

# Public Stewardship and Managerial Competence in Canada

G.P. Marchildon and W. Lockhart

Johnson-Shoyama Graduate School of Public Policy and Paul J. Hill School of  
Business, University of Regina, Regina, Saskatchewan, CANADA

Fourth International Jerusalem Conference on Health Policy  
Improving Health and Healthcare, Jerusalem, December 7-10, 2009

# Outline of Presentation

- Canada in context of OECD
- 1-minute overview of Canadian health 'system'
- New era of stewardship and senior management
- Evaluating impact on health system
- Defining stewardship with focus on new cadre
- Stewards' view of new health system including size and complexity
- Identifying and assessing domains/competencies
- Gaps in competencies and implications for future

# Long-Term Trend in OECD

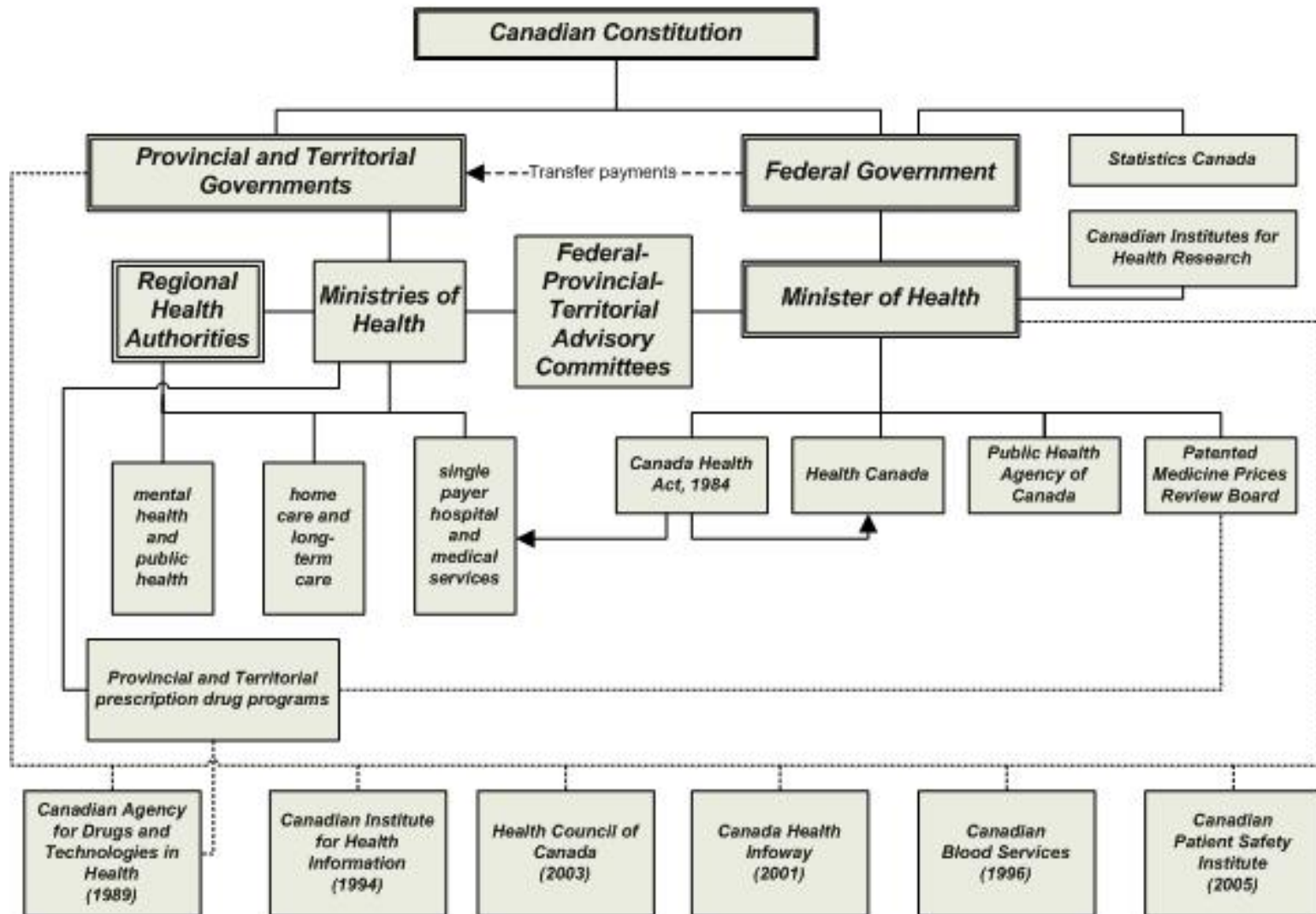
- Rise in both total and public health expenditures – health as superior good
- Expanding role of public stewardship
- Why this has been the case despite rollbacks in other social policy areas since late 1970s
  - Expenditure control
  - Expectations of citizenry re: access and quality
  - Continuing commitment to solidarity
  - Entrenchment of interests that have benefited from public funding (if not stewardship and administration)

# Case Study of Canada

- Similar trajectory though more compressed than many case in W. Europe
- From passive payment (1947-89) to active management (1990-present)
- Stewardship and management transformed
- Two recent phases of active management
  - 1990-1997: reduced expenditure growth, disinvestment, and regionalized management
  - 1998-present: reinvestment, new stewardship instruments, and more centralized managerial controls

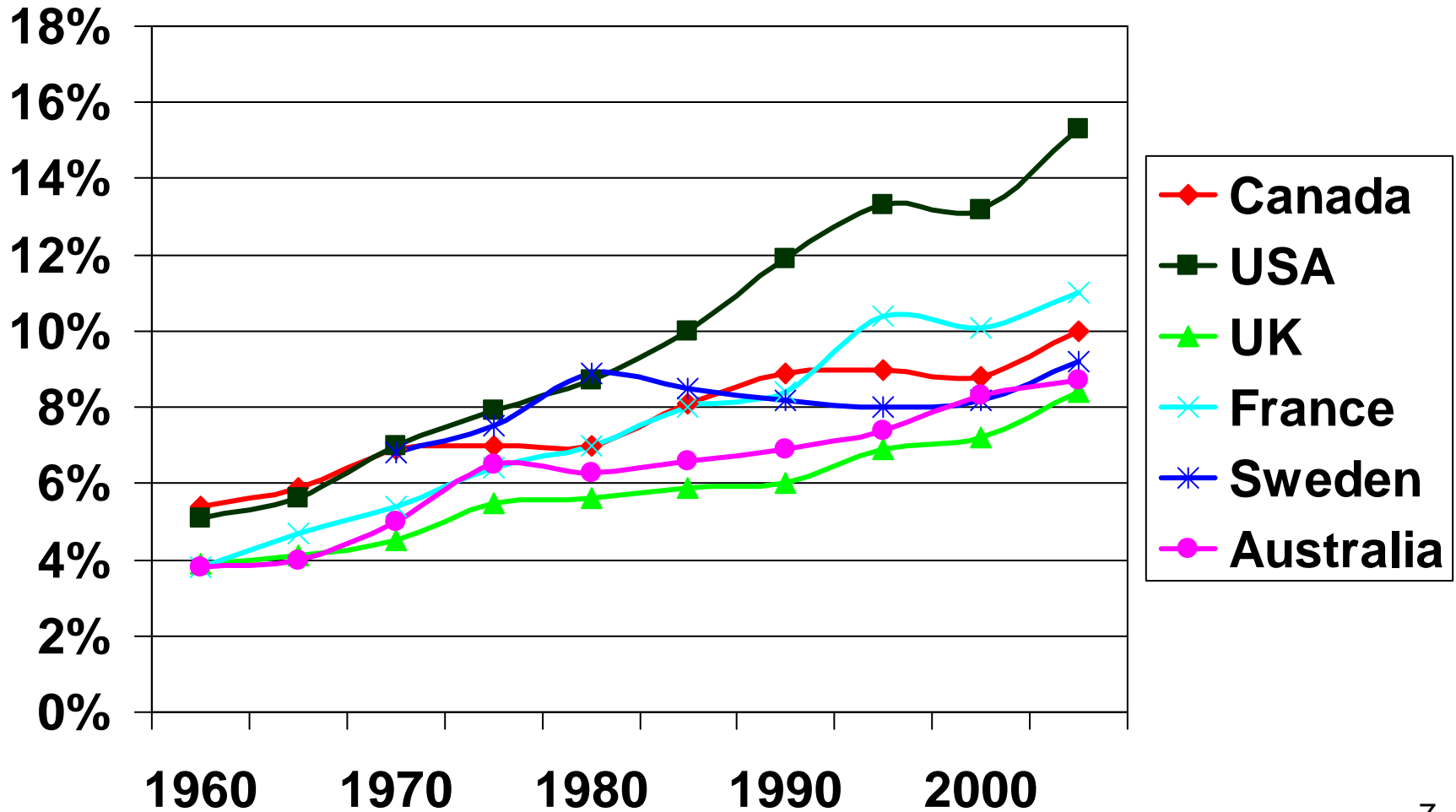


# Organization of Public Health Care in Canada



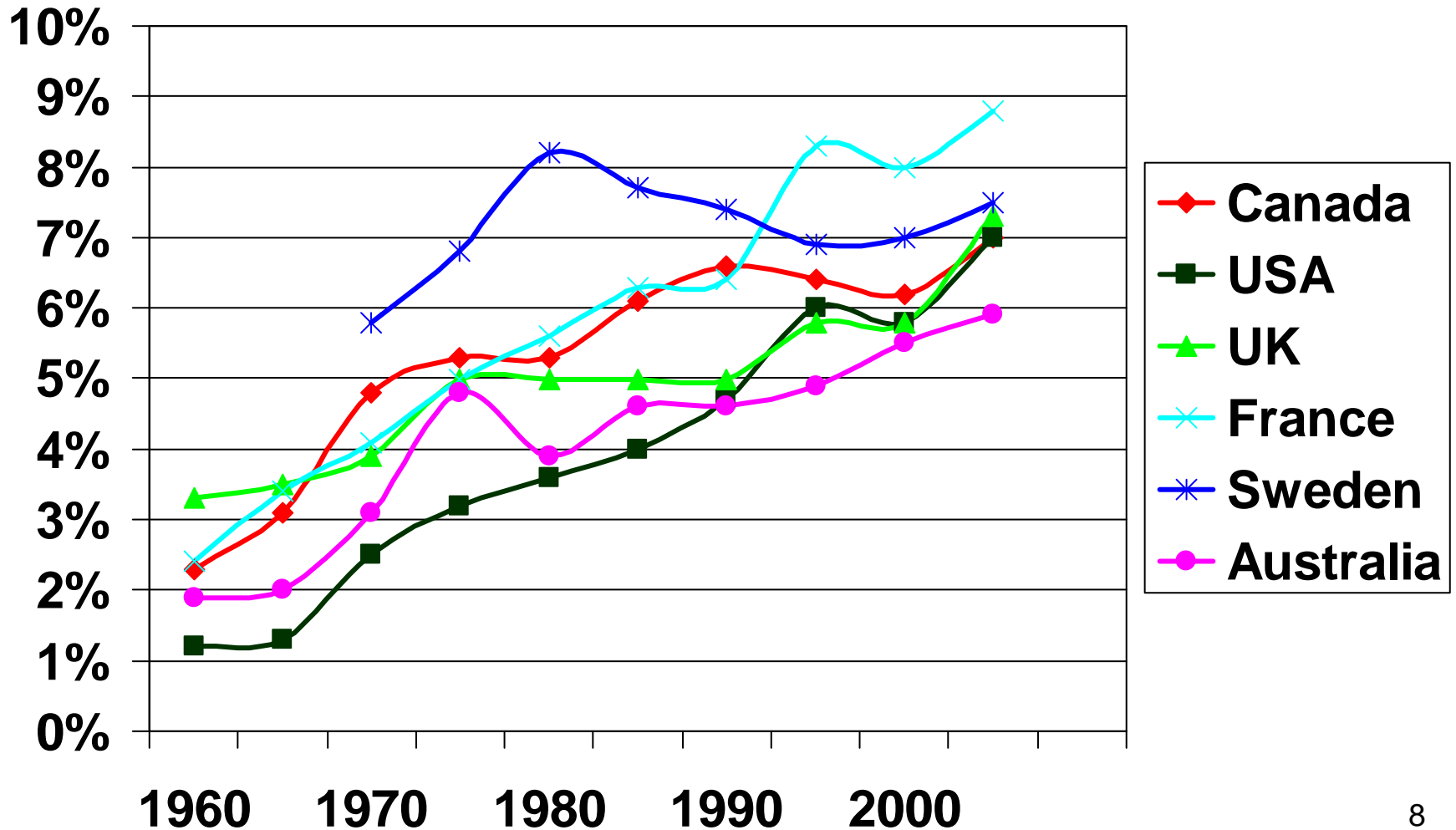
# Total Health Care Spending as a Share of GDP in Canada and Selected Countries, 1960 to 2006

(Source: OECD Health Data 2008)



# Public Health Care Spending as a Share of GDP in Canada and Selected Countries, 1960-2006

(Source: OECD Health Data 2008)



# Public, Mixed and Private

	<b>Funding</b>	<b>Administration</b>	<b>Delivery</b>
<b>Public &amp; Universal</b> (Canada Health Act) hospital, diagnostic and physician services	Public taxation (general revenue funds of governments)	Universal, single-payer provincial systems. Private self-regulating professions under provincial legislative framework	Private professional and for-profit, not-for- profit and public arm's length facilities and organizations
<b>Mixed</b> goods and services, including most prescription drugs, home care, and long-term care	Public taxation, private (often employment- based) insurance and out-of-pocket payments	Public services that are generally welfare- based and targeted, and private services regulated in the public interest by government	Private professional, private not-for-profit, for-profit, and public arm's length facilities and organizations
<b>Private</b> goods and services including dental and vision care as well as over-the- counter drugs and alternative medicines and therapies	Private insurance and out-of-pocket payments including full payments, co-payments and deductibles	Private ownership and control; private professions, some self regulation with state regulation of foods, drugs and natural health products	Private providers and private for-profit facilities and organizations

# Evaluation of Impacts

A nighttime photograph of a cityscape. In the foreground, there are bare, dark tree branches. In the middle ground, a large bridge with multiple arches spans across a body of water. The bridge is illuminated with warm yellow lights. In the background, several tall buildings are lit up, and a large fountain is visible on the right side of the bridge, also illuminated with warm yellow lights. The sky is dark with some light clouds.

2006/11/29

# Evaluation of Active Management

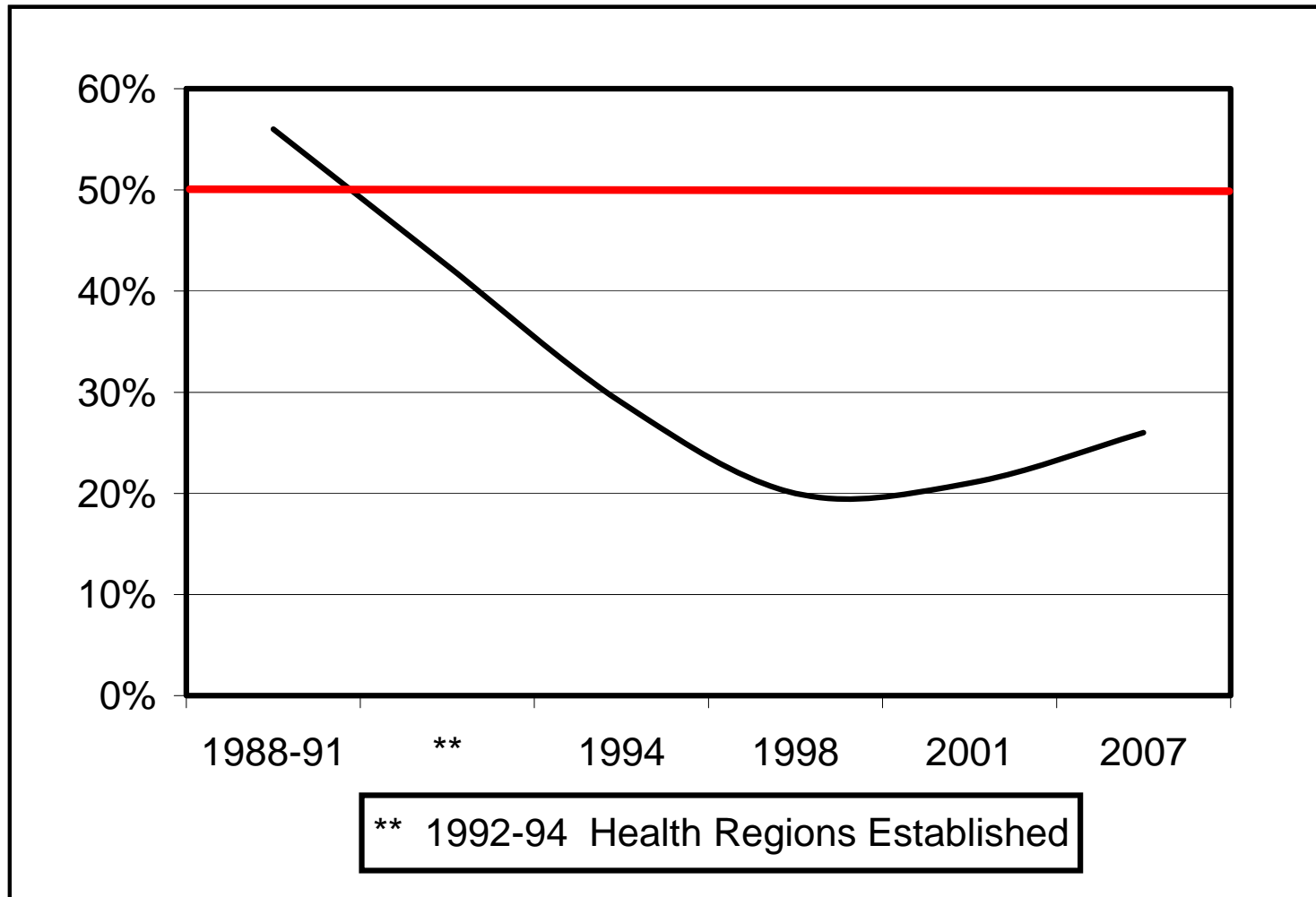
1. Internal and external patient satisfaction results:
  - Canadian Community Health Survey and Pollara
  - Commonwealth Fund
2. Aggregate performance results
  - Amenable mortality
3. Key quality indicator results
  - Canadian Institute for Health Information

# 1. Patient Satisfaction

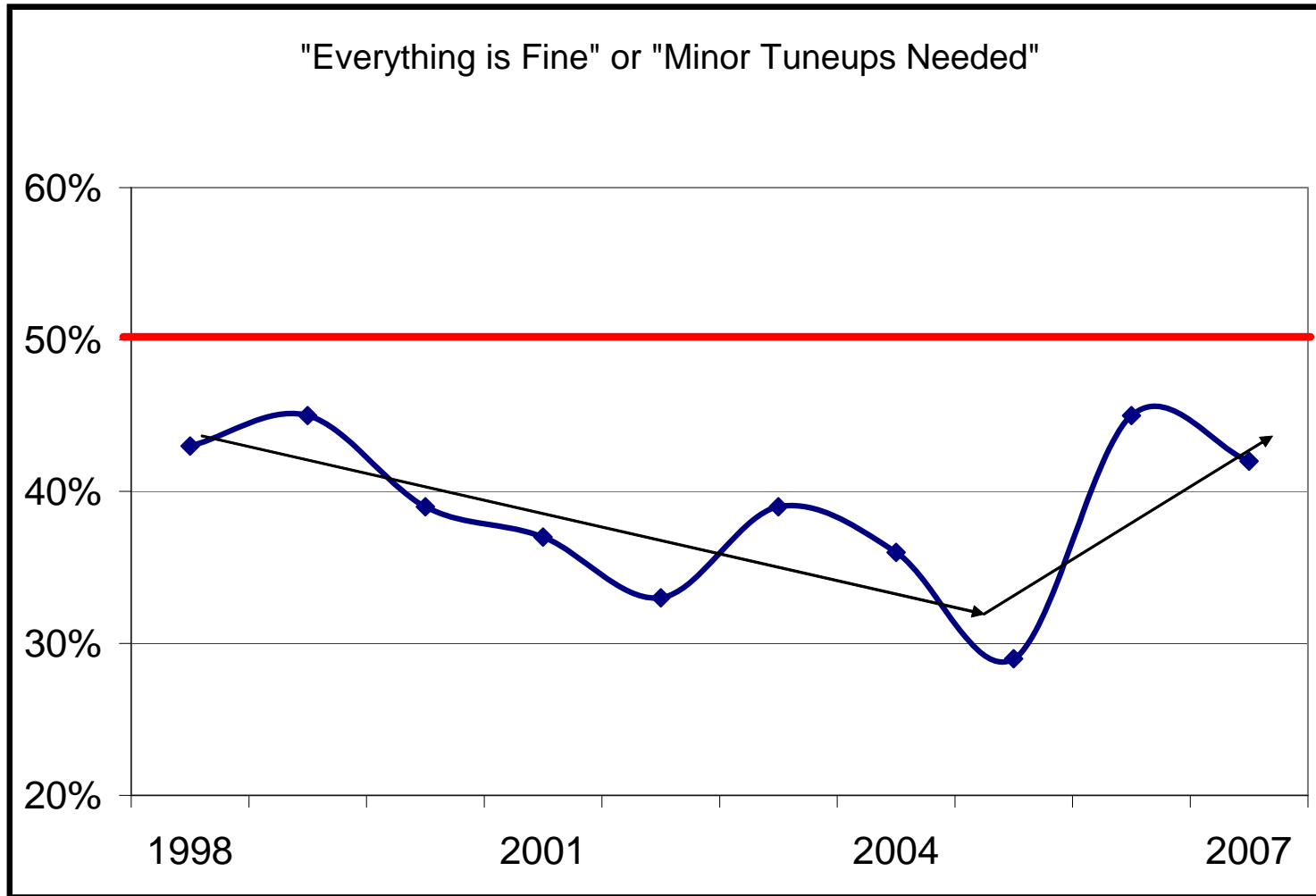
- Since regionalization (92-94), satisfaction ratings dropped, remain below 50%.
- Commonwealth Fund Survey: Trends from 1988 (pre-regionalization) to present.
- Pollara's "Healthcare in Canada" survey since 1988 (reinvestment period).

# Satisfaction: Commonwealth Fund

% Indicating Only Minor Changes Needed



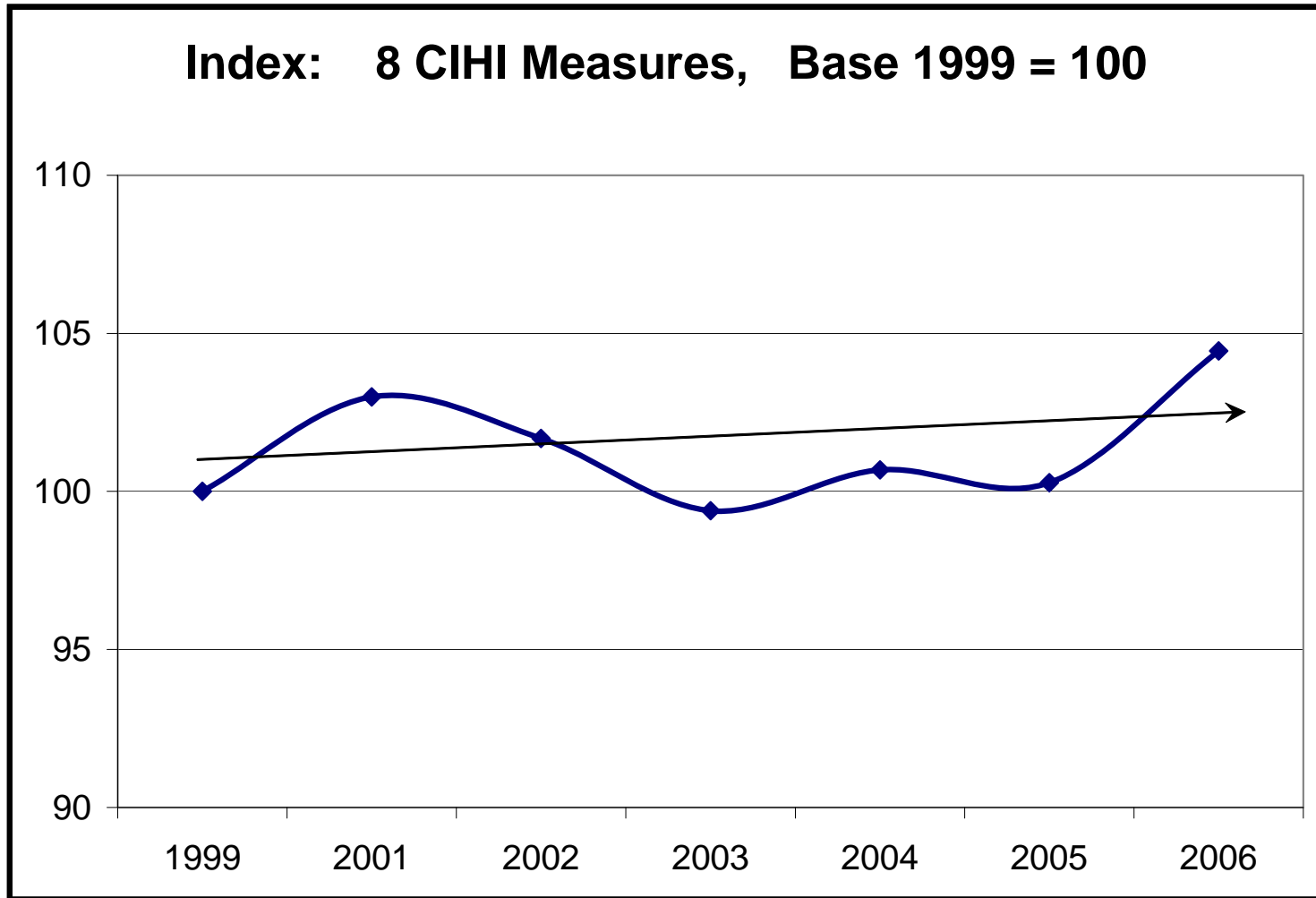
# Satisfaction with Healthcare in Canada: Pollara Survey



## 2. Amenable Mortality

Country			Rank	Change
	1997-8	2002-3	02-03	Rank
France	76	65	1	0
Japan	81	71	2	0
Australia	88	71	3	1
Spain	84	74	4	-1
Italy	89	74	5	1
<b>Canada</b>	<b>89</b>	<b>77</b>	<b>6</b>	<b>1</b>
Norway	99	80	7	3
Netherlands	97	82	8	0
Sweden	88	82	9	-4
Greece	97	84	10	-1
United Kingdom	130	103	16	2
United States	115	110	19	-4

# 3. QUALITY: Acute Care Index 1999 - 2006



# Competencies for Stewardship



10/25/2007

# Competencies for Stewardship

Travis (WHO, 2003) – Lockhart-Backman (2009)

<b>Stewardship</b> Travis et al	<b>Competencies</b> Lockhart & Backman
Formulating strategic policy direction	Strategic thinking, decision making
Ensuring implementation: powers, incentives, sanctions	Leadership, communications, HRM, managing teams
Building coalitions / Building partnerships	Partnership & collaboration
Ensure fit: policy objectives, org structure and culture	Process redesign, human resource management
Ensuring accountability	Managing quality, budget responsibility

# Canadian Healthcare Managers

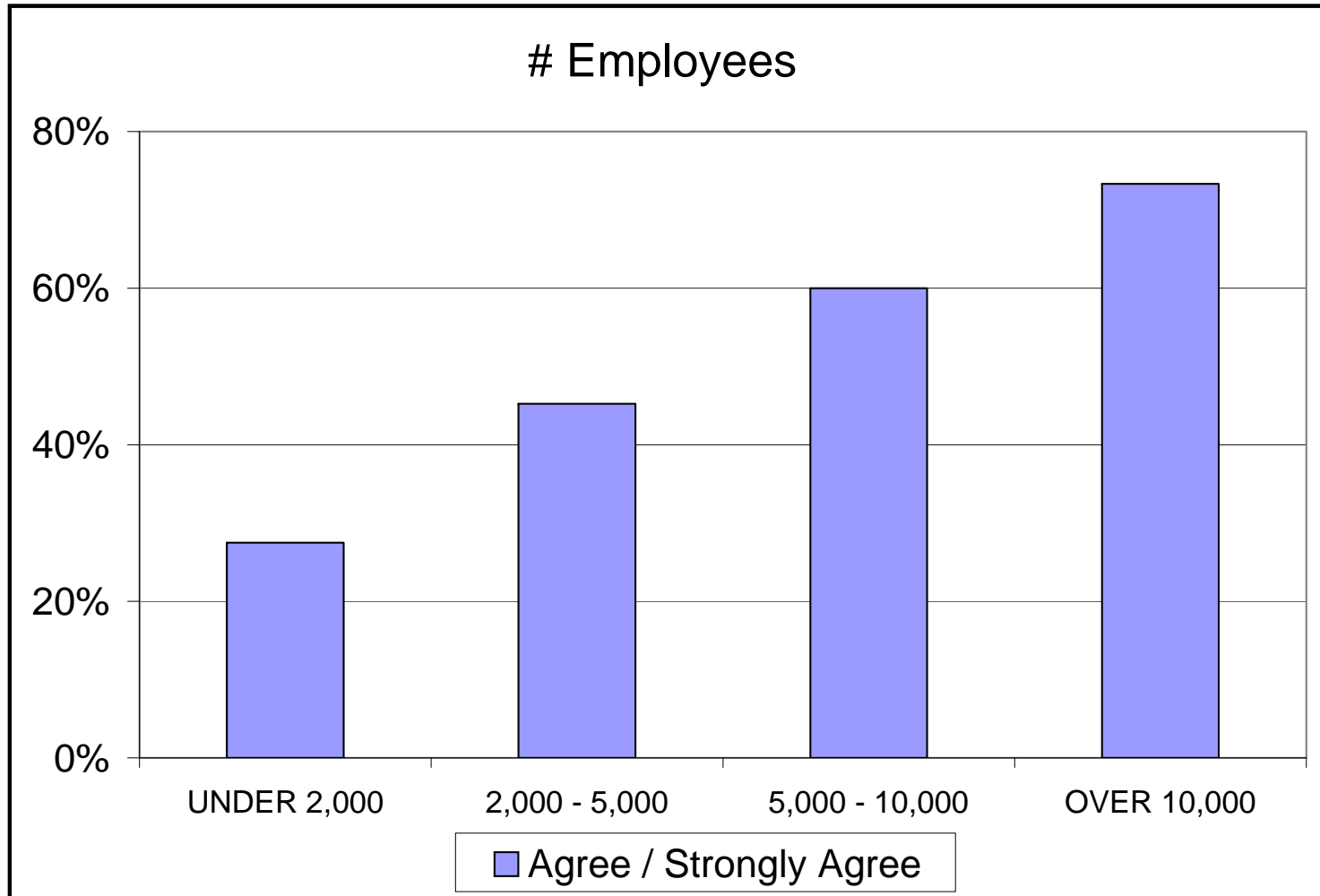
## Self-Rating: Stewardship Competencies

- Survey: CEOs / senior managers (n=266)
  - 18 competency areas (strategy, management, analysis, care giving)
  - Self-rate: Importance – Level = GAP
- **GREATEST GAPS: STEWARDSHIP**
  - Strategic thinking, process redesign, managing quality
  - Why do these gaps exist?

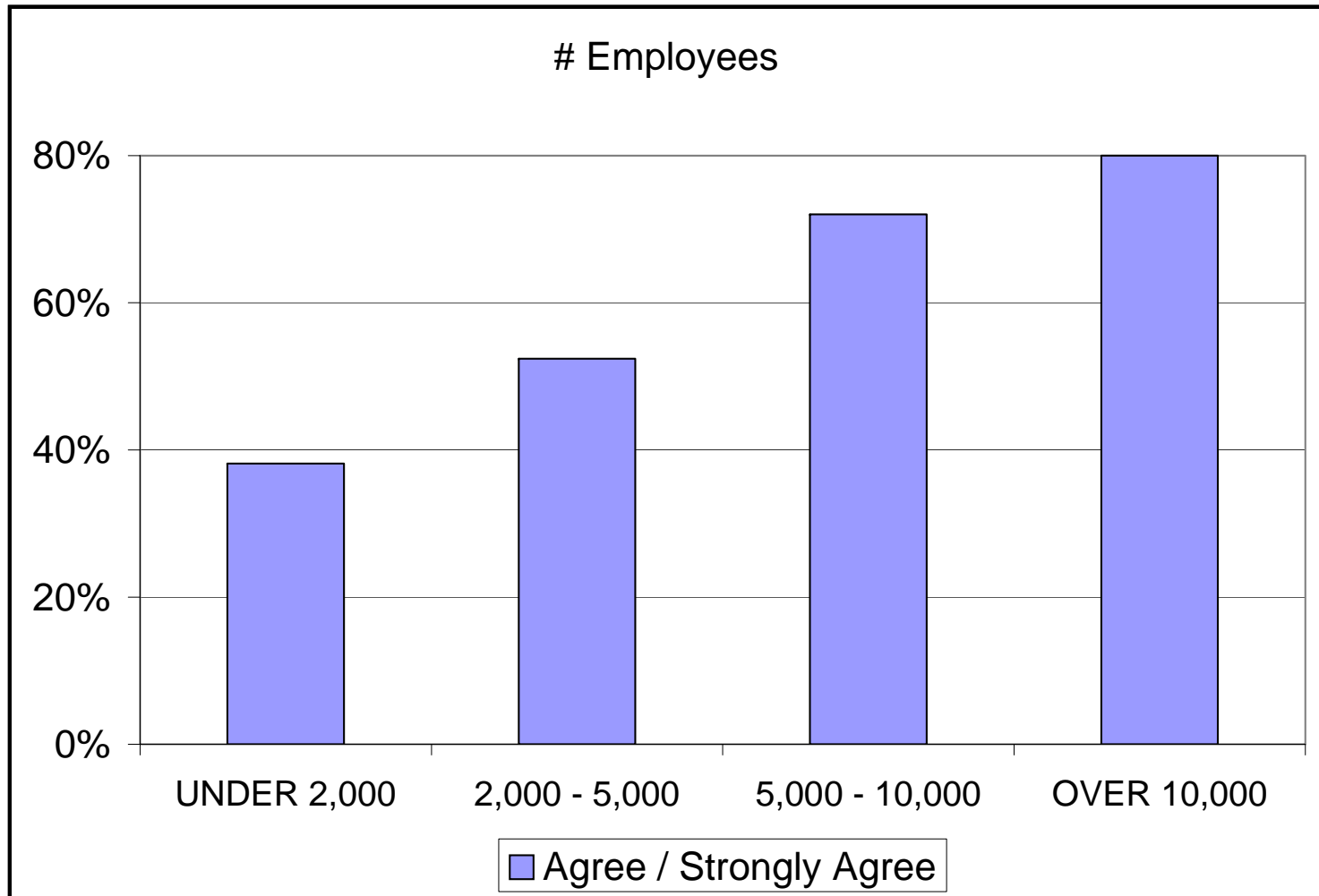
# Regionalization: Organization Size & Complexity



# Does Organization Complexity Constrain Managers' Effectiveness?



# Is Line Managers' Span of Control Too Broad to Ensure Effectiveness?



# IMPLICATIONS



2009/09/03

# Healthcare Implications

- Healthcare leaders perceive
  - competency gaps, complex organization, inadequate front-line leadership
- “Stewardship by stealth”
  - Steady expansion of state’s role in healthcare
  - Insufficient attention to stewardship skills
- Impact on performance?
  - Patient satisfaction ratings remain low
  - Despite re-investment, slow gains

# Policy Implications

- Provincial and national stewards:
  - Consistency and stability in policy direction
  - Intergovernmental direction and focus on regionalization
- Regional leaders as the new stewards:
  - How to close the competency gaps?
  - How to make complex organizations (scale and scope) work?
- Universities and management development
  - Realign programs, continuous learning