Project On Ways To Involve The Public In The Health System

A report by McKinlay Douglas Ltd for the Transitional Health Authority, May 1997

The main purpose of this project was to undertake a review of different approaches used, nationally and internationally, to engage with the public on health services.

EXECUTIVE SUMMARY

The Brief

1. The purpose of this report is to contribute to a project initiated by the Central Regional Health Authority on ways to involve the public in the health system. A key element in our brief was to address the issue of public confidence which was seen to require:

    - Developing processes which give the public an assurance that their voice has been heard at the point of decision making;
    - Allowing the public to understand the need for trade-offs in resource allocation and have a sense that these judgements are being made with an awareness of community concerns;
    - Dealing with the problem that consultation in a legal compliance sense fails to satisfy the public demand for involvement before firm proposals have been developed;
    - Designing structural arrangements which answer the demand for representation without compromising the need for governance.

2. This report has sought to provide a broad overview of public involvement in service planning and delivery within the New Zealand health system, as seen through the experience of the Central Regional Health Authority, supplemented by a brief

account of changes in the New Zealand health system since the early 1980s; a look at a broadly parallel New Zealand process, consultation by local authorities; and a review of overseas experience with a particular focus on well known initiatives such as the citizens' or customer charter.

3. The report has recognised that we are looking at a system which is still very much in a state of evolution.

The Context

4. Public involvement in the provision of health services in New Zealand, pre-health reform, concentrated mainly on Area Health Boards. As substantially elected bodies they had a measure of public confidence because of their apparent representativeness and their relative ability to fund most community health concerns.

5. The reforms begun in the late 1980s brought an explicit recognition of the need for something different: expert rather than elected governance and professional management but with a role for community input and better understanding of community preferences and priorities. It is evident that there have, however, been different expectations about what 'community input' might mean within the community at large on the one hand, and on the part of Ministers and officials on the other.

6. In tandem with the community interest emphasis in the health reforms have gone measures intended to restrain overall expenditure and improve the efficiency of resource allocation, regarded as appropriate matters for public consultation but bound to heighten public concerns about access to health services.

7. On the part of successive governments, greater public involvement has been seen as a necessary component in securing public acceptance of restraint and reform. The separation of purchase and provision has carried with it the notion of RHAs as agents of their communities, purchasing on behalf of and therefore accountable to, the persons/community receiving the service. In addition, community input is now being seen as an integral part of services planning. On the public's part, however, many people do not understand and/or are confused about the purpose and objectives of the health reforms. There is a manifest unease about the fairness of resource allocation and the quality of health service delivery. Alongside this has gone an increasing demand for and expectation of opportunity for more public debate and influence on health service decision-making.

The Experience

8. In practice, most of the effort the RHAs have put into community input has been through formal consultation, and within consultation most attention has been on provider

consultation and the contracting relationship. Consultation at the 'micro' level of individual services has been more successful than consultation at the 'macro' level of strategic directions in purchasing. Other than these, within the CRHA no clear pattern of consultation activity is apparent from past experience. This is an understandable by-product of the nature of the health reforms, and can be seen as characterising a stage in the evolution towards wider public involvement, and different forms of involvement of which consultation is but one component.

9. The CRHA has however profited from its consultation 'learning curve' over the past four years. Together with advancements in the thinking on public involvement, the lessons of past experience are encouraging the RHAs, CRHA included, to look for more effective ways to establish their community relationships and enhance consultation processes for purchase planning, service planning and service development.

Why Public Involvement?

10. The rationale for public involvement can be divided into two broad categories: operational (that is, reasons that have to do with the functioning and management of the health system); and strategic (reasons that arise from the relationship between how society or a community works, and the ability to achieve good government). A further rationale can be considered: the contribution which public involvement can make to the management of fiscal risk.

11. The operational argument for public involvement is grounded in the issues of appropriate incentives, role conflict and accountability, but rather in the issues of understanding and responsiveness to community values and preferences. The 1991 Green and White Paper stated "there must be a clear distinction between those moral issues into which the community must have an input, for instance defining 'core' services, and those management issues which are less amenable to public consultation, and are best left to those who are expert in the area."

12. The strategic argument for public involvement is most usefully explored by looking at the international debate on the relationship between social capital and civil society, and the capacity for effective government; and by looking also at recent work on the role of 'trust' in reducing transaction costs in society and building confidence in the legitimacy of institutional performance. 'Social capital' refers to features of social organisation such as networks, norms and social trust that facilitate co-ordination and co-operation for mutual benefit. 'Civil society' refers broadly to both formal and informal social engagement, or interaction, among individuals and groups which takes place in a domain that is neither purely individual, nor commercial nor governmental. The 'trust' concept comes from the thesis that the rational economic model is incontestable, but it cannot function without a healthy civil society. In the public domain, this includes a trust-based approach to the dealings between institutions and the citizens they serve. Trust and rules

are inversely related. Lack of trust imposes a kind of tax on economic activity which high-trust societies do not have to pay.

In the social capital/civil society debate, while the direction of cause-and-effect is still under examination, the consistent themes are:

- The strength of social capital and civil society as factors in the willingness of individuals or groups to accept government actions as legitimate (even when particular actions such as rationing social services run counter to their own interests);
- The potential for the conduct of governments and public institutions to undermine social capital and civil society and hence the legitimacy of government itself but equally the potential to reinforce that legitimacy.

The application of the 'trust' concept to the role of government seems obvious, especially when governments are faced with inherently subjective and complex decisions such as in the allocation of health resources. Low trust implies not only high transaction costs but also lack of legitimacy and therefore increased pressure from special interest groups and from society at large, to force change outside the boundaries set by government and its institutions. Recognition of the benefits of a trust-based approach to relationships is growing in the commercial sector, overseas and in New Zealand.

13. The three concepts of social capital, civil society and trust provide some sensible guidelines for building relationships that minimise risks to public confidence and the level of trust in the legitimacy of institutions and the processes they follow, especially when the public does not have the choice of exit. Significant change is however required to move to an environment where these ideas can be adopted and made to work.

14. From a fiscal risk perspective, health is probably the most difficult policy area for any government. Public concern at perceived under-performance seems almost always reflected in a demand for more money, regardless of whether that is really the issue.

    It is difficult to prove beyond doubt that there is a direct linkage between the level of public confidence in the health system and the demand for additional expenditure for its own sake, especially when the situation is complicated by the demands of an ageing population and increasing technical possibilities in health treatment, and by the unclear relationship between additional funding and additional delivery.

    Nonetheless, prudent management should assume such a linkage exists and place a high priority on building and

maintaining public confidence in the way in which resources are allocated and priorities set. Furthermore, to this end, the focus of public consultation would ideally shift from consultation on specific services, to consultation on how to obtain maximum health gain for the community overall, from a given level of resources. This may be a difficult shift to make, but the magnitudes of expenditure on health are such that substantial investment in public involvement can be justified simply as a fundamental element of risk management.

Options for Public Involvement: New Zealand and International Experience

15. Enhanced public involvement and user influence has been gaining ground as a significant theme in major reforms in government services internationally over the last decade. Both in New Zealand and overseas, especially in OECD countries, various forms of public involvement have been seen as a component of better quality government, and hence of quality of outcomes, at two levels: improved policy and decision-making; and improved service delivery. Approaches to, and methods of, public involvement are diverse, but certain common themes are apparent:

    - recognition that not all government reforms, in themselves, lead automatically to enhanced public accountability or to effective programme outcomes;
    - increasing recognition of the importance of the distinction between choice and voice for users of services;
    - the concept of 'customer focus', borrowed from the private sector, as a driver of management style;
    - a shift towards public/user involvement as a contributor to the achievement of strategic and organisational objectives, in contrast to the past and still current focus on compliance-driven consultation.

16. It would be fair to say that the expectation world-wide is improvement, not perfection. That sets a realistic goal for learning from wider experience with public involvement in New Zealand, and from international models.

17. Section 7.1 of this report surveys a broad spectrum of ways in which governments in New Zealand and elsewhere have gone about seeking public and user input to policy and the planning and development of social services, and comments on their relevance and success. It presents these in the four categories shown in the following table which broadly scales the different forms of public involvement according to degree of involvement, and going some way to matching the objective of public involvement with the choice of mechanism.

Routes to Public Involvement in Service Planning

and Delivery

Information (right to know and influence) Consultation (statutory, discretionary)

Citizens' charters Published quality standards Voice (public meetings, submission processes etc) Citizens' juries Complaints and advocacy procedures Commissioners

Participation (expectation of community influence) Decision-making (partnership, democracy)

Community customer advisory boards Service advocacy Citizens' referenda (non-binding) Citizens' parliament Technical rationing with public input Pluralistic bargaining/consensus Direct representation (elected membership, other) Citizens' referenda (binding) Community planning/delivery models

18. The major themes that emerge from this survey are:

- Some approaches, for example the citizens' charter, have more to do with customer service than community values and preferences and are therefore most immediately relevant to service providers. But they can be inferred to be important to government purchase agencies because of their role in building public confidence in service fairness and quality; and they can readily be adopted by purchase agencies themselves to govern their own relationships with community and consumer interests. The particularly relevant feature of these approaches is that because they bring attention to service and organisational performance, they are necessarily about working for and earning confidence;

- The insights that can be drawn from how central government and local government respectively have approached their publics. There is very considerable scope for each sector to learn from the other. In New Zealand, experience with consultation has taken local government further than central government in terms of learning what works best, and thinking beyond formal consultation on published proposals and plans to a growing acceptance of the need to distinguish between 'compliance' consultation and effective communication. This is evident in examples given in paragraph 7.1.11 of how three local authorities in New Zealand have gone about consultation;

- 'Consultation' is often equated with public/community and user participation. Consideration of the full spectrum of ways to involve the public emphasises that they are not the same, and may sometimes be associated with fundamentally different mindsets, expectations and outcomes;

- Some approaches make best sense when used in conjunction with another. Examples are the citizens' charter which typically has complaints procedures as a major part of the overall design; and the natural linkage between complaints procedures and advocacy services set up to support complainants;

- Key issues for the effective operation of groups (as compared with processes) set up to provide an avenue for community and user input are their powers and capacity, particularly the power to hold the decision-making authority to account and the adequacy of their resourcing. Community advisory boards are a classic example where these issues are crucial;

- The most effective way to address concerns about people's access to decision-makers may well to be found in local government, at least in New Zealand. There is evidence of a distinct shift of focus towards the local authority as the body with the responsibility to represent the interests of its community to central government as the social service provider. This process can be expected to evolve. Local authorities are recognising, increasingly, that their role is shifting beyond the conventional one of core infrastructural services and local recreation and cultural facilities towards one which more resembles that of governing the locality. A strong interest in quality of life is a natural corollary. The potential for such a role has recently been recognised by the Prime Minister.

- Experience with processes for the setting of health funding priorities has, world-wide, been that whatever process is adopted, the final outcome is the same - the 'big' questions of 'what services' and 'what access' remain;

- The question of 'who decides' which interests (groups and individuals) should be involved in any public, community or user process arises for nearly all the different approaches that can be taken;

- The key nexus in the accountability relationship of elected bodies to those who elect them is that the resources these bodies control are provided by those who elect them. It is this that provides the incentive to manage resources effectively and efficiently;

- Giving communities and users of services real roles in social service decision-making (planning and delivery) will sometimes best be achieved through partnership approaches which bring central government together with community groups, interest groups, local authorities and other public authorities. As well as improving the co-ordination of programmes, genuine partnership approaches

facilitate the development of new initiatives that address service gaps in the community. Initiatives of these kinds are already being developed in New Zealand, drawing on overseas models. Examples are the Healthy Cities and the Safer Community Councils initiatives.

Options for Public Involvement: Options for Use in New Zealand's Health Sector

19. Section 7.2 of this report draws out options we believe are realistic ways to advance the CRHA's public involvement objectives.

20. In our view, the issue of public confidence is not so much a matter of the selection of the specific means to be followed in any given case so much as the underlying structural and organisational context (including the culture of the organisation) in which consultation takes place. This implies a number of pre-conditions. Selection of a potentially ideal means of consultation is unlikely to lead to a good outcome if:

    - There is a mis-match between external and internal processes (for example the organisation fails to respond in a timely and understanding way to written or oral submissions);
    - There is an absence of commitment within the organisation so that there is no follow-through;
    - Internal co-ordination is lacking so that the public or other parties consulted receive mixed messages.

21. The five options selected are:

    - The customer charter;
    - Customer advisory boards;
    - The Statement of Intent;
    - Local government involvement;
    - Elected boards.

    Consistent with the four major objectives we were asked to address, as set out in paragraph 1.2 of our report and at the beginning of this summary, we focused on 'macro' level tools which have the purpose of helping create an environment to:

    - enhance the likelihood of selecting the measures which best suit any particular initiative to involve public/users;
    - build public confidence that those measures will

produce outcomes which, even if unpalatable, can be seen as "fair" in the sense of being the product of a legitimate process.

22. Correlated to this are the three lines of inquiry on social capital, civil society and good government which are coming together in a broad-based debate with valuable implications for policy-makers and politicians. Of specific interest for the purposes of this report is whether the debate raises issues which should be taken into account in structuring and managing the relationship between the CRHA and the communities it serves. We believe the answer is yes, and endorse the view of Professor Robert Putnam, a leading exponent of social capital and civil society, that what is needed is a thorough, empirically grounded debate about how to revitalise civic engagement. Putnam cites neighbourhood crimewatch groups as an almost unique example in modern America, of a government initiative which has specifically recognised the contribution which the strength of community interaction can provide to dealing with a public policy issue. There is an obvious parallel in New Zealand with Safer Community Councils and the initiatives which they have supported.

Conclusions

23. We conclude that the combination of a customer charter, a customer advisory board, and a partnership with local government in facilitating community based advocacy offers the best prospect for a structure for public involvement which will be effective both to rebuild public confidence and provide the means of gaining public understanding of the constraints under which a health system must necessarily operate. We see this as underpinned by appropriate provisions in the relevant Statements of Intent.

24. All of these proposals are structural in nature. We have taken the view that the circumstances in which the New Zealand health system now finds itself needs a structural/organisational approach to facilitating public involvement and that, if this can be achieved, then the question of which means of consultation/involvement to use on which occasion will prove comparatively simple to resolve. If however the structural issues are not addressed, then we believe that no specific means for consultation/involvement, regardless of how theoretically ideal it may be, will be effective to build and maintain the public confidence which is a precondition to an effective, efficient and legitimate health system.

25. Finally, although we have canvassed the possibility of an elected component within either Regional Health and Community Services or within the proposed national funding agency or its regional offices, we are not enthusiastic about this. Direct election to the governing body (whether to produce a minority or a majority elected membership) we see as contributing neither to genuine public involvement nor to the maintenance of fiscal discipline. With caveats, we suggest the alternative of an elected accountability board.