

# Convention on Health Analysis and Management

## CHAM 2016

### Care Facilities: hospices or businesses?

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According to the Petit Robert, a hospice is an assisted living facility for impoverished seniors or those suffering from chronic illnesses. Nothing prevents these assisted living facilities or care facilities from operating in an entrepreneurial fashion. But is this a business like any other?

#### **1. Care facilities: unique undertakings or businesses like any other?**

Unlike businesses in the private sector, hospitals provide efficient services and quality care to all users, nearly independently of their financial situations. Nevertheless, hospitals are subject to budgetary balance objectives.

#### **2. Is deficit management a factor that should be used to evaluate a hospital's directors?**

When a CHU (teaching hospital) crosses a deficit threshold, it is regulated by a balancing contract, which imposes borrowing restrictions and requires the reduction of expenditure – and therefore of staff. Some establishments must make major efforts to restore balance. If the CHU does not succeed, it is placed under temporary management, which means that third parties are appointed and granted all the powers necessary to restructure the hospital.

#### **3. The hospital: a business subject to a financial objective, but whose income level is partly up to the lawmaker**

While the CHU is required to strive for financial balance, it is in fact subject to contradictory processes: a mechanical increase in personnel expenses and a downward trend in prices.

#### **4. The pervasiveness of policy and resistance to change**

The recently created GHTs (territorial hospital groups) are an interesting element in the reorganization of hospital structures. France has around a thousand hospitals. This dispersion has a negative effect on the efficiency of the healthcare system. The GHTs will hopefully allow for a move towards the optimization of the territorial distribution of care supply, even without a parallel move towards increased geographical concentration. This optimization should lead to greater agility and a better distribution of medical resources throughout facilities. It is essential to break through the barrier between large and small hospitals, where workload can vary significantly. It is necessary to move beyond institutional rigidity in order to respond to the challenges posed by medical demographics and general demographics in France.

## **5. The hospitals' perspective: mere scarcity management?**

While the GHTs are likely to provide a first degree of flexibility, it must be recognized that the hospital sector is far from reeling from a wave of simplification. After expanding outpatient care and forming the GHTs to comply with legislators' directives, public hospitals were finally discouraged by a downward trend in prices. Like manufacturers, the public health sector needs a vision to propel it forward; a primarily economic vision, which is not reflected in a constant dwindling of resources. Hospitals need to generate profits in order to invest and prepare for the future. Without autonomy and freedom, public hospitals will struggle for breathing space.