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McPake, Barbara, Yepes, Francisco Jose, Lake, Sally and Luz Sanchez, Helena. (2003) Cautious optimism? Hospital performance following health sector reform in Columbia. *Id21 Health* [online]. Available from: <http://www.id21.org/zinter/id21zinter.exe?a=r&w=5&u=499d7a9c>

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## **Cautious optimism? Hospital performance following health sector reform in Colombia**

Colombia's programme of health reform is under the international spotlight. Can it provide universal access, increase competition, maintain quality and improve equity? Researchers from the London School of Hygiene and Tropical Medicine and the Asociación Colombiana de la Salud look at changes in the hospital sector in the capital, Bogotá.

Many countries are experimenting with public hospital reform. They aim to increase hospitals' managerial autonomy and separate 'purchaser' and 'provider' sides of the health system. This increases market pressure on hospitals. This model assumes that market forces and incentives will increase hospital efficiency, while continued public funding will help to maintain equity. But does the model work in practice?

Colombia's 'Law 100 of 1993' is an ambitious reform. It aims to integrate the social security and public health sectors and create universal access to the system while bringing market pressures to bear on institutions to make them more efficient and responsive. Aims include:

- increasing insurance coverage from 20 to 100 per cent
- ensuring entitlement to a basic package of services
- separating finance and provision and stimulating competition on both sides.

It is designed to avoid the forces that reduce equity in other developing countries' reform programmes and to target public expenditure at the poorest.

The researchers tracked performance in five hospitals from 1996 to 1998 and looked for evidence of trends reaching back to 1990. They found that activity, productivity and efficiency indicators were in a state of flux over the 1990s. There was:

- an increase in overall activity

- rising bed occupancy due to the addition of new specialities, but decreasing bed occupancy in obstetrics and gynaecology

- growing productivity indicators reflecting falling staff numbers

- greater complexity in the case mix.

What impact did this have on quality? Structural quality (the availability of services) increased, with the introduction of new specialities and diagnostic and therapeutic procedures. But analysis of the delivery of care and patient satisfaction surveys do not show a strong trend in quality. Interviews showed that hospital workers have noticed big changes, including more responsiveness to patients, but also a heavier

administrative burden.

This research does not contradict the market-based model of hospital reform, nor does it strongly support it. This relates to:

weaknesses in the data available in Bogotá

difficulties in measuring the impact of reform programmes on specific aspects of performance

patchy and step-wise implementation of reform

variable time lags between change and impact.

Source(s):

'Is the Colombian health system reform improving the performance of public hospitals in Bogotá?', *Health Policy and Planning* 18 (2): 182-194, by B. McPake, F. Yepes, S. Lake and L. Sanchez, 2003

Funded by: Clearing House for Health Sector Reform Initiatives; UK  
Department for International Development  
id21 Research Highlight: 10 October 2003

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id21 is funded by the UK Department for International Development and is one of a family of knowledge services at the Institute of Development Studies [www.ids.ac.uk](http://www.ids.ac.uk) at the University of Sussex. IDS is a charitable company, No. 877338.

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Week beginning Monday 9th February 2009