

The Balanced ScoreCard in HealthCare : findings from the Belgian case

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1. Belgian HCS: the Context ⁽¹⁾

- The Healthcare Sector in Belgium is very complex, with different languages, cultures and a multi-faceted healthcare system
 - Belgium: A Federal state divided into 3 regions, 3 communities
 - Healthcare sector managed by laws (same as France) on the national and sub-national levels
- Reforms: in pursuit of more efficiency and in an attempt to decrease costs' inflation.
 - 1980s, First cost-cut laws.
 - 1990s, Limiting the patients' length of stay (bed blocking, 1993 Law) and proposing some financial incentives for mergers.
 - 2002, AP-DRG profile of patients: the MR (Minimum patient record system).
- Reimbursement System: DRG Casemix System
- Sources of funds: Mutualities to the patients and hospitals:
 - Compulsory insurance system
 - Budget Allocations according to the hospital type and number of beds (not an accreditation system)

1. Belgian HCS: the Context ⁽²⁾

- The Belgian sector consists of
 - Public (app. 40% of the hospitals),
 - Private non profit (app. 60% of the NPO) and Private profit hospitals (mainly homes).
- These hospitals can be also grouped according to their size and level of expertise:
 - Large university and General hospitals offering top-clinical care,
 - Smaller provincial hospitals and border-regional hospitals.
- Competition:
 - Status Public Private (Rillaerts, 2005): Management Style (as the public hospitals suffer from more governmental rigidity).
 - Health Policies differ between regions and communities (Reimbursement of hospitals)
 - Best quality of care and to diverse the offered services: Creating an image of perception.
- A Belgian hospital first concern is then:
 - to preserve the hospital positioning at the regional and community level.
 - to attract the accredited physicians,
 - to monitor the patients' access and length of stay
 - and to improve the quality of services, with a limited fixed budget.

2. PM: State of the art ⁽¹⁾

Challenges faced by this sector:

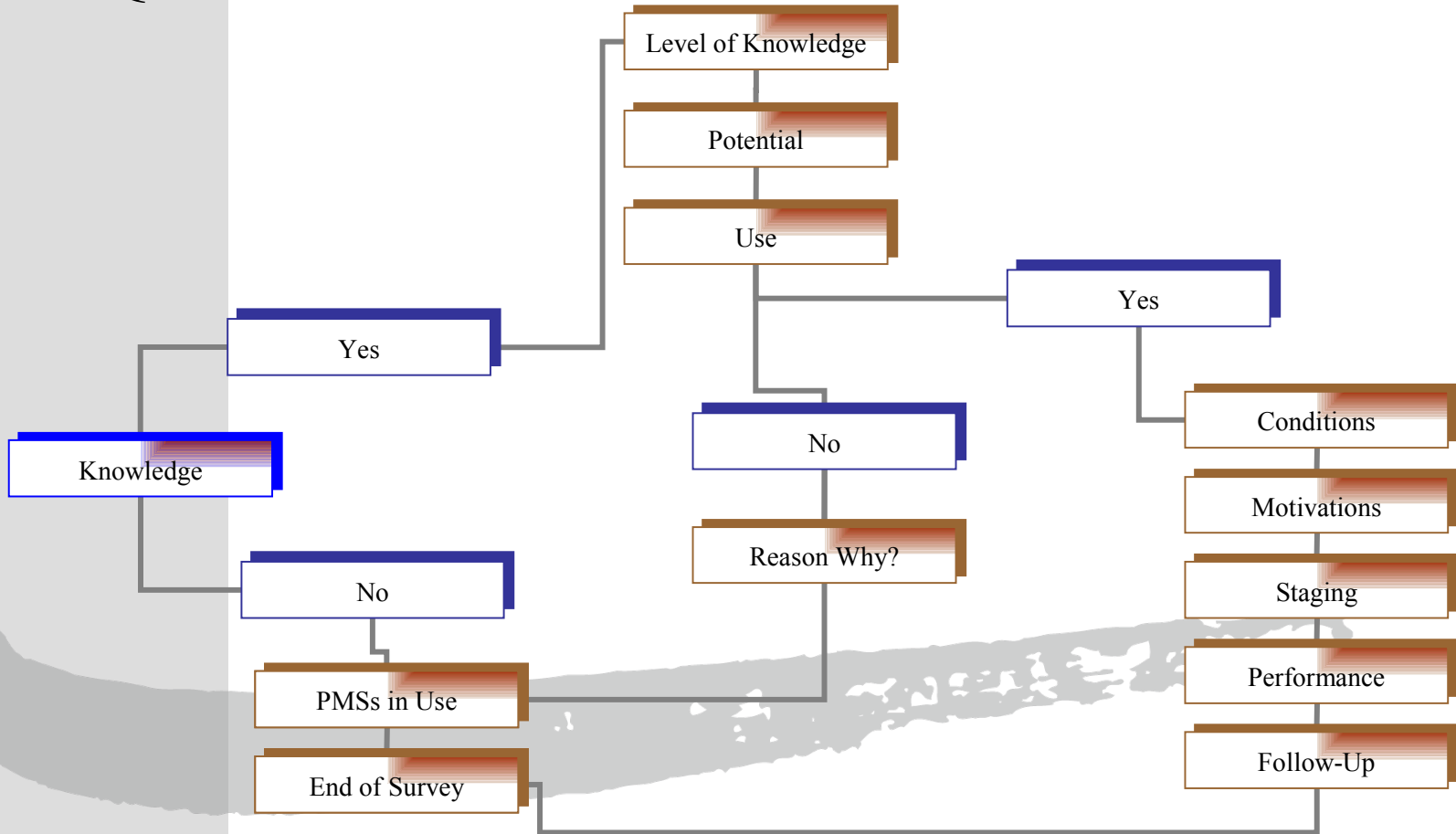
- Integrated Patient Care
 - Consistent level of care: all levels of patient care are connected
 - Linking up the various departments across different care institutions
 - Patient records are accessible at every stage.
- Reducing costs (Justifying costs to elaborate the future budgets)
 - Patients have increased expectations of the healthcare they should be receiving.
 - Pressure to reduce administrative costs
 - Post-operative patients often require close monitoring to ensure long-term recovery and prevent any post surgical complications.
 - Keeping someone in a hospital bed is costly.
- Keeping staff skills up-to-date
 - Ensuring that healthcare professionals are kept fully up-to-date with developments in clinical information, procedures, practices and research is one of the key challenges confronting healthcare management.
 - Increasing number of knowledgeable and sophisticated patients.

2. PM: State of the art ⁽²⁾

- Monitoring performance is hence essential:
 - to maintain the hospital's strategic positioning
 - and to create its image of perception.
- Management Systems:
 - Traditional MCS:
 - Financial Systems to elaborate future Budgets
 - Measures of Quality: SERVQUAL (Parasuraman et al., 1988)
 - Management Accounting Systems:
 - Activity-based Costing (Gosselin, 1997; De Rongé, 1998)
 - Integrating Hospital Informational System (1999-2001)
 - French Tableau de Bord
 - Performance Monitoring Systems
 - The Balanced Scorecard (2003)

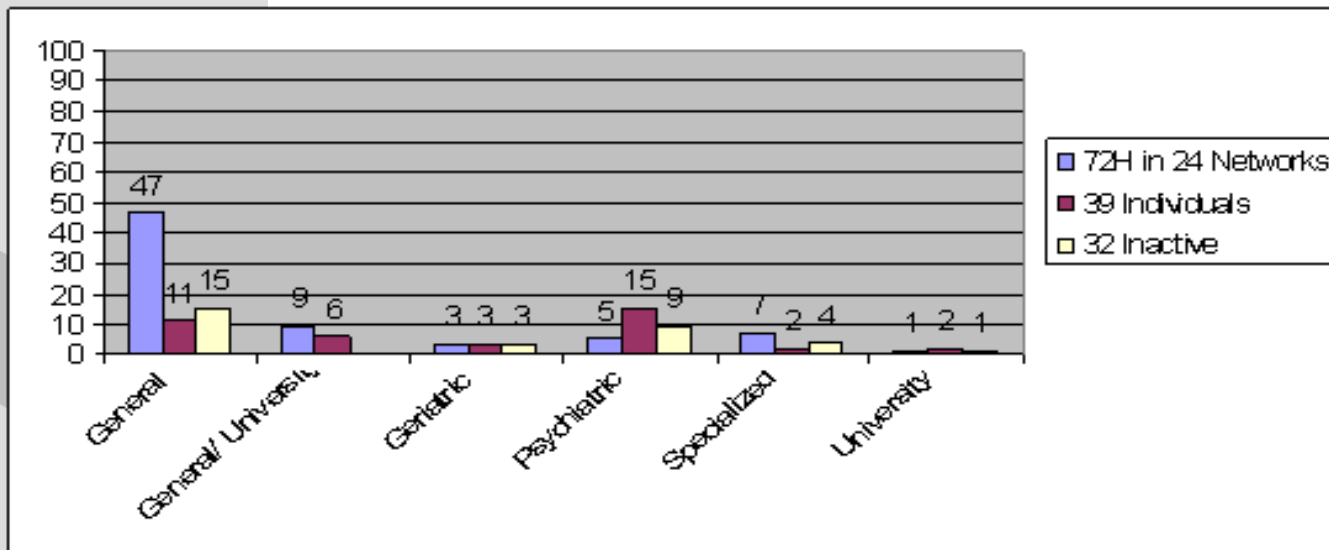
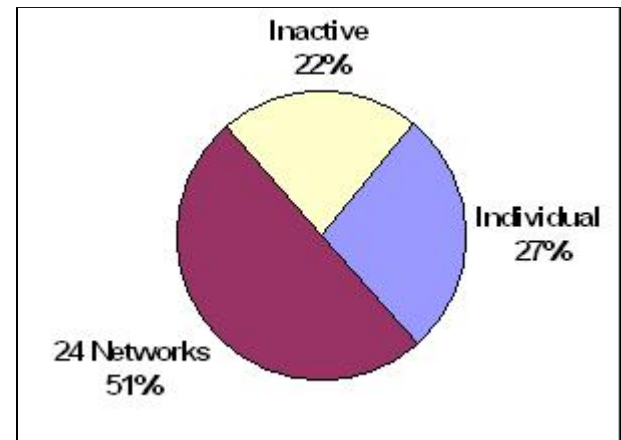
3. Findings of the Survey (1)

- Questionnaire



3. Findings of the Survey (2)

- Population:
 - In Belgium: facts and figures
 - 32 Hosp. Inactive
 - 111 Hosp. Active
 - T. Expected Responses: 63



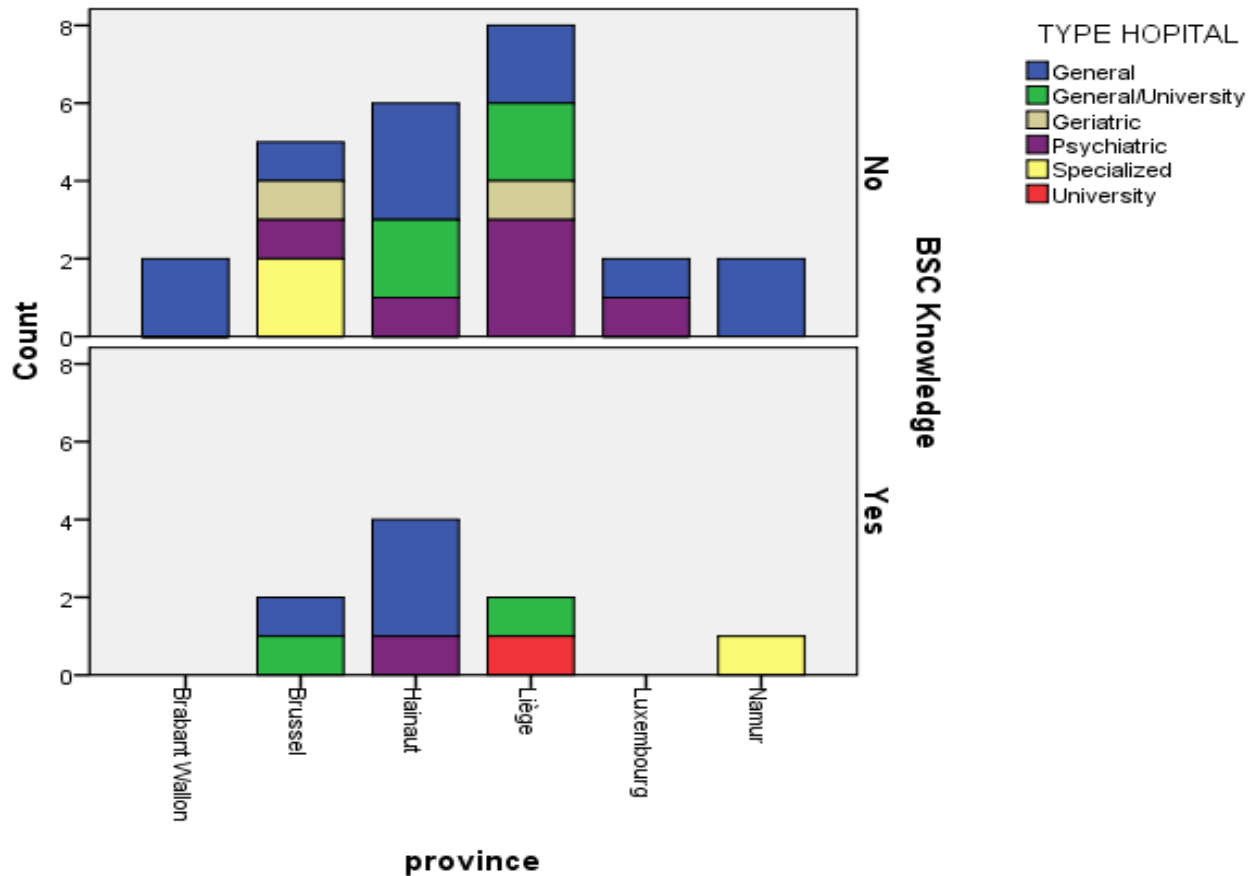
3. Findings of the Survey ⁽⁴⁾

- **BSC Knowledge: Sample of 34 (54%) Respondents**

2008 data for the population		Population per province						Total
		Brussels	Brabant Walloon	Hainaut	Liege	Luxembourg	Namur	
Total Population per Province		1048491	373492	1300097	1053722	264084	465380	
Number of Respondents		7 (20.58%)	2 (5.88%)	10 (29.41%)	10 (29.41%)	2 (5.88%)	3 (8.82%)	34
Type of Hospitals per Province	General	2	2	6	2	1	2	15 (44.11%)
	General/University	1	-	2	3	-	-	6 (17.64%)
	Geriatric	1	-	-	1	-	-	2 (5.88%)
	Psychiatric	1	-	2	3	1	-	7 (20.58%)
	Specialized	2	-	-	-	-	1	3 (8.82%)
	University	-	-	-	1	-	-	1 (2.94%)
Networks	No	5	1	4	5	1	2	18 (52.94%)
	Yes	2	1	6	5	1	1	16 (47.06%)
Hospital Status	Private	4	2	6	3	-	2	17
	Public	3	-	4	7	2	1	17
BSC knowledge	No	5	2	6	8	-	2	25 (74%)
	Yes	2	-	4	2	-	1	9 (26%)

3. Findings of the Survey (5)

- BSC Knowledge: Sample of 34 hospitals (Respondents)**

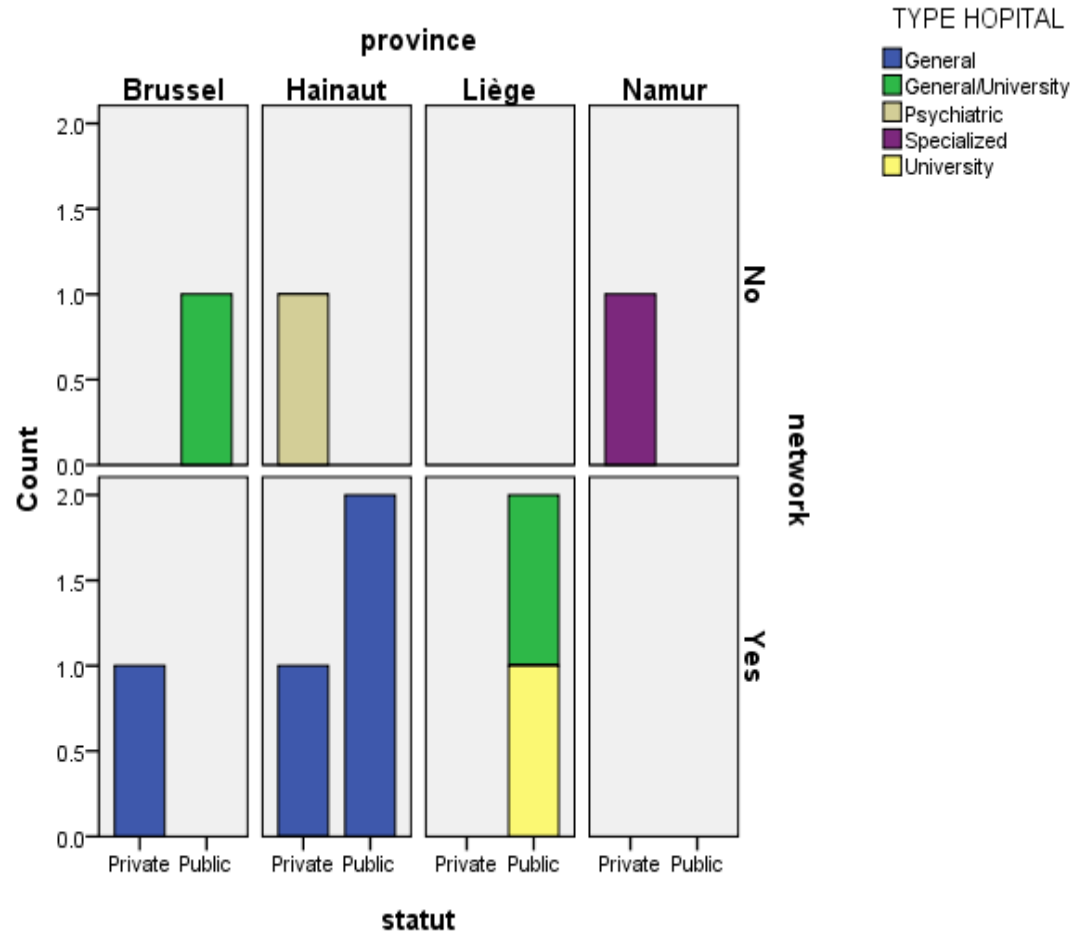


3. Findings of the Survey ⁽⁶⁾

BSC Knowledge: 9 Cases		B1	B2	B3	B4	B5	B6	B7	B8	B9	Total
Network	No	x						x	x		3 (33%)
	Yes		x	x	x	x	x			x	6 (67%)
Province	Brussels								x	x	2 (22%)
	Hainaut	x		x	x	x					4 (45%)
	Liege		x				x				2 (22%)
	Namur							x			1 (11%)
Type of hospitals	General/University		x						x		2 (22%)
	General			x	x	x				x	4 (45%)
	Psychiatric	x									1 (11%)
	Specialized							x			1 (11%)
	University						x				1 (11%)
Status	Private	x			x			x		x	4 (44%)
	Public		x	x		x	x		x		6 (66%)
Number of Beds	< 300	x		x	x			x	x	x	6 (67%)
	300-599					x					1 (11%)
	> 900		x				x				2 (22%)
BSC Use	No	x	x		x	x		x	x	x	7 (78%)
	Yes			x			x				2 (22%)

3. Findings of the Survey (7)

BSC USE		B3	B6
Network	Yes	x	x
Province	Hainaut	x	
	Liege		x
Type of hospitals	General	x	
	University		x
Status	Public	x	x
Number of Beds	< 300	x	
	> 900		x



Conclusion

- BSC Knowledge: (26%)
 - Agree that the BSC is an innovative tool
 - Agree with Kaplan and Norton's concept of the BSC adapted to fit HCOs.
- BSC Use (Diffusion): (22%)
 - Reasons of not using the BSC:
 - ... top management has not yet considered the opportunity of applying the BSC
 - ... top management evaluated the opportunity of introducing the BSC but deferred the decision about its implementation
 - ... top management evaluated the opportunity of introducing the BSC and is going to implement it in the next future
- BSC Staging: 2 cases
 - First Generation (2007)
 - Second Generation (2004)
- BSC Performance:
 - Continue the implementation process