OPENING A PRIVATE HOSPITAL IN ROMANIA

Dr. Mihaela-Luminița STAICU¹,
Dr. Marius SAVU²

¹Teaching Assistant. - University of Medicine and Pharmacy “Carol Davila”, Bucharest
²General Director – Administration Hospitals and Medical Services, Bucharest

INTRODUCTION
Hospitals are dynamic organizations. They have been changing in shape, size and functions to adopt themselves to the advancements in the medical field and socio-economic changes around them. When planning a new hospital, one should not concentrate on the architectural appearance, but on the quality of medical care and on generating spaces to allow a good medical practice.

ROMANIAN LEGISLATION
In Romania, the law regarding the health system reformation (95/2006) defines the hospital as the public utility health unit, equipped with beds, with legal personality, which provides medical services. The territorial criteria classify hospitals in regional, departmental and local (municipal, urban and communal). The type of pathology divides hospitals in general, emergency, specialized and hospitals for chronic diseases. The type of property classifies the hospitals in public (organized as public institutions), private (organized as corporate bodies) and public hospital with private units. Finally, taking into account the educational and scientific research criteria, hospitals can be clinical hospitals with educational departments and institutes (Law 95/2006 art 165, 171) [1].

The Romanian legislation promotes the privatization of the infrastructure of the medical units, with the exception of those facilities which, because of the high level of needed investments, cannot be supported by private operators or by local authorities and of those with strategic importance for the public health. Also, in the final form of the law regarding the health system reformation, the Ministry of Health accepted the transfer of real estates and medical equipment from public hospitals to private ones and it has the power to liquidate public hospitals. Also, art 174 (4) of the law specifies that private hospitals are founded with the approval of the Ministry of Health, and private units can be organized inside any public hospital.

Technically speaking, in Romania, the private health units are being opened and liquidated with the approval of the Ministry of Health, according to the law. In order to do that, the company deposes the documentation requiring the approval for setting up a private health unit at the general registration.

In order to obtain the approval for the structure, reorganization, restructuring, change of headquarters or of the names of private health units, the foundations or the NGO’s send the solicitation that will contain:
• the motivation of the solicitation;
• the description of the space and functional circuits;
• the description of the medical equipment that shall be used by the private health unit;
• the possibility of hiring specialized medical professionals;
• the medical services to be provided;

The documentation should contain:
• identification data of the company;
• object of activity;
• location (rented space, concession, space to be built);
• the approval of the public health direction;
• the presentation of the unit to build, the type of medical services it will provide- ambulatory, day care hospitalization, continuous hospitalization and what kind of specialties, the equipment that shall be used, manpower requirements, the cases for which it will provide services and so on (description);
• the point of view and juridical assistance of the Legislative Direction will be solicited;
• the Project concerning the set up of a private health unit will be prepared; the Project is signed by the state secretary that coordinates the activity of the direction; the signed Project is deposed at the Minister’s bureau for deliberation; the project should contain the legal basis on which the project is made, the fact that the company finalized the arrangement of the location, the medical equipment has been installed, it has the approval of the Direction of Public Health concerning the fulfillment of conditions, the medical services to be provided by the private medical unit, how the hospital will assure the continuity of medical assistance and so on.

In Romania, health legislation encourages the foundation of private medical units. This article discusses the reasons why it is benefic to open such hospitals, especially in the conditions where the Romanians are faced with the problem of the diminution of the number of public hospitals, and consequently of the number of beds. The article also presents the legal conditions to follow in order to open such an institution and makes a short review of the most important aspect to consider out when discussing the subject of planning a new hospital. Because the private hospital not only serves the population, but also it is an institution that has to provide financial profits, it is very important to take into account aspects related to the location, the characteristics of the population to be served, the financial investment and so on. Anyway, if planned carefully and according to the law, the private health units can influence the quality of the medical act and the satisfaction of the population, by the stimulation of the competition.

Key words: private hospital, Romania, legislation, planning, telemedicine, feasibility report, management
The advantages of opening private hospitals

The reasons for opening a private hospital are: a growing demand for prompt high quality medical services, last generation equipments, well trained and remunerated doctors, many of them with experience abroad, special accommodation conditions, the diminution of the number of public hospitals and of the number of beds in the remaining units in the next 3 years, the growing number of potential clients for such private services, jobs for Romanian medical professionals as there is a big discrepancy between the educational system and the market demands. For example, each year, 6 000 doctors graduate, but the system only offers 2 000-3 000 jobs. Also, in Romania, the demand for beds in private hospitals (“private bed potential”) efficiently covered is of min. 1 200 beds (big potential concentration in Bucharest, Constanța, Cluj, Sibiu-Tg.Mures-Brașov) [2].

Important elements of planning a private medical unit

The planning of a new hospital has to take into account the following aspects: the study of the population it proposes to serve, the geographical area, quality standards to be met, manpower to be recruited, the type of services to be provided, the sophistication of the building plan and equipments the investments and expected returns. As for the building that will host the medical activity, these factors should be considered equally important [3]:

- **Provision for disasters.** In the regions where there is a history of natural disasters, planning should consider the need to protect the safety of the patients and the potential need for continuing services following a disaster.
- **Functional requirements.** When construction is complete, the facility should satisfy the functional requirements for adequate classification: general hospital, tertiary care, single-specialty centre etc.
- **Orientation.** An important element not only for aesthetic reasons, but also for the potential to capture or avoid natural energy.
- **Environmental impact analysis.** The building should not negatively affect the environment or the community that the hospital serves.

Modern hospitals require intensive financial investments, so the financial planning is crucial when building a new hospital. Financial needs should be well documented and anticipated, so that no surprises arise [3].

By making a review of the studies that approached the subject of planning a private hospital, there are several important aspects one should take into account. One of the most discussed points is the one related to the feasibility report, that should contain details about the necessity of opening a health unit and if there are favorable conditions to support the investment.

One of the most important aspects is the location, which should meet the following characteristics [3]:

- The land size should be adequate for housing the institution and also have ample provision for future expansion.
- Good infrastructural facilities (water, power, transportation and communication available)

Also, the market survey is equally important because it reveals important information such as [3, 4, 5]:

- The character, needs and possibilities of the community which the hospital is going to serve. In order to do this, the existing medical facilities in the area should be studied as well (quality and number of hospitals, the areas of specialization, disease pattern, costs of investigation and treatment).
- The socio-economic characteristics of the community represent an essential factor in establishing the type of hospital to be planned. For instance, if the community is a wealthy one, one can plan a luxurious hospital, with last generation diagnose and treatment equipment. But if the market does not allow the acquisition of expensive equipment (the population has low income), it is more acceptable to use traditional equipment.
- Information concerning the occupation and age distribution. If there is a large population with senior citizens, more geriatric services should be provided. If the region is industrial, the trauma department should be strengthened.
- Manpower requirements (doctors, nurses etc and also the hospital’s capacity to find and keep them). In urban areas, generally, finding medical staff should not be a problem. But if the project is based in non-urban areas this could cause a problem, as the salaries should be big enough to attract and motivate the necessary manpower.
- Prediction of changes and their consequences.

In order for any kind of institution to function, a very important aspect is the one related to its management. Everything begins with leadership, including the performance cycle. The leader has to grow the skills, attitudes and performances of the employees and to improve work systems [6].

One of the models that can be followed when managing a hospital is Gold Standard Management. According to this model, a high-performance hospital is possible only when the following elements are in place [6]:

1. Uncommon leadership (leaders exist to mold the organization to fit what costumers and associates require);
2. Values-driven performance (serves the market, but isn’t driven by it; reduces barriers and increases speed);
3. Work environment based on the client satisfaction, focuses on training teams and rewards;
4. Quality-controlled work systems;
5. Costumer-focused processes: meets/exceeds costumer expectations, increases quality and decreases costs, provides delightful service experience;

The quality of the medical service also depends on diagnose and treatment equipment. Nowadays, besides the doctor’s expertise, there is also the possibility of a computer diagnosis. The hospitals are motivated to acquire Expert Systems, which can be extremely performing [7]. The acquisition of performing equipments when opening a new hospital facility is very important because of their benefits [7]:
- increased productivity: they can work faster than the human brain;
- reduced downtime;
- reduced rate of errors;
- the expert system can capture the knowledge from a human expert in the form of database;
- they can work any time and any day;
- they make knowledge accessible to people who query the systems for advice;
- Flexibility;
- information can be stocked and used later as well.

Technology does not mean only developing new diagnosis machineries, but also the developing of new communication tools between the therapist and the patient. Telemedicine means offering medical services through interactive audiovisual media; more precisely the use of technology to provide medical care that does not require face-to-face contact between the doctor and the patient.

The communication can be made over the phone, internet or it can be as complex as using satellite technology and videoconferencing equipment to conduct a real-time consultation between medical specialists in two different countries or even different continents. Computerized equipment represents without a doubt, an advantage in diagnosing patients and it increases the area covered by the medical service (telemedicine is benefic to isolated populations, individuals that due to high transport costs and poor health cannot benefit from a face-to-face consultation). Jangaiah (“Financial Management for Hospitals”, 2008) considers that, in order to build a successful private hospital, one should be able to respond to the following questions (4):

a. Where will the hospital be located? What are the characteristics of the population that needs the service?;
b. What kind of services does the hospital want to offer and what specialties will it include?;
c. Who are the competitors in the region?;
d. What kind of technology will it use?;
e. What is the size of the project in terms of beds and capital investment?;
f. Is the manpower available locally?;
g. What is the cost of land and works in the area?;
h. Should the project be commissioned in phases or at one time?;
i. What is the pattern of costs or the services offered by existing hospitals?;
j. What is the cost structure (value of materials, salaries, supplies, administration etc);
k. What is the gestation period?;
l. How much time does it take to complete the project? (in most cases, the costs increase because of time overruns; so timing is very important in order to keep the project within the initial budget);
m. Who will run the hospital? (in some cases, some doctors feel that a doctor can manage a hospital just as well as a professional running an industrial enterprise; so it must be decided who will take this responsibility- a doctor or a professional manager);

n. What incentives can the local authorities offer? (local authorities may offer the hospital various benefits – grants- it provides services to poor patients).

When planning building and equipping a hospital, one should keep in mind that the patient is the central element and that all services should facilitate his access to an adequate care. The brand is represented by the hospital’s employees, the base idea being that staff members strengthen or weaken the brand. For example, Mayo Clinic (USA) has invested more in performing the service well rather than in advertising the service more, depending on positive patient and family experience to create favorable perceptions of the clinic [8].

The Romanian context requires the foundation of private hospital units for several reasons such as: integration of the existing manpower, optimal investigations for precise diagnosis, efficient treatment, high quality nursing, recuperation/rehabilitation/reintegration event during treatment and surgical/non-surgical post-therapy; performing monitoring. The developing of the private medical system stimulates the competition and it has positive effects on the quality of the medical act.

Bibliography
1. Law 95/2006 regarding the medical system reformation.
8. BERRY L.L., SELTMAN, K.D.-Management Lesson from Mayo Clinic, Inside one of the most admired service organizations, pg. 185-222, 2008.