

## A NEW ORGANIZATIONAL MANAGEMENT FOR PROMOTING THE HEALTH SYSTEM IN ALBANIA

*PhD.Cand. EnisURUÇI*

*Lecturer in Faculty of Professional Studies*

*Medicine Department/University of Durrës, A. Moisiu*

### **Abstract**

This paper aims, after an overview of the health care system and welfare Albanian to examine, based on the current organizational structure of the same, what can be the possible improvements could be implemented in this area of fundamental importance to the national economy.

To achieve this goal, it was decided to recommend the adoption in the Albanian health system of a new organizational model that is what "toyotistico", based on the principles of lean production, which has led the Japanese automaker to be the world's largest producer of cars and to check whether the sensational results achieved in some important American hospitals can be played in the Albanian health.

In particular, being driven by the real conditions of the health system in Albania, as the low level of health services and the issue of full and wide field of public health, he has had the courage to tackle a difficult topic to study, much less delivered by the Albanian science, in the hope that the contribution can somehow clarify the situation in this area, often hidden, for the needs of power and politics.

The cases of ill health now highlighted daily in the media show that the theme of this work is fully part of the trend of contemporary developments in Europe and the world.

It is also hoped that the theme knows harmonize optimally medical sciences with economics, in order to make a contribution, hopefully interesting, in the field of health management in Albania.

Research conducted by the detailed analysis of the data collected in order to learn about the health situation in Albania. Later, analyzing the legal framework for managing health, comparing the actual conditions with the requirements and the laws of the European Union.

Knowing this information will allow the development of the work to identify the shortcomings of the health system of Albania and the new opportunities achievable, by applying the new organizational model above.

The research was conducted by examining primary and secondary sources and, in particular, known by consulting national medical, managers, employees, hospital technicians, administrators and experts who have been following in recent years the public health problems in some of the largest hospitals Albanians.

The comparison of these data with those desirable with the implementation of the new organizational model in the health sector, represent the conclusions and recommendations of this study.

**Keywords:** *Healthcare, Albania, Service, Hospital, Insurance.*

## 1. Introduction

The healthcare system in Albania is mainly public, while private practice is limited to a small niche market sector.

The Albanian law guarantees equal access to healthcare for all citizens. Public healthcare in Albania is the major provider of health services, health promotion, prevention, diagnosis and treatments for the population of Albania. Primarily, the Government of Albania funds the State healthcare system.

Other sources of funding include contributions from eligible employers, employees and the self-employed, a certain percentage of their wages or income are deducted and contributed to the insurance scheme.

However, poverty in Albania is rather common, and only a few people can afford to make such contributions. As a result, many residents/citizens fail to receive the required medical care and medicines for their illnesses (Stephen and DeCenzo, 2012).

The failure to collect a substantial amount of contributions means that healthcare system in Albania is strongly reliant on charitable aid for medical supplies and drugs.

The private healthcare sector in Albania is still developing, and it covers most of the pharmaceutical and dental services as well as some clinics for specialised diagnoses, mainly being situated in Tirana. State insurance does not cover medical costs incurred in the private sector, as a result, they are only

accessible to people who can afford to pay for them. In Albania, doctors and hospitals expect payment in cash at the time of service.

The Ministry of Health and Environmental Protection oversee the health service. It takes the leading role in the public sector; it is the developer and regulator of the country's health strategies and policies, as well as the coordinating entity of all participants both inside and outside the public system (King, 2003).

Hospitals in Albania are located mainly in urban areas like Tirana and Durrës, however, the bulk of the country's population live in the countryside, and there are not enough health centres to support everyone, creating an imbalance in the medical system in providing healthcare for this population.

Under the public healthcare system in Albania, patients have a choice to register with their preferred doctor. In order to visit any specialist doctors or consultants, patients are required to receive a referral from their General Practitioners (GP). Unfortunately, most of the GPs in the country lack a proper level of training. This has resulted in patients' lack of confidence in the skills of GPs and very often patients will bypass GPs and go directly to a specialist. The Ministry of Health has tried to put a stop to this by restoring the old system of GP referrals by introducing fees to prevent people from avoiding their GP. (Uruci and Scalera, 2014).

However, this move has achieved few results. Specialists actually exacerbate the problem by encouraging patients to apply directly to them. The reason for such behaviour is that consultants rely heavily on under-the-table payments to increase their income. Corruption is an unfortunate fact of life in Albania and it is a hard and difficult process to resolve the problem, especially in healthcare, over the short term.

In summary, Albania remains one of the poorest countries in Europe, with a sluggish economy and high unemployment rates. Albania spends around 6.1% of GDP on healthcare. Medical facilities in Albania are poor and there is a lack of specialists, medical equipment and pharmaceuticals. Moreover, hygiene standards are lower than the rest of Europe. The Albanian healthcare system is rigidly structured and centralised and has difficulty in meeting the medical needs for all its citizens. Doctors and nurses are often cut off from new techniques and developments in medicine; the system is subsequently finding it hard to cope with modern day health issues like drug abuse, AIDS and sexually transmitted diseases (Uruci, 2006).

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The public health system in Albania is supposed to be financed by insurance contributions from employees and employers. However, since the poverty rate in Albania is quite high, only a handful of workers are able to pay these contributions. As such, it results in citizens not getting the medical attention they need (World Bank/IMF, 2004).

The Albanian government's unsuccessful effort to amass sufficient funds leads to the healthcare system being dependent on charitable aid for health services, medicine, and medical supplies.

Most of Albania's population reside on rural areas, making it all the more difficult for the government to provide its citizens with adequate healthcare services because there are not enough health centers and medical facilities in the countryside to cater to the needs of people who live there. (Ministry of Health, 2004).

Although there have been reports that the condition of the healthcare system in Albania is starting to make progress, several hospitals still lack basic medical supplies. The capital city, Tirana, is equipped with a number of clinics and private hospitals with improved standards due to the increasing number of foreign tourists and investors in Albania. The private health sector in Albania is still also under development, and mostly covers dental and pharmaceutical services.

The tap water in Albania's capital city is safe for purposes of cooking, washing and brushing of teeth. (Frank and Bernanke, 2004).

However, drinking bottled water is recommended, especially outside of Tirana city.

Foreign nationals living and working in Albania are strictly advised to take out private health insurance during their stay in the country, as the public healthcare system is underdeveloped. (Uruci, Mema and Sokoli, 2011).

## **2.Organisational and Structure of the State System**

The Albanian State healthcare system is divided into three tiers of service, namely:

i) Primary health care - includes health and hygiene centres, health education centres, maternity and pediatric clinics, local emergency rooms and rural hospitals.

ii) Secondary care - consists of medical and diagnostic services in hospitals and polyclinics.

iii) Tertiary care - consists of scientific research medicine including four national university centres with diagnostic services.

Now we investigate how the health system is made up of Albanian analyzing (Doctors and Health Centres, Consultants, Polyclinics, District Hospitals, Hospitals, Emergency Care, Private Clinics, Dentistry, Pharmacies) to better understand what the issues of the same(Hysa,2004).

-Outside of the towns and cities, medical care is provided by health centres, which are owned by the countries local governments. The health centres provide maternity care, child health services and immunizations. The Ministry of health is starting to build more health centres with financial assistance from ECHO, the World Bank and the German Government (Uruci and Kuniqi, 2014).

- GP's are supposed to refer patients to specialist doctors and consultants, but this referral system does not work due to a lack of faith in the skills of General practioners.

The reason for this behaviour is that consultants rely heavily on under-the table payments to boost their income.

-Polyclinics are located in urban areas and because the Ministry of Health owns them, they are better funded than the health centres. Outside of the capital, Tirana, polyclinics are the responsibility of the district hospitals (Jacobs, 2003).

-District hospitals provide inpatient care. There are 20 larger district hospitals with anything from 100 to 400 beds, and 22 smaller hospitals. District hospitals provide the population with internal medicine, pediatrics, general surgery obstetrics and gynecology. Patients must be referred to hospital by a GP or consultant or through the emergency ward.

-All dental clinics in Albania are privately owned. However, children below the age of 18 are entitled to free dental care, which is usually administered in school-based clinics. Sadly, such clinics suffers from shortages of equipment and adequately trained staff.

- Pharmacies have to be licensed by the government to sell drugs in Albania. Basic medicines, which the state deem necessary to fight common illnesses, are subsidized (Frank and Bernanke, 2004).

The healthcare system in Albania is said to have suffered a great deal following the fall of Communism in the country. Implementing a rigidly structured, centralized system, Albania's Ministry of Health and Environmental Protection controls the health services for all its citizens. However, due to the struggling economy of Albania, widespread poverty and lack of sufficient funding, the government is having a difficult time attending to the medical needs of Albanian nationals.

### **3. Insurance system in Albania.**

In light of the above, it is clear that we need a valid health insurance system in Albania. In particular: there are two types of insurance, compulsory insurance and voluntary insurance.

Insurance pays out when an unpredictable event causes a loss. You need insurance when the law says you must have it – for example, if you drive a car, you must be insured.

In some cases, the state provides insurance by, for example, paying incapacity benefit if you can't work due to illness or bereavement benefits to a widowed husband or wife.

The market is divided on, market for Non-Life Insurance and The market for Life Insurance. Motorized vehicles insurance remains the leading type of insurance in the market. The insurance industry in Albania is growing up.

The public insurance scheme in Albania is directed by Instituti I SigurimeveShoqërore/ISSH (Social Insurance Institute). It covers five branches of social insurance and the types of insurance it covers are compulsory and voluntary.

Apart from public scheme, there are many private insurance companies operating in Albania (SICRED, ALBSIG, ATLANTIK, INTERALBANIAN, EUROSIG, SIGMA, SIGAL).

The authority that supervises the insurance system in Albania is Autoriteti I Mbikëqyrjes se Sigurimeve (Insurance Supervising Authority).

#### **4. Reducing waste in health care with the Albanian adoption of Lean Production.**

The research conducted to analyze the efficiency of the Albanians hospitals, with interviews conducted by known national medical consulting, managers, employees, hospital technicians, administrators and experts has highlighted a number of wastes that are here briefly presented below:

##### **- Overproduction**

Provide more information than is necessary.

Provide more information in advance.

Early analysis to support the needs of the laboratory.

Provide copies of a report to people who have not requested and did not read it.

##### **- Transport**

Shifts patients to treatments.

Displacements patients from one place to another.

Shifts samples.

Recovery and transport blood bags from unplanned Transfusion Centre (for emergencies).

##### **- Process leaks**

Exchange for patient positioning.

Opening multiple kits for lack of a standard.

Excessive production of paper documents.

Unnecessary procedures.

## - Stocks

Excessive storage of materials.

Obsolete materials and medicines.

Documents waiting to be processed.

Specimens pending analysis.

## - Movements

Recovery tools not included in the surgical set.

Recovery tools from other operating room.

Patient search.

Manage paper documents.

## - Defective products

Errors in medication.

Missing information.

Repeat anesthesia problems.

Repeat interventions.

How to try to resolve these inefficiencies of the Albanian health system?

Trying to adopt an organizational model successfully kept here since the '90s by the automaker Toyota, to improve production efficiency in the automotive sector and takes in the name of Lean production.

In particular, it is to be pointed out that this organisational structure is based on a set of fundamental criteria with which compliance is critical to the effectiveness and efficiency of the structure itself.

They include: the process diversification, the decision-making power delegated to employees, the tasks unification, avoiding production waste thanks to the Just-in-time system, the process activity outsourcing, the total involvement of suppliers (Scalera, 2011).

Now the question to ask is this: is it possible to apply lean production used in the automotive industry to reduce waste in a far cry sector or the health sector? The answer is yes, since the application of these principles has been used in several US hospitals such as the Virginia Mason Medical Center in Seattle and the Park Nicollet Saint Louis Park, Minnesota (Table 1).

What were the results achieved? From the data collected it can be said that the results have been extremely valuable.

In fact, it was found:

- Productivity Increases from 20% to 40%.

- Reduction of work in progress from 30% to 50%.
- Defect reduction from 20% to 50%.
- Reduction of set-up from 40% to 60%.

Type of muda	Description
Attention	<ul style="list-style-type: none"><li>- Initial lately the intervention for attending the doctor(Medium 30-45 minutes after opening the operation cabinet).</li><li>- Attention for chirurgical team in case of politraumas.</li><li>- Attention of radiology technique (Medium 15 minutes).</li><li>- Attention of induction of anesesthy before the operation cabinet.</li><li>- Attention of anestesyst because he is impegnative with other patients.</li><li>- Attention of patient (after callingfor arrival in operation cabinet) for organisation of chirurgical cabinet.</li></ul>

**Table 1.** - Type of Muda.

Source:Personal elaboration.

## 5. Conclusions and Recommendations

In the light of what has been analyzed in this paper and in order to improve the health system. Albanian suggest the following recommendations:

- The Albanian government should allocate 10-12% of the state budget towards health care services.
- The Ministry of Health and the Mandatory HealthCare Fund should draft an investment and reform plan with the aim of improving the infrastructure of the 415 primary health care centers.
- Health centers need to manage the respective budget and in cooperation with civil society organizations increase fund – raising capacities.
- Health centers need to strictly follow the available approved packages and register systems and the government should be more diligent in auditing this process.
- Additionally, the Fund should regularly plan and audit all health centers.
- Health services provided at specialized clinics should be unified with the primary care clinics to avoid unnecessary costs.

- Specialized training should be provided for family doctors which could lead to future exploration of the differentiation between general practitioners and family doctors.
- Rural primary health centers must have a nurse and/or midwife on staff at all times.
- Planning and establishing labs at the primary health centers is crucial to enable simple medical tests to be ran on site.
- Improve protocols and policies to increase the independence of the heads of health centers and strengthen the autonomy of the primary health care centers.
- Regional Health Directorates to cooperate with the Ministry of Health.

The final suggestion, the analysis conducted light is represented by application of Toyotistico model of Lean Production in the Albanian health system, in order to achieve very good results obtained from its implementation in American Hospitals such as:

- Dual labor productivity throughout the system.
- They are cut production times and stocks of 90%.
- It is halved the time to market of new products.
- It offers a modest additional costs a wider variety of products.
- They are reduced to half the errors and waste process.
- Companies can usually double again productivity through incremental improvements within two - three years or more and halve warehouses, errors and time in the same time frame (Womack and Jones,1997).

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