



LA RIBERA
ÁREA DE SALUD 10



**Hospital de La Ribera.
The first of many?**



WHAT IS THE HOSPITAL DE LA RIBERA?

The Hospital de La Ribera is the Spanish pioneer of the mixed management model in the public health system, by which a private company is awarded a contract to build and run a public hospital, the so called “[Alzira model](#)”.

The private public partnership framework is an attempt to break the cycle of budget deficits faced by most local authorities. The contract with the Hospital de La Ribera explicitly sets out the costs the government pays for the hospital’s services for the region it covers.

After five years, the management model has proved profitable for all the “agents” involved in the public health service:

The Hospital users

The Government of the Autonomous Community of Valencia

The company running the Hospital

The professionals working in the Hospital



PUBLIC HEALTH IN SPAIN

- ✓ Public and free service for everyone. However, over 6 million Spaniards have a private health insurance, 2'5 of them are public servants while the other 3'5 pay "double insurance".
- ✓ Authority on public health service in hands of autonomous communities since the end 2001. A "reorganization" of the different systems is needed
- ✓ Significant budget deficits faced by every regional government while Central Government struggles to balance the national budget
- ✓ Bureaucratic and inefficient system with high operative costs
- ✓ Some local governments already charging an extra-tax on gasoline to finance public health.
- ✓ Several Communities already announced new hospitals to be built, despite the deficit



PRINCIPLE OF SUBSIDIARITY

Lightening the burden of public expenditure in social services

- Public Administration deficit
- Nation's budget stability as a must

Private responsibility

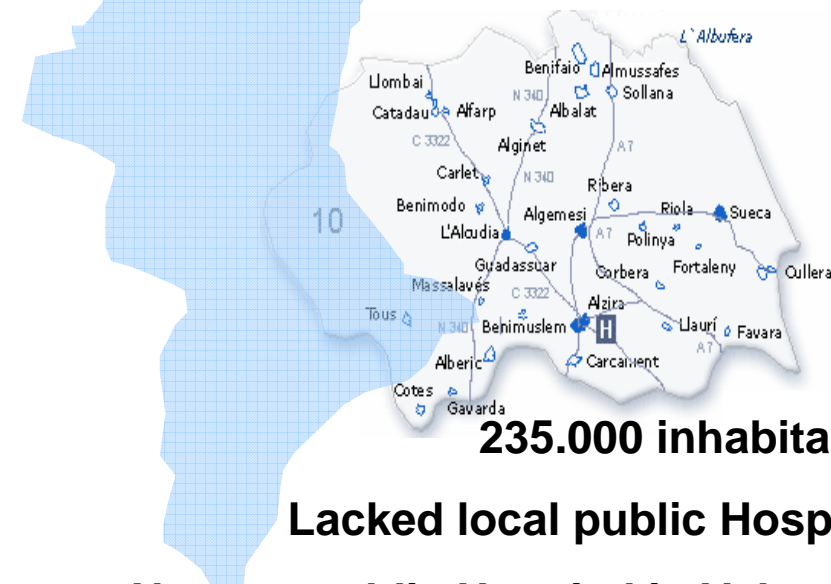
- Efficiency and efficacy
- Entrepreneur patrimonial responsibility

Public Control

- Limited contract period. Duration and possible extensions clearly set out in the contract
- Administrative granting for a private contractor to manage a public service

The hospital serves a catchment **area of 235,000 inhabitants**, who had been **denied access to local hospital facilities** until the new hospital opened its doors in January 1999. In the past, locals seeking hospital treatment often **had to travel more than 40 km to Valencia**. To close this gap in its provision of health services, the **regional government of Valencia** looked at novel approaches to financing hospital services using private capital. Finally it **opted to put the contract to build and run a new public hospital out to tender**.

Health Area number 10:



235.000 inhabitants

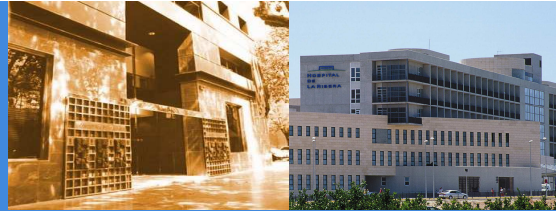
Lacked local public Hospital

**Nearest public Hospital in Valencia,
40 km. away**

**Building a public hospital had been a
political promise since 1982.**

25 Health Centers

2 Outpatients Clinics



“ALZIRA MODEL” BASIS

Split between public financing, control and property and private service allowance

Public Financing: Valencian Government. Capitative payment.

Public Control: Valencian Government, through the commissioner working in the Hospital.

Public Property: Property will refund to Valencian Government.

Private service allowance:

Builds new Hospital. Private investment of 63 M €

Own Medical staff

Own Management: “Know how”

Assumes Risk transfer

Free & Public Healthcare Services



“ALZIRA MODEL” BASIS

CAPITATIVE PAYMENT

Annual fee of 379 € per year for each of the 235.000 inhabitants of the Health Area number 10

Accordingly to patients’ right of access to the hospital of their choice:

Hospital has to cover the 100% treatment costs of local people who avail of hospital facilities elsewhere.

On the other hand, Hospital is paid an 80% of health services given to any other health area patients.

It could be said then that “money follows the citizen”



CAPITATIVE PAYMENT

Annual fee of 379 € per year for each of the 235.000 inhabitants of the Health Area number 10

The private contractor that runs the hospital receives a *fixed* annual sum per inhabitant for the fifteen-year duration of the contract.

The annual fee is €379 (rising in successive years in line with public health budget increase) for each of the 235,000 inhabitants of the health area.

In return, the company built, equipped and now runs the hospital and must offer universal access to its wide range of services.

TRANSFERRED RISK Expenses become fixed for Valencia Government. In effectively transferring financial risk from the public to the private sector, this measure helps control local spending thus making local government more transparent. The costs per inhabitant that the government pays the contractor are around 20% below average unit hospitalisation costs elsewhere.



CAPITATIVE PAYMENT

Annual fee of 379 € per year for each of the 235.000 inhabitants of the Health Area number 10

Money follows the citizen entails a patient-oriented organization.

It is of critical importance for the Hospital to prevent local patients from going to other public hospitals by offering them the best public health service:

- Sophisticated diagnostic and therapeutic care in most specialties and subspecialties of medicine and surgery
- Modern building and hi-tech facilities
- No waiting lists (mean surgical waiting time: 45 days)
- Wide timetables, from 8 a.m to 10 pm.
- Quality: Hospital de La Ribera has been named the “Best Spanish Large General Hospital” in the 2000, 2001 and 2002 editions of the Solucient's 20 Top Hospitals Benchmarks for Success program



“ALZIRA MODEL” EVOLUTION

Alzira Model I: 1999/2003

Granting for 10 years, extendable to 15 for the management of the Specialist Medical Care of a Health Area (AS 10)

Capitation fee: 204 euros + CPI (1999)

Building of a new hospital: Hospital de La Ribera. Private original investment of 63 M €.

Alzira Model II: 2003/2018

Granting for 15 years, extendable to 20, for the management of Primary and Specialist Care in Area 10

Capitation fee: 379 euros + % yearly increase in the health budget



“ALZIRA MODEL” EVOLUTION

Alzira Model II: Other contract items

Private Investment: 68 M € in the Health Area during the 15 year period

Included services: primary and specialized care

Excluded services: outpatient pharmacy prescription, oxygenotherapy services and medical transport

Inter-area billing: to 80% of the health department scale

Internal profit rate limit: maximum rate limited to 7.5% on investments annually

Pharmacy saving incentive: 30% if it is inferior to the average spending per inhabitant in the Valencia region



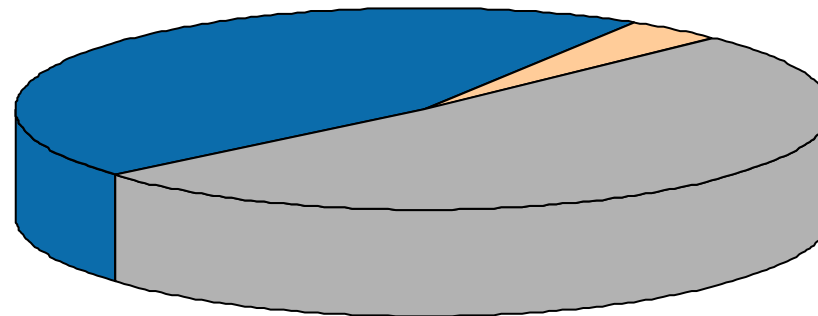
THE COMPANY: UTE RIBERA SALUD

Regional savings banks.

Bancaja & CAM 45%

Builder companies.

**Dragados, Lubasa 4%
(2% each)**



Spain's number one health insurance company.

Adeslas 51%



THE COMPANY: UTE RIBERA SALUD

1.600 workers

It offers public health service to 235.000 people, 6% of total autonomous community population.

It runs a 270 bed public Hospital and 40 public Primary Care Health Centers



Hospital de La Ribera

Building site: 66.000 m²

Built area: 41.000 m²

Number of beds: 268

Outpatient facilities: 48

Surgery rooms: 13

Emergency boxes: 22

Parking: 630 cars

ICU: 22 beds

Pediatric emergency boxes: 7



WHAT MAKE US DIFFERENT?

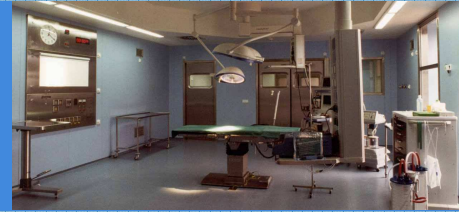
- ✓ PATIENT - ORIENTED ORGANITAZION
- ✓ Private management perspective in a traditional public system
- ✓ Technology / Information systems
- ✓ Patients' free choice of specialists
- ✓ Patients' right of access to the hospital of their choice
- ✓ Single rooms, with free extra bed for companions
- ✓ Human resource management; Professional Career Development, based on the assumption of responsibilities and the achievement of goals in terms of activity and continuing education.



As well as offering modern buildings and hi-tech facilities, management at the hospital have embraced a range of **new practices**. **Quality assurance mechanisms** have been introduced and health professionals are expected to participate in **Continuous Professional Development** (or CPD). Clinicians are set **fixed targets** and offered **pay incentives** on top of their salaries. Pay rates with incentives are, in most cases, far higher than those in the public sector. 80% of staff are employed directly by the company. The remainder retain the status of public servants but are paid by the company.

MANAGEMENT AREA

- ✓ **Goal-incentives system**
- ✓ **Education Committee**
- ✓ **Management Units: self-managed units, seeking best medical practice and cost-cutting strategies**
- ✓ **Pharmacological guide with generic drugs**
- ✓ **Long-term agreements with providers**
- ✓ **Human Resource, Marketing and PR Management**
- ✓ **Information Systems**



Motivation: medical staff get involved and participate with a greater degree of satisfaction and professional recognition.

Quality: Quality-oriented processes are designed and implemented

Productivity: Increases efficacy and efficiency

Integration between all hospital areas: Medical staff have a vision of the hospital as a whole which helps to find the better way to achieve the desired outcomes.

Re-organised the **hospital as a map of processes:** Define in the hospital who, when, where and how will do an intervention in a defined process.

MEDICAL AREA

- ✓ **Outpatient major surgery**
- ✓ **Functional Units**
 - ✓ **Geriatric Unit**
- ✓ **Hospitalists system**
- ✓ **Unit-based management**
- ✓ **Clinical Pathways**
- ✓ **Information Systems**
- ✓ **Links with Primary Care**
- ✓ **Professional career development**



INFORMATION SYSTEMS

- ✓ First public hospital in Spain with full integrated Computerized Medical History: Nursing and Medical notes, tests and X-Ray images. Non stop updating to the hospital needs. Total integration with the Primary Care Medical History.
- ✓ WAN with 450 workstations and over 1.000 users. Doctors can access the full medical history from any computer in the Hospital and Primary Care centers.
- ✓ Patient's data is picked up directly by the medical and nursing staff. First-hand information avoiding misinterpretations or transcription mistakes.
- ✓ The system allows for a total interaction between medical and administrative areas.
 - Financial: Orders and storages. Individual costs.
 - Management program: Reports of activity per Department and period of time.



INFORMATION SYSTEMS

Advantages

- ✓ Shorter answer time
- ✓ Faster Medical response
- ✓ Greater communication within departments
- ✓ Auditing
- ✓ Control activity



MEDICAL CARE QUALITY PLAN (I)

Accessibility: Quality of Demand

- Average delay in outpatient and radio diagnostic services
- Average Surgical Waiting Time
- Average reaction time in A&E
- Average reaction time in Laboratory

Medical or Scientific-Technical Quality in terms of performance

- Adverse situations analysis to identify possible areas of improvement
- Individualized process and service analysis to extend better practice
- Use of standardised data which allow for benchmarking actions
- Implementation Plan
 - Individualized service analysis on a yearly basis
 - Individualized service control every three months



MEDICAL CARE QUALITY PLAN (II)

Quality Levels perceived by our users

- Identification of reasons of dissatisfaction
- Analysis of the possible reasons which may have caused the dissatisfaction
- Proposal and implementation of improvement actions

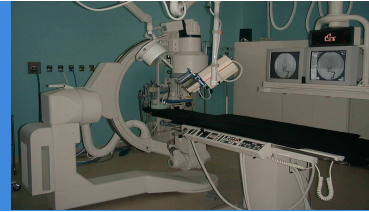
Total Quality: Standardization and EFQM

- ISO 9000:2000
- Implementation and development of the self-assessment method according to the European Excellence Model by the European Foundation Quality Management



ACTIVITY



ACTIVITY	1999	2000	2001	2002	2003
Nº Hospital stays	67.839	81.995	88.162	92.686	93.568
Nº Admissions	13.348	16.507	19.205	19.583	19.646
Nº Acute admissions	9.421	10.792	11.791	12.198	12.791
Mean hospital stay	5,13	5,01	4,60	4,72	4,78
Hospital at home	589	809	859	890	948
Re-Admissions rates	6,30	6,50	5,20	4,80	4,20
A & E VISITS	98.533	104.666	115.428	121.509	125.480
Nº daily emergencies visited	270	286	316	334	345
Admission emergencies rate	9,56%	10,11%	10,24%	10,06%	10,21%
Appropriatenes Admissions Rate (APE)		6%	5,50%	4,80%	4,30%
SURGICAL INTERVENTIONS	13.671	17.263	19.098	19.272	19.743
Ambulatory Mayor Surgery (AMS) Rate	45%	45%	51%	49%	52%
DELIVERYS	1.377	1.917	2.191	2.035	2.212
Cesarean section rate	17	19	22	22	20
X-RAY DEPARTMENT	141.021	171.282	158.131	117.096	205.152
LABORATORY (tests)	2.122.112	2.851.777	3.136.491	3.419.609	3.658.677
OUTPATIENTS VISITS	363.609	462.515	462.733	506.308	515.644



ACTIVITY

Hospital de La Ribera is the most efficient public hospital in the Community of Valencia, as can be seen in this comparison with a big public hospital located in Valencia city. (year 2001).



	 567	 260
Number of beds	567	260
Mean hospital stay	7	5
Outpatients visitis	372.529	462.733
Surgical interventions	17.582	19.098
A&E visits	151.210	115.428



USER'S OPINION ON THE HOSPITAL



An independent research company has been appointed to undertake bi-annual user satisfaction surveys designed to assess subjective attitudes to the quality of care. The hospital scored an average satisfaction rating of 8.54 on a scale of 1 to 10 in the most recent survey, with a 91% of positive opinions

Positive

91%

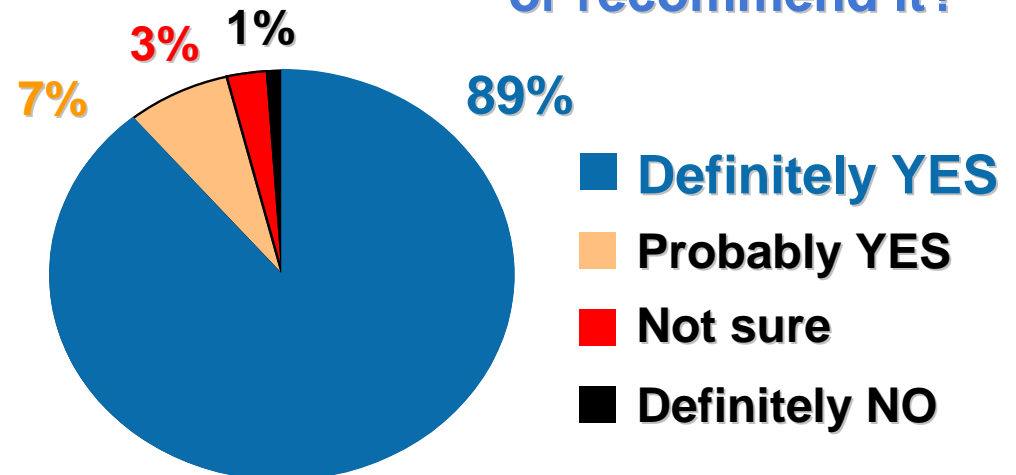
Neutral

7%

Negative

2%

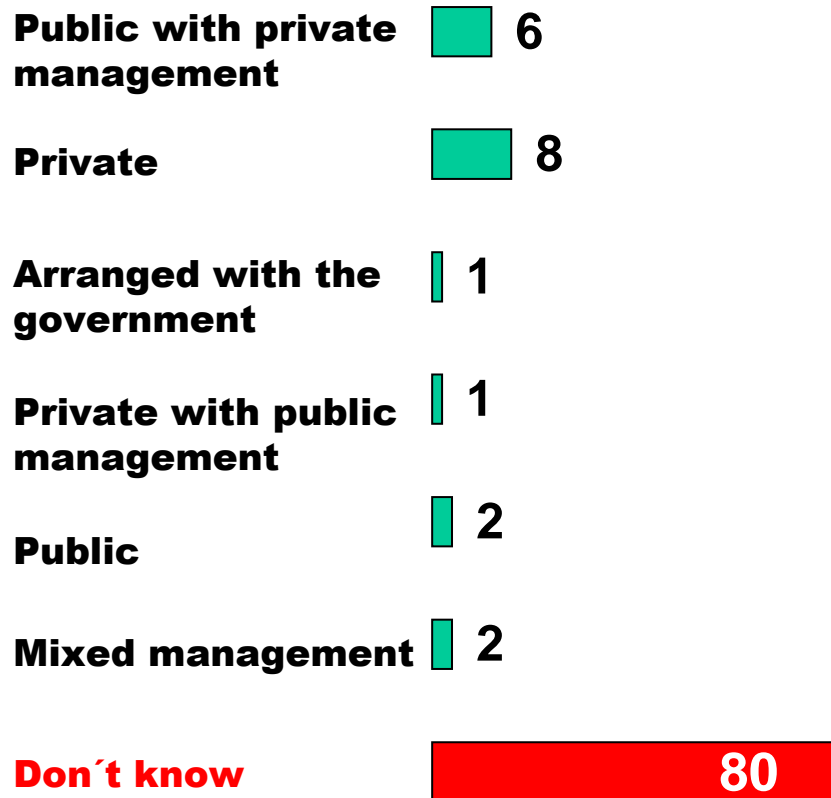
Would you come back to the Hospital or recommend it?



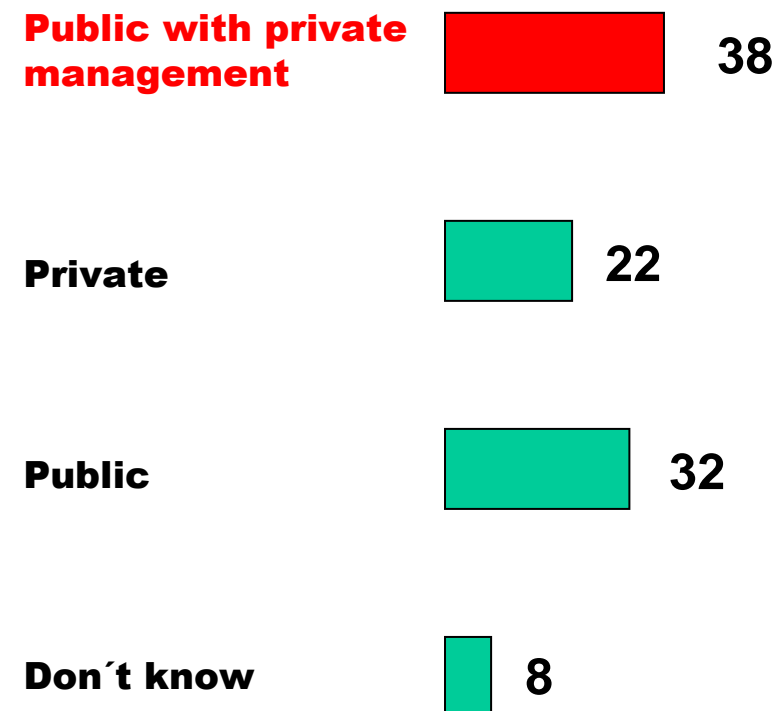


DO PEOPLE KNOW THE MANAGEMENT MODEL?

Esponaneous answer



Suggested answer





ADVANTAGES FOR THE PUBLIC ADMINISTRATION

Investment by the Private Management: Initial of 63 MM euros plus 68 M € in the Health Area during the new 15 year period

Chance to build public hospitals without increasing local public debt.

More reliable public expenditure forecast: Hospital service cost (due to capitative system) known in advance over the 15 year granting period.

Hospital service cost lower than other areas (> 20%)

Better use of Public Resources: More efficiency, more activity, better service, higher number of citizens (voters) satisfied with the government's performance.

Introduction of modern management tools in a “slow” and bureaucratic environment:

- Ambulatory Mayor Surgery Rate;51%
- Hospitalist system: Shortest mean hospital stay of Spain
- Hospital at home
- Incentive system, CME program, professional career development
- Low Hospital Pharmacy Cost (< 30%).



ADVANTAGES FOR THE CITIZEN

Better access to health services

- Wide timetables: OP Department and Theatres
- Information telephone line: 24 hours day / 365 day per year

Less reply-time from the System:

- Mean surgical waiting time: 45 days.
- Mean OP visit waiting time: 15 days

Better quality services:

- Free choice: “Money follows patient”
- Citizen becomes a customer: Single room with companion bed: better comfort and privacy.

High level of patient’s satisfaction:

- 91% are happy with the service received
- 95% will come back to the hospital
- 80% don’t know the hospital management type: “ Patient are concerned about how health services are managed and not who does it “



ADVANTAGES FOR THE HEALTH STAFF

Human Resources Management: promoting professionals

- Stability at work
- Doctors manage their own time: OP, theatre, IP visits, within the hospital needs and objectives.
- Professional Development: Functional Units
- Continuing Medical Education and Research Committee

Incentives System: Greater incomes:

- Objectives achievement (individual).
- Outcome : More activity, better results, less complications...
- Efficency achievement (Management Units): Savings sharing
 - Doctors Mean Income is 25% higher than the NHS doctors



ADVANTAGES FOR THE COMPANY

Durable, profitable and reliable collaboration with the local government

- Achievement of the “know-how” of running a large general public hospital.
- Return on the investment guaranteed.
- Collaboration can be extended to other health areas.
- Opportunity to demonstrate that the “Alzira model” is a valid option for the early future of the public health system.
- Gains in terms of public image.