

Chapter 53

Information Systems for Management Decision Support in Portuguese Public Hospital: The Urgency of a Supra- Financial Perspective

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ABSTRACT

The information systems have assumed a central role in the health sector. Particularly in the public domain, health institutions have traditionally been marked by management practices based on contextual contingencies without much concern of the accurate results and their assessment. The traditional concern about the low efficiency and effectiveness in managing public resources has been replaced by the emerging and urgent need for rational management instruments and methods. This need presents the opportunity for a new management paradigm that should not be restricted to the financial aspects of health institutions, but it should include all dimensions of core and non-core activities. The budget slippages and ruptures cannot continue being used as the excuse for the need of systematic and permanent increase of financial resources spent on provision of public health services, often justified by an increasing of the population or the average life expectancy. The budget problems and difficulties of the Portuguese State, particularly the urgent need of the expenditure growth control, show the need of a new management paradigm. This demand has caused, on the one hand, a heavy investment in information technologies to support management decisions, and on the other hand, it has shown other problems, such as the difficulty experienced in the architectural integration of information and technologies as well as problems of a significant complexity and high resource consumption. This chapter discusses the current information systems for management decision support in Portuguese public hospitals based on the analysis of a district hospital in Portugal.

DOI: 10.4018/978-1-4666-6339-8.ch053

INTRODUCTION

Cultural and political reasons inherent of the state model adopted in Portugal in the twentieth century led to a management model of public administration which size reflected a monolithic, bureaucratic, strongly hierarchical organizational system, with centralized management, purely administrative, with decision-making process very bureaucratic, complex and slow and by poor development of individual valorization. According to Carapero and Fatima (2005), the state model shows predominantly a divisional structure of pyramidal organization and strong Tayloristics features, where a few workers and responsible employees think for everyone and where the individual overlaps to team.

The State, “patron” of the resolution of social problems and welfare of citizens which guarantees economic and social development, has assumed a bureaucratic organization with a vertical work and authority structure, highly regulated and prescriptive, guided by the lack of rigor, management practices and responsibilities of those who have assumed this responsibility in hospital organizations. The organizational dimension has been shown to society in the Ministry level, which mission focuses primarily on ensuring the implementation and enforcement of policies emanating from the Government and the management, evaluation and control of the whole system and its resources (human, financial and informational) related to the field of their competence and responsibility.

The economic crises of the late 70th and 90th of the twentieth century in Western countries led to an awareness of reality that led to the inability to control this “building” of directors and their spending, threatening the principles of welfare states, leading to demand for new forms of governance with new models of expenditure management and more stringent resources, with a spirit for reform-oriented solutions more efficient to what is called the New Public Management. Especially with the increase of economic life level and the

adhesion to Information and Knowledge Society, the management of the “public cause” begins to demand new attitudes and organizational dynamics according to the technological opportunities, and society demands.

According to Silvestre (2010), these reforms reach Portugal in the mid-80th through the accession to European Economic Community, introducing methodologies implemented in the UK in the late 70s that allowed the adoption of methods and management techniques of the private to public sector, gradually reorienting their services towards the citizen and quality. This reform sense of the organization and functioning of Public Administration in Portugal, has its continuity through the XVII Constitutional Government applied across different areas of action, such as Simplification of Administrative Procedures (SIMPLEX), the Programme for Administration Reform Central Administration (PRACE) or the Integrated Management System and Performance Assessment Evaluation in Public Administration (SIADAP), that in 2002 reflected in the subsector of Health through the Law 27/2002 (November 8) known as the Law of Hospital Management, introducing changes in the nature and type of management of public hospitals that acquire the status of corporate hospitals.

This new model reflects a clear definition of roles and objectives, flexible structures and reduction of hierarchical levels in order to simplify the decision circuits and knowledge sharing, aligning the performance of these institutions through the use of methodologies and private management tools on a clear management by objectives (Matos and Ramos, 2007). The introduction of information systems to support the making of decisions by the management of these public institutions is a significant challenge, because the urgency of expenses control and the difficulties with information systems architecture do not allow the necessary organizational, informational and technological designs to facilitate a rapid and coherent reading of the reality of activities and limited the institutions action. On the other hand, the inexistence

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