

# Chapter 11

## Social Organizations in Health: Public–Private Facilities Management

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### ABSTRACT

*The government's direct administration of public health facilities has proved to be bureaucratic and of low quality. Therefore, governments are trying new management models for some healthcare facilities using public-private partnerships (PPP). One kind of PPP is deployment of social organizations. Social organizations are nongovernmental nonprofit organizations created in Brazil, in the 1990s, engaged in such activities as teaching, research, technological development, or protection and conservation of the environment. Nonprofits enter PPPs created specifically for the purpose of running health facilities, and the state department of health monitors and evaluates contracts with them. This chapter's objective is to analyze the implementation process of the social organizations management program, focusing on the role played by factors such as administrative and financial autonomy, direction, innovative management practices, and gains in efficiency of the health facility. The chapter discusses differences between direct government management and administration by social organizations.*

### INTRODUCTION

Building an appropriate healthcare system that meets the needs of the population requires years of planning. Many players in healthcare systems have suggested solutions for delivering assistance programs to distinct populations. Furthermore, there is intense concern about state fiscal crises arising from the decrease in world economic growth, and the implications for the process of funding public policies.

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In both developed and developing countries, the quality of care in public health facilities is usually perceived as inadequate or insufficient (Caballer-Tarazona & Vivas-Consuelo, 2016). Mainly in developing countries, the State is the only entity capable of building health facilities. Consequently, it inherits the facility's management. However, the State's direct administration of healthcare facilities has not been shown to adequately serve the best interest of the local community. In India, for instance, the patients treated in public hospitals are not satisfied with the attendance, due to overcrowding, poor infrastructure, and long waiting times (Baliga, Ravikiran, Rao, Coutinho, & Jain, 2016). There are many examples of misuse of resources, lack of materials or medications, and low professional satisfaction (Gerschman, 1999; Reich, 2002). People with few financial resources are kept from enjoying good treatment and good health. Thus, one fundamental aspect of these debates concerns the management of health units belonging to the State.

Furthermore, governments cannot face an increase in public spending because due to limited financing capacity (Bertucci & Alberti, 2001). State budgets face many challenges, including globalization, reduced economic growth, and monetary instability. In response, an open discussion has begun in the last three decades about the role of the State and its ability to respond to the challenges this situation poses. At the least, the debate expresses the confrontation between conceptions about the role of the State and its standards for intervention in the society. The need for State restructuring has given rise to mobilizing a great deal of energy and theoretical thinking to present possible alternatives for solving the problem (Barbosa & Elias, 2010; Bresser-Pereira, Nassif, & Feijo, 2016).

Even the World Health Organization (WHO) is following the early success of a number of high-profile partnerships South America and Africa, and increasingly working with the private for-profit sector in what is known as a Public Private Partnership (PPP). Doing so promotes a vibrant debate among public, civic, and commercial entities in society about the appropriate modes of interaction among them. The strategy is to direct the debate on issues critical to WHO and its role in the promotion and protection of public health (Buse & Waxman, 2001; Widdus, 2001).

Different modalities of public-private partnership (PPP) for provision of such public services as healthcare have proliferated (La Forgia & Harding, 2009; Roehrich, Lewis, & George, 2014; Alonso, Clifton, & Diaz-Fuentes, 2016). The private responsibility varies from full privatization to merely issuing a management contract. One management model for some healthcare facilities or hospitals is the deployment of Social Organizations (SO). Created, in Brazil, specifically for running public health facilities, they are engaged in management contracts monitored and evaluated by the Regional Health Department (RHD) (Seixas, 2003; Barbosa & Elias, 2010). Some local research studies on the experience of the SO management model point to its competitive advantage, as compared to State Direct Administration Units

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