

SOME ESSENTIAL  
PECULIARITIES OF THE PUBLIC  
HEALTH MANAGEMENT  
IN THE REPUBLIC OF MOLDOVA

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### Rezumat

#### **Unele particularități importante ale managementului sistemului de sănătate din Republica Moldova**

Articolul prezintă unele aspecte economice ale managementului din sectorul sanitar. Un bun management constă în optimizarea acțiunilor medicale din punct de vedere financiar, organizațional și al calității. Informația privind caracterul adecvat al utilizării resurselor ne permite să discutăm despre politicile de sănătate.

**Cuvinte-cheie:** management, analiză managerială, cost-eficiență, resurse, comunitate, nevoi umane, organizație, schimbări organizaționale, rezistență la schimbare.

### Резюме

#### **Некоторые существенные особенности менеджмента здравоохранения в Республике Молдова**

Статья представляет собой исследование некоторых социально-экономических аспектов медицинского менеджмента в Республике Молдова. Оптимальный менеджмент состоит в рационализации предоставляемых услуг. В целом, политика здравоохранения во многом определяется наличием информации об адекватности использования ресурсов.

**Ключевые слова:** менеджмент, менеджерский анализ, затраты-эффективность, ресурсы общества, человеческие потребности, организация, организационные изменения, сопротивление изменениям.

### Actuality

In the Republic of Moldova the availability of resources for the social sector is threatened by the budget cuts. The latter is part of the structural adjustment programmes so that increased government funding for health services will remain at low rates in the near future. The demand for health services is increasing, partly as a result of successful education and social mobilization activities, creating a serious „resource squeeze” in the health sector [2].

What can be done to improve this situation? Many countries are undergoing a process of decentralization of responsibility for health service management at the district level; at this level the requirements of the central Ministry of Health and its local departments can be better integrated in order to form a real management network.

At the district level, health services have to become more responsive to the population's health needs. This represents the „bottom up” management, where health needs and health services instance are the most important [1].

During our research, however, we have found that districts are not in isolation: they depend on higher levels of the health system for logistical, managerial, and technical support.

The structures of the Ministry of Health can support the improvement of the service delivery at the district level. The efforts for management will require an agreement at higher levels and, in many cases, specific organizational changes in order to make the central level more responsive to the district needs [3; 4].

We consider that our Moldovan society needs an economic management methodology in the medical field, and also a new methodology for cost use, efficiency and quality of health services, as the main part of medicine management.

### Research Objectives

Our main research objective is to bring together the main issues of expenses adequacy in order to make an overall assessment of the organization and management of different health services. Another objective is to support the „bottom up” management by providing information for district and national managers about the costs of resource use and the financial system of health services.

This article contains some main theoretic suppositions of our research in the economic management in medicine.

### Methodology

Our objectives may be achieved with the help of foreign experience, especially that of the USA, because Moldova doesn't have its own experience in this field. The cost, resource use and financial methodology may be obtained too, but regarding the problems and are resourced adequately this issue must be seen within an overall context of the management of organizations in the health sector [5].

As a result, it is important to identify the linkages between local health facilities and those of higher levels aiming at making planning more sensitive to local needs. Also, to identify the required actions at all levels in order to form the strategies of the health services' delivery.

### Discussion

The professional background of Romanian managers, as well as that of Moldovan ones, is predominantly in engineering. According to Olaru [6] 68% of managers have qualification in engineering, 21% are qualified in economics. Generally, knowledge of accounting and finance is regarded as weak. A Romanian state secretary commented that in Romania the vast majority of management personnel are engineering minded. They know little about market-based economic phenomena, and they do not understand the reasons behind fiscal or monetary policy adjustments. Moldova has the same situation. In the Public Health System the majority of managers are doctors without knowledge in management or economics. Moreover, they are perceived less as professionals than leaders. In this respect managers perform both a social and an economic function. Since they are perceived primarily as leaders, professionalism and level or type of education are secondary to criteria such as experience and ability to meet other people's expectations. These expectations include maintaining job security and providing employment for family and friends. Externally, managing directors are expected to maintain good relationships with their counterparts in other organizations (for example, on the issue of inter-enterprise debt) and with those in governmental organizations.

This social dimension of a manager's role often conflicts with the achievement of economic objectives as embodied in Western business values. For example, Moldovan managers may feel obliged to employ family members and be reluctant to dismiss employees who would be considered redundant from a purely economic rationale. Consequently this tension between social and economic objectives impacts the nature and speed of change within Moldovan organizations.

Within Moldovan medical organizations the management style tends to be autocratic. Manifestations of individual initiative are limited and superiors expect obedience from their subordinates. Individual initiative appears circumscribed to a greater extent in private organizations than in state-owned institutions, as private owners (often also doubling as the managing director) exert their personal power and

authority. The persistence of the top-down approach in decision-making and management may be illustrated with a quotation from the general director of an organization: *"I want to know all that's happening. I do not trust my subordinates. I need to be in control all the time"*.

Thus, management practices appear stuck in many respects in traditional patterns of behaviour. Understandably, this is the preferred course of action of managers who had built their experience under the former regime. The barriers to corporate and managerial transformation are discussed in literature [1; 3; 5].

In studying many senior managers the authors identify a considerable resistance to change and a strong inclination to preserve the status quo. The extent of this resistance is positively correlated with the organization's size and its importance to the national economy. This opposition to change seems influenced by a number of factors, including a possible feeling of managerial incompetence, the legacy of practices from the former regime, a general fear of change, the stress of decision-making under the evolving market – oriented conditions and perceived threats to managers' personal image. Lower-level managers are identified as being particularly reluctant desistance to change and act as an impediment to organizational transformation. The resistance may be explained from the perspective of the national culture. Moldovans, as a group, seek stability, fear uncertainty and avoid risk. Moldovan managers tend to procrastinate and react to situations rather than taking a proactive approach to their environment. Long-run planning is limited to a risk-free process of creating daydream scenarios. In many cases company transformations, although taking a variety of forms in terms of strategy, appear motivated predominantly by the necessity to survive rather than by strategies based on product-marked considerations.

### Results

Once data collection and analysis have been completed, it will be important to decide how the results should be used. A possibility might be a final workshop where the results and implications of the local management and quality of services can be discussed. Since there are likely to be implications for all levels of the health system, it might be useful to include individuals from all these levels: health workers, district level managers and policy makers. Actions which might include further studies or training can be discussed.

The term of managerial sustainability provides a useful umbrella for considering different issues:

- financial sustainability and financial methodology issues concerning the use of resources;
- organizational management required to ensure the health services' efficiency, at the optimum levels of quality [1].

Our research could contribute towards a final workshop where the methods, implementation and results of the study can be taken into account for improving the strategies of the system.

Obviously, specific issues will emerge from discussion with people of various levels in the health system, being completed with data collection and evaluation.

In our methodology we examine the resource adequacy and its use, following specific steps:

1. Determine the technical requirements for delivery of the basic service package.
2. Assess the financial costs of the provided services.
3. Compare the costs of existing services with a predetermined standard.
4. Notice what kind of resources are used, in order to determine whether existing resources can also be used to satisfy the requirements established earlier.
5. Perform a preliminary study of the financing of existing services for resource adequacy.
6. Evaluate the quality of care for further analysis.

Although these steps have sometimes been viewed as isolated, it is important to notice the correlation between them in order to perform correct managerial actions.

### Conclusion

If the resources required by the standard service package are insufficient, the service will either operate at a low limit level of output for the community's health needs, or the quality of the service will be inappropriate. Both these problems reveal a „resource gap” which can be tackled through methods as follows. Most important, there may be an absolute inadequacy of financial resources which can only be solved by increasing the funds.

There is, however, a further linkage between the organization and the management of funds

for providing those services, which may affect the resource gap. This linkage works primarily through the flexibility of the resource allocation. For instance, district managers may have relatively little control over the budgeting of donor's funds for vertical programs, or state budget approval procedures may result in delayed release of funds at the beginning of the financial year.

The discussion of the results might be focused on the issues of this research.

### Questions for general discussion with managers:

- What are the main problems in service delivery that relate to organization, resource adequacy and efficiency?
- Why is the situation like this?
- What can be done about it?
- For the discussion development we can use some proposals offered by present specialists.

### Management - some analytic recommendations:

- Changes in health policy: a policy focused on decentralization, on vertical planning and management, etc.
- Additional information needed at the district level.
- A more supportive resource allocation system.
- A more supportive environment for district managers.
- Additional staff trained in management.

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