to satisfy before procuring a loan International Bank for Reconstruction and Development in Social Investment Project. The information is presented briefly below.

1. Health Care Reform Project is a research and development project to find out the appropriate health service system in which there are efficiency, equity, quality of care, and social accountability. This project was carried out under the cooperation of the Ministry of Public Health and Europe Union during 1996-2000. It involved 3 major areas of performances including Health Care Delivery System Reform, Health Care Financing Reform, and Client Empowerment.

1. Health Care Delivery System Reform emphasized on the development of Primary Care Service and District Health System.
2. Health Care Financing Reform aimed at modifying health insurance system, studying unit cost, and modifying methods of allocating budget for Health Care System in the province.
3. Client Empowerment emphasized on giving people the right to choose Health Care System, allowing community to take part in budget allocation and health service evaluation.

In 1997, the Ministry of Public Health included 5 provinces in the project: Khon Kaen, Yasothorn, Payao, Ayutthaya, and Songkha. In 1998, the project areas were expanded to three more provinces: Naokornratchaseema, Samutsakorn, and Kanchanaburee.

In Khon Kaen, there were 5 districts and 1 sub-district participating in the project, including Muang, Namphong, Ubonrat, Phon, Puwiang, and Nongnakhaam sub-district. The research was conducted according to the three main activities set by Office of Health Care Reform Project. The first activity is Health Care Financing Reform. The second is Health Care Delivery System Reform. The last one is Client Empowerment. Each project site also had to set up sub-projects serving the three activities according to area appropriation.

2. Khon Kaen Health Care Financing Reform Project

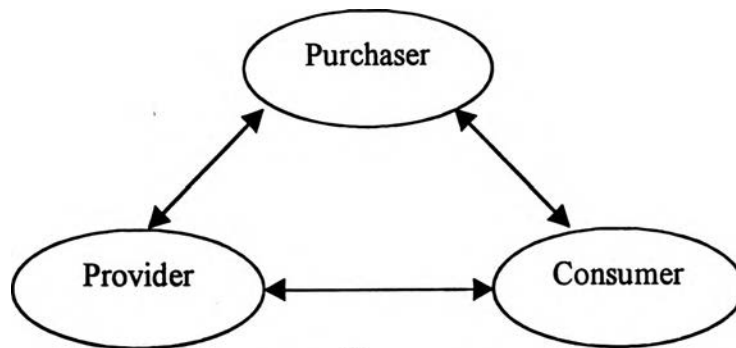
At the end of 1997, Khon Kaen conducted a research study of Health Care Financing Reform Project in order to utilize the resources for utmost benefits. According to the present administration, government is service purchaser as well as provider. As a result, there is no one to examine the service standard and the service is never developed. Therefore, Khon Kaen Health Care Reform Project studied the model of new administration system by employing Contracting Model used in European countries. This experimental model comprised Purchaser, who was the Provincial Health Care Committee, Provider, who was Health Service Facility, and Consumer, who was various groups of people, say, general, elderly, Low-income, and Health Card holders.

Service Provider or Government Health Service Facility tried out a new network, which was **Main Contractor** responsible for providing health service to people in the district. Main Contractor referred to Namphong Hospital, Ubonrattana Hospital, Phon Hospital, and Puwiang Hospital, which provided Primary Care Service and Secondary Care Service as well as administrated district funds. Sub Contractor was Health Centers, which provided Primary Care Service to people in the responsible area. Supra Contractor provided Tertiary Care Service. Health Care System, which acted Supra Contractor, included Khon Kean Central Hospital, Khon Kaen Psychiatry Hospital, Khon Kaen Health Promotion Center, and Northeastern Epidemic Hospital. Referral of patient, in case it was beyond the capability of Health Service Facility, had to be proceeded step by step from Sub Contractor to Main Contractor. Patients could not be referred directly to Supra Contractor except in case of emergency. By this principle, it was expected that Community Hospital, which was acting as Main Contractor would be able to efficiently plan and administrate the district budget. This would encourage service development

of Community Hospitals and Health Centers. Moreover, it enabled people to consume the service appropriately.

Service Purchaser or Provincial Health Committee took care of making record of health service, finding a fair system of fund allocation in the provincial level, and finding methods to verify provider's service to see if it met the standard.

Figure 2 Contracting Model



In developing the Khon Kaen Financing Management, the concept was to merge Low-income Fund and Health Card Fund in provincial level before allocating to 4 Community Hospitals in the project area, using capitation. However, it could not be put into practice because this would make the project area different from other districts that did not participate in the project. It was also found that there were differences in budget regulations between Low-income Fund and Health Card Fund. Therefore, the committee of the Health Care Financing Reform Project emphasized only on the development of Health Care Financing Management in the district level.

3. The Development of Health Card Fund Allocation: Case Study in Namphong District under Khon Kaen Health Care Financing Reform Project

In 1998, Namphong District Health Cooperative Committee participated in Khon Kaen Health System Reform Project to solve the problem of injustice in fund allocation. The former system did not urge personnel to work or to promote health promotion activities. The concept of the new model was that health fund allocation affected service provider's behavior. Fee for Service was adopted because it was believed that the direct allocation to personnel would motivate them to work more than only allocation to Health Care System. This experimental allocation made use of Health Card Fund of Namphong District to be allocated to Health Centers under the new concept.

1. Fee for Service to Health Centers by using medical care budget. The budget was divided into 3 sections. 1) 20% was allocated equally to every Health Center for Basic Essential Care. 2) 20% was allocated as Fee for Sale for the sale of Health Card. 3) 60% was allocated as Fee for Service for different activities with different point systems. The emphasis was on Active Health Promotion. The point system was believed to make personnel aware of the importance of activities with high points or weights. Concerning the point system, every personnel took part in making decisions as well as evaluation and verification.

2. Direct Allocation to personnel by using Fee for Service system either on routine or non-routine. The emphasis as stated earlier was on Health Promotion activities. The funds used were European Union Fund, Health Insurance Fund, Foundation Fund, and Community Fund.

There were attempts to merge Health Card Fund and Low-income Fund in order to make a big deal of budget, which would be powerful in management and negotiation. However, the attempts were not successful because there were limitations in government's regulations, especially Low-income Fund which had very strict rules. Therefore, only Health Card Fund was used in the experiment because it was more convenient and open to manage.

There were three main groups of personnel concerning in budget management. The first group was the District Cooperative Committee who planned, controlled, and followed up the operations. The second was the Data Collection Team who was appointed by Namphong District

Cooperative Committee to collect activity data and verify the data to be considered in the allocation. The third was every personnel in Health Centers. Everyone was welcome to propose his/her opinions in determining the model of allocation. They also were the ones working in the areas.

The operation emphasized on personnel participation, starting from proposing opinions, creating fund allocation model, and providing service in the responsible area. In the beginning period of the project, personnel were prepared to understand the project during the conferences. Computer, printer, and Bar Code reader were supported to the Health Center for the population registration. Health Centers were also supported medical devices. Personnel were developed in term of new knowledge and skills to help the project go on smoothly. Fund allocation in the new network was created. Allocation criteria were set up in order to promote services of personnel in the Health Centers. This project provided a new model of fund allocation. The first time was in 1998, and now (May 1999) Health Card Fund Allocation of 1999 is ongoing.

This project has been evaluated three times: 1) organization analysis by context analysis to see the readiness in preparation, 2) personnel' satisfactory toward the project, and 3) comparing between achievements and goals in 1998. However, process evaluation in detail had not been done so the efficiency could not be claimed.

4. Evaluation Research

Nirat I-mamee (1999) stated that the main purposes of project assessment were not limited to only to considering if that project achieved its goals, if it operated as planned, if the resources or budget received as requested and on time, and if project context was prepared, but also to getting the answer of why the project achieved or did not achieve, what obstacle made the project not operated as planned, why resources and budget not received as requested or received but not all or not punctual, as well as analyzing reasons or obstacles in preparing project context. That was to say the present and future public health project emphasized on seeking the answer of "Why" or than "What", which would lead to the answer of "How". The answer had to be to the point, highly practical, and serving the project and specific situations.

Theoretically, in project evaluation there were many things to be taken into account, starting from pre-project to the outcome of project operation. It could be discussed in 6 topics.

4.1 Context Evaluation referred to the evaluation of environment or factors essential to project operations. It concerned with things that needed to be prepared, sought, or developed before operating the project in order to ensure that there would be no obstacles or limitations in operation as planned. The project context could refer to context of department, service provider, service consumer, organization, and relevant community such as the department knew its policy clearly, knowledge, skills, and understanding of officers toward the project plan, readiness of community or people, and training for project personnel and relevant people. Context Evaluation aimed at evaluating conditions either served or served not the project operations.

4.2 Project Assessment emphasized on evaluating the relations between the three elements of project: goals either general or specific, process, and input. The evaluation of the three elements (Input – Process – Product) employed theories, experiences, and information where available so it was also called Logical Relation.

4.3 Input Evaluation was to evaluate the appropriation and readiness of the necessary resources in the operation. It also included evaluating of department's capability and the activities suitable to the areas and target groups. When mentioning Input Evaluation, it involved the readiness of 3Ms: Man, Money, and Material. All of them needed to be prepared both in terms of quantity and quality such as the number and capability of personnel, knowledge and ability in operation of those people. However, besides those 3Ms, the other 3Ms also needed to be considered. They were Method, Marketing, and Management.

4.4 Process Evaluation emphasized on the operations of activities as planned especially those indicated in the layout. The evaluation was made to modify and manage activities to meet their goals in the fixed time. It also covered the evaluation of project management and how to put the plan into practice.

4.5 Progress Evaluation was the evaluation of progress of activities at a point of time. It also evaluated the goal and coverage of activities as specified in objectives of the plan. Moreover, it might include the evaluation of resource using at each point of time.

4.6 Output or Product Evaluation could be made in 4 levels.

1. The evaluation of changes in knowledge, attitudes, values, awareness, and necessary skills
2. The evaluation of changes in health behavior of the target groups

3. The evaluation of changes of individual health impact
4. The evaluation of changes in Public Health impact, which could be evaluated in two ways: evaluation of product and that of effectiveness.

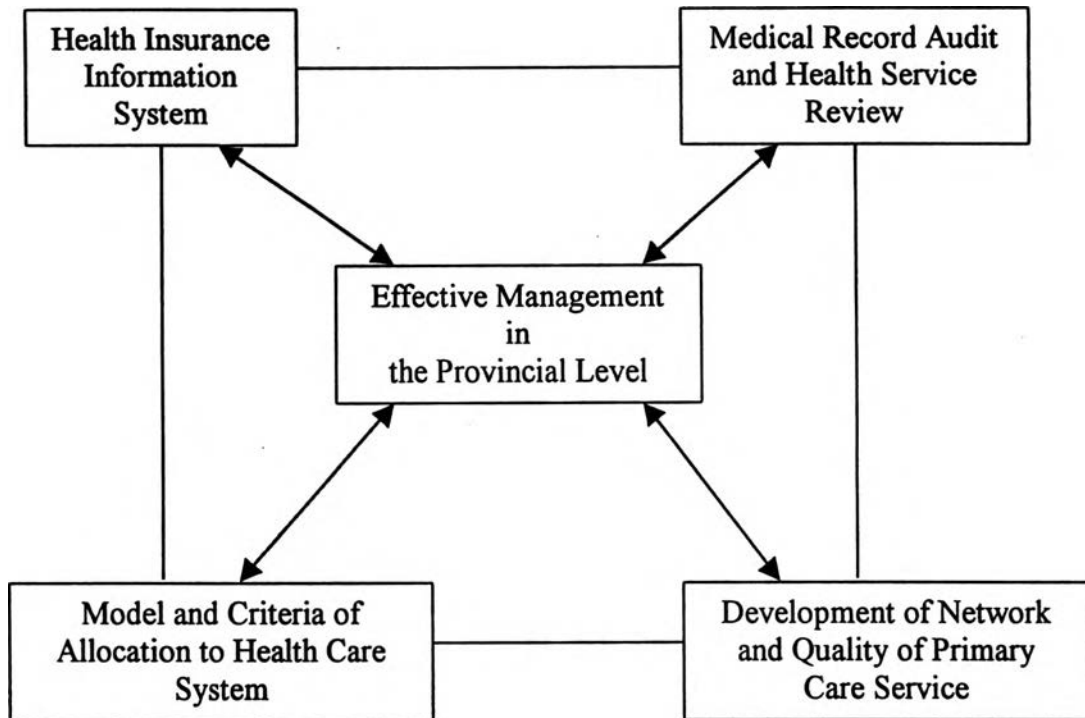
Nirat I-mamee concluded Stufflebeam's CIPP Model, which included the evaluation in 4 steps: 1) C= Context Evaluation, 2) I= Input Evaluation, 3) P= Process Evaluation, and 4) P= Product or Outcome Evaluation.

The researcher was interested in evaluating the Health Card Fund Allocation: Case Study in Namphong District while the project was in operation because it would be useful to the project itself. The evaluation would reveal the strengths and weaknesses of the project. If any obstacles or problems found, they would be reported to those responsible in order to find out the solutions or improvements. At the meantime, if the project was found good and could be a model for other Health Care System, dissemination would be made and the project would be presented to the administrator to decide expanding it to other areas. Concerning process evaluation of this project, the researcher aimed to study the management and the operations in terms of planning to create organization efficiency, management controlling to Create Organization efficiency, and project awareness and understanding of the area personnel.

5. Main Conditions of Success in Managing the Model of Fund Allocation to Hospital and Health Center in Social Investment Project of International Bank for Reconstruction and Development

Health Insurance Office, Ministry of Public Health (1998:7) specifies the main conditions of success in managing the model of fund allocation to Hospital and Health Center, in Social Investment Project of International Bank for Reconstruction and Development. The project aims to help the Low-income and unprivileged people in 6 provinces, including Payao, Yasothon, Nakorn Sawan, Pathum Thani, Samut Sakorn, and Yala. The conditions consist of 4 effective factors in management: model and criteria of fund allocation to Health Care System, Medical record audit and health service review, Health insurance information system, and the Development of network and quality of Primary Care Service (see Figure 3 below).

Figure 3 Elements of Success in Fund Allocation to Hospital and Health Center



An effective management is resulted from the fund allocation to Health Care System and network that emphasizes on serving products of Health Care System. Therefore, it is necessary to have the indicators in different levels of Health Care System. The appropriate fund allocation within the network, the management for an appropriate network, and the support to develop the service quality are necessary to be done in provincial level, which is the main organization in management. It is also very essential to have an effective control to have the operation go on effectively and justly to different Health Care Systems.

Model and Criteria of Fund Allocation to Hospital and Health Center should be the one that encourages people to become active at work and have the personnel take part in designing the model.

Medical Record Audit and Utilization Review should not be ignored. Using data in fund allocation might motivate Health Center to provide the information that gives them more

money, so in order to prevent fouls or cheating, it is necessary to have medical record audit system for the allocation relying on point system of Diagnosis Relative Groups (DRGs). Besides, as the payment system is an aggregated one, it is also necessary to have the precaution system of services in Health Care System in the network. Such system, however, has to be set up in the provincial level.

An Effective Information System Management

Since the Fee for Service system relies on the data concerning products or works, it is necessary to develop a good information system and to have the system to verify data reliability. The main databases include:

-Database of Privileged Registration, in 2000 there will be fund allocation to provide Primary Care Service to people according to the actual registration number, weighted on age. Therefore, it is necessary to manage this database. For capitation allocation, it needs to check the overlapping of rights and registration between districts. The verification is made in order to prevent advantages and disadvantages between networks. Besides, it will be used as information to check the rights of the patients in the Health Care System that claims for the allocation.

-Database of Health Service for Fund Allocation in the Network, In order to motivate the services and products of Health Card System, health service data is very important to the fund allocation to Health Care System within the network. Doing so, management is needed in network and provincial level.

-Database of Individual Services, To claim for Fee for Service, it is necessary to check the privileges of patients. Data are needed to be verified before being delivered to the central to compile and conclude.

-Database of Project Accounting, The Main Contractor that receives money and takes care of Low-income Fund's account must gather data concerning health service and payment to other Health Care System.

The Development of Network and Quality of Health Care System

In order to have people trust in Health Care System, especially the Primary Care System, it is necessary to have a continuous system in testing and developing service quality. The support for this system is the main task of Project Management Department in the province.

The conceptual framework of this evaluation research is the process evaluation of Health Card Fund Allocation Project to Health Centers: Case Study in Namphong District. It aims to evaluate the planning to create organization efficiency, management controlling to Create Organization efficiency, and policy awareness and understanding. Indicators are applied from the Conditions of Success in Managing Fund Allocation to Hospital and Health Center under the Guideline of International Bank for Reconstruction and Development for 1998 Treatment for Low-income and Unprivileged People. The indicators mentioned are Model and Criteria of Health Card Fund Allocation to Health Center, Medical Record Audit and Health Service Review, Health Card Information Management System, and Development of Network and Quality of Primary Care Service.