A Multiple Stream Approach and Understanding Resistance and Change: the Case of Czech Hospitals

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Abstract

Recent decades the roles played by the state and the market in the public sectors have seen a major transformation. Health systems have had to cope with many socio-economic and political environment changes, such as pressures to contain costs, changes in the welfare state, and globalization processes. A key feature of Czech health care reform after 1989 was the principle of de-monopolization and decentralization. At the same time, the health care reforms focused on the privatization of health care facilities and health care providers. Therefore, the paper deals with the efforts to change the organisational-legal status of hospitals after 2000, i.e. after a reform of the state administration occurred. The paper uses the multiple streams framework to describe successful process in giving a legislative anchor to the new organisational-legal form of hospitals and to identify the most important policy entrepreneurs. It maps all three streams (policy, politics and problem streams) and uses a broader concept including agenda setting as well as decision-making process. A policy window opened and allowed a policy change in 2006 when 245/2006 Coll., on Public Non-Profit Institutional Medical Facilities passed. The research adopted a single-case study design. Data were obtained through document analysis (law proposals, resolution of Constitutional Court, stenographic records, strategic documents etc.). Examined period covered years 2002 – 2006. Findings confirmed the assumption that all three streams play a role for agenda coupling while in case of a decision coupling, the political stream is the most important.

Keywords: health care system, hospitals, multiple streams framework

1. Introduction

Health systems have had to cope with many changes of socio-economic and political environment such as pressures to contain costs, changes within the welfare state (Pierson 2001, Bonoli 2004), and globalization processes (Edwards, Wyatt, McKee 2004, Vetter 1995). The development of the Czech health care policy after 1989 corresponded to the development in the region of Central and Eastern Europe that experienced a major transformation of health care as a consequence of society-wide changes (Saltman, Figueras 1997). The original Semashko model (the concept of health care according to the model of the USSR see, for example, Preker, Feachem 1994) allowing the socialist state to legally and in fact dominate healthcare (Rys 2003) has become the subject of transformation. Its aim was to end the centralized organisation of Soviet-type health services and to reorient towards the Bismarck model (Gladkij 2003). A key feature of Czech health care reform after 1989 was the principle of de-monopolization and decentralization. At the same time, the health care reforms focused on the privatization of health care facilities and health care providers (Angelovská, Háva 2010). The Czech health policy became the arena of disputes between the advocates of maximum use of market principles in the health sector and the advocates of a concept of health services as public services. (Holub, Skovajsa 2006)

The contribution concentrates on efforts to change the organisational-legal status of hospitals after 2000 when a reform of the Czech state administration occurred. There were several attempts to change the organisational-legal structure of hospitals but only one of them led to the successful approval of Act, namely Act No. 245/2006 Coll. on Public Non-Profit Institutional Health Facilities. This law was abolished after five years with the justification that in those five years of its validity the norm had never been used. Yet, it was the only agenda setting that led to a finished decision-making process. The aim of the contribution is to use the multiple streams' lens to describe successful process in giving a legislative anchor to the new organisational-legal form of hospitals and to identify the most important policy entrepreneurs.

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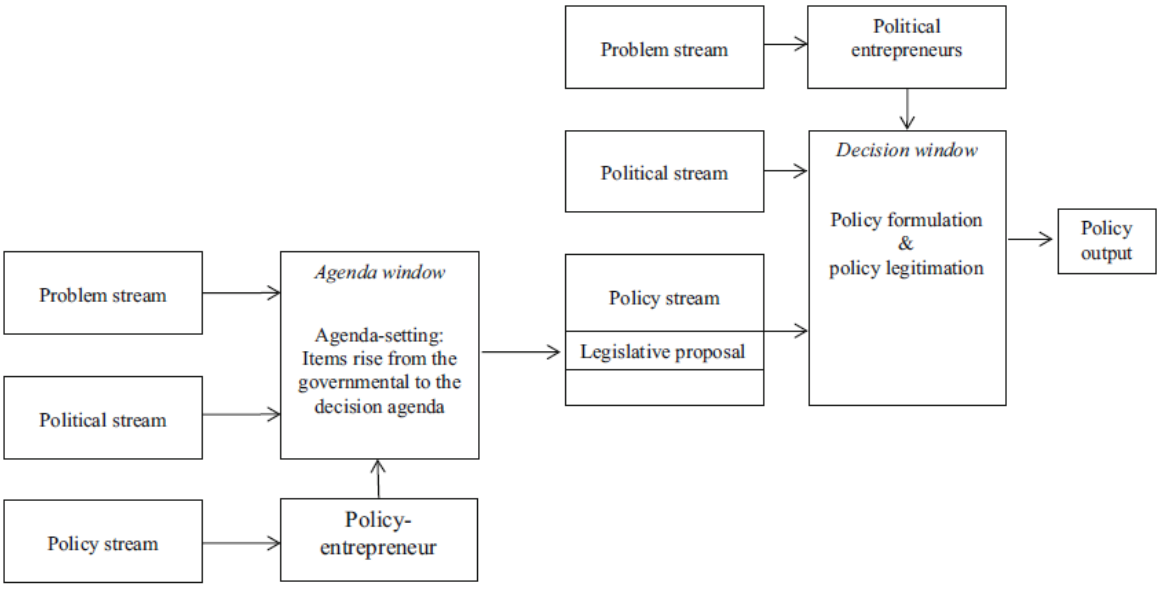
1.1 The Multiple Stream Framework

The multiple stream framework (MSF) was originally developed by John Kingdon (1984) to explain how different streams (policy, politics and problem streams) couple and open a policy window that allows a policy change. Kingdon's MSF, published in Agendas, alternatives and public policies (1984), is considered as one of the significant contributions to public policy research (Baumgartner 2016), particularly in the field of agenda setting. Kingdon used his theory to explain the functionality of the federal-level policy making process of the United States. His explanation of the federal-level agenda in the US is based on three categories of independent, albeit somewhat interconnected, variables whose interactions can lead to a "window of opportunity" for the agenda setting.

While being a theory of agenda setting in the US, Kingdon's theory has been also applied to implementation processes. (Kane 2016, Zohlnhofer et al. 2015, Herweg 2016, Ackrill at al. 2013, Mukherjee, Howlett 2015). Following authors have often applied MSF to other levels of public policy in different countries and across a range of fields from health, education, legislation to e.g. telecommunications or energy policy (Jones et al., 2016, Rawat and Morris 2016, Cairney and Jones 2016, Robbicka and Spohr 2016, Herweg 2017). Oftentimes, the authors agree that the expansion of the studied areas requires adaptation of the MSF as it is applied to a different area than was originally intended by Kingdon (Kane 2016, Zohlnhofer et al., 2015, Herweg 2016, Ackrill et al., 2013, Mukherjee, Howlett 2015). The contribution uses modified MSF which broadens the concept by including agenda setting as well as decision-making process (for more see Herweg 2017:36).

Figure 1 The modified multiple streams framework.



Source: Herwerg et al. 2015:445

2 Methodology

The methodology reflects qualitative nature of the research. Most studies within MSF are based qualitatively [25]. Examined period covers years 2002 – 2006. In 2002, the sector of hospitals experienced significant changes due to public administration reform. Therefore, the year 2002 was selected as a starting point for the analysis as the year when agenda setting phase started. In 2006, Act No. 245/2006 Coll. on Public Non-Profit Institutional Health Facilities passed and finished decision-making phase.

The research adopted a case study design (Gerring 2006) with the aim to gain in-depth insight in the political processes surrounding the new organisational-legal form of hospitals. Data were obtained through content (thematic) analysis of media and legislative documents. Media analysis covers five-year period January 2002 to December 2006 and focuses on 17 periodicals (including 6 nationwide dailies, 3 economic and political titles and

8 health sphere titles). Articles were obtained in the Newton Media Search electronic archive and the search was based on two core search terms “hospital” and “non-profit”.

The direct legislative data were analysed including law proposals (Bill 810/2004 on Public Non-Profit Institutional Health Facilities, Act No. 245/2006 Coll. on Public Non-Profit Institutional Health Facilities, Act 258/200 Coll. On Public Health Protection, Act No. 250/2000 Coll., on the Municipal Budgetary Rules) and Constitutional Court resolution (Pl.ÚS 51/06 from 27. 9. 2006). The other documents covered stenographic records, strategic documents (mainly of the Ministry of Health), political documents (e.g. the partisan document “Blue chance” made by ODS).

Analysed indicators follow multiple streams theory as defined by Herweg (2017). Within the problem stream we work with both, the attention (based on indicators, focusing events and feedback) and interpretation (comparison and category). The policy entrepreneurs were identified according their attempts to raise attention to the problem or to change the framing.

Within the political stream the main attention is paid to parties and interest groups (the third indicator, the mood of electorate was excluded due to a lack of data and unreliability of pre-election research). Within the policy stream the policy community and policy primeval soup are important for forming proposals and alternatives (technical feasibility, value acceptance, tolerable costs, and receptivity among decision-makers). In this stream, policy entrepreneurs promote their ideas within policy and expert community to gain support for their alternatives.

Following Herweg’s distinction between agenda setting and decision-making stages, in agenda setting stage the term “policy entrepreneur” is replaced by term “political entrepreneur” to stress the fact that the insider has a higher possibility to couple streams.

3. Results

The following section is set up according the categories of Kingdon´s Multiple Streams Framework – problems, policies and politics. It covers events and decisions within each of these streams and maps their contribution to the coupling into window of opportunity. Figure 2 illustrates all three streams coupling within agenda setting as well as decision making stage.

3.1 Focusing event - Czech hospitals within public administration reform

Transformational changes in health took place very quickly at the beginning of the 1990s. The emphasis was put on the denationalization of health care, demonopolisation and decentralization, while development of the legal framework of health law was characterized by provisional solutions that however, persisted for a long time. Already since 1991, legal amendments have been made. They should have also allowed the privatization of medical facilities and in 1992, intentions of privatization of all hospitals were formulated with exception of large ones. The expected result of this step was that hospitals became in an organisational legal form of business companies. Privatization of hospitals was stopped in 1996 because of the risks of serious consequences. (Angelovská, Hanušová 2005) Only a few dozen small hospitals have been transferred to limited liability companies.

The process of a non-conceptual approach in relation to the status of hospitals continued by a reform of public administration. The first two stages of the public administration reform launched in 1998, with the aim of changing the local government on the principle of decentralization and subsidiarity became a significant incentive for the change in the organisational legal status of hospitals. In the first stage 14 regions were established as higher territorial administrative units which have started their activities since 2001. In the second phase, there was a fundamental change in the functioning of the public administration at the lowest level, when the municipalities were divided into three levels and, as a result, the district offices ceased to end in 2002. District authorities were at that time owners and founders of district hospitals, as of 31 December 2002, 82 hospitals (out of a total of 203 hospitals) with about half of the bed capacity in the Czech Republic (Rokosová et al., 2005, CZSO 2018). According to the fact that all assets of state contributory organisations established by district authorities were transferred at the end of the year 2002 to the regions, all those hospitals became the property of the newly established regions. It makes regions responsible for accessibility of public service – hospital health care (Grospič, Vostrá 2004). The government on the basis of the Czech Constitution (Article 101) could not interfere in activities of regions (Hendrych 2003). The legislative preparation for public administration reform was considerably

underestimated in hospital care (Havlan 2004) and the decentralization reform steps have led to uncertainty and inconsistency of the future development of the organisational legal form of former district hospitals. Actors of public administration and other health policy actors often politicized and medialized this issue and use such situations in political rivalry (e.g. the election campaign in November 2004).

Regions also took over hospitals' commitments which at the time included considerable debts (Vepřek et al., 2001). Prior to the transfer itself, on December 10, 2002, the Chamber of Deputies discussed the Government's Report on the state of indebtedness of state hospitals, the settlement of these debts, and the legal transfer of hospitals to the region. The Chamber of Deputies assigned the task to the Ministry of Health to submit a proposal for a solution within two months. Thus, the Ministry presented the Thesis Concept of Medium-Term Policy (Thesis 2003) including the plan of the bill on healthcare facilities and their management. The Chamber of Deputies unlike the government refused the document.

Despite the previous claims, the state only partially eliminated hospitals' debt, about 60% (Malý et al., 2013). The regions themselves could not use other gained "district" assets for debt relief because it could not be used for other purposes. Furthermore, an unused property had to be offered back to the state ownership. Hence, the regions began looking for other solutions. Act No. 250/2000 Coll., on the Municipal Budgetary Rules, allowed regions to set up their own organisational units whose legal form ranged from contributory organisations to community-based companies or business companies. It was in the transformation of hospitals to business companies that most of the regions (after elections in 2000 under the right-wing party ODS) saw the solution of the economic problems of the hospitals. The proponents considered the transfer to the joint stock company as the most appropriate legal form. This approach was strongly criticized by the ruling CSSD (left-wing party). They pointed out that the growth of hospital autonomy goes together with the danger of limiting the link to the public sector, reducing the role of the state and its ability to influence the development of hospital care.

3.2 Agenda setting

The topic of the hospital sector had been returning to the agenda since the late 1990s due to its repeated indebtedness. In the end of the nineties **the problem stream** had begun to shape again along with the public sector reform. According to Multiple stream framework the community has to be convinced that there exists a problem. While at the beginning it was framed as a problem of indebted hospitals, after the final stage of the reform and hospitals transfer to the regions, the problem started to be reframed and the organisational-legal form was brought to the agenda. It had received a considerably larger attention as a result of the reform of the public administration with the abolition of districts and the constitution of regions in 2002.

Although the Ministry of Health already included the bill on Health Care Facilities among their goals in 2003, media and politicians started to deal with the issue of the organisational-legal form of hospitals immediately when the regions dominated by right-wing regional council chairmen began transferring hospitals to joint-stock companies. That was the focusing event that attracted the attention both politicians and the public. Debate had shifted from the issue of debts to the issue of organisational-legal form. Despite the consensus that the form of budgetary and contributory organisations was outdated, policy entrepreneurs promoted two significantly different framings. The first one, advocated by regional council chairmen, presented the join-stock companies as the best solution. The second one, held by left-wing government, stressed the risk of privatization and low access to health care and gave preferences to the non-profit form. The debate was supported by cyclical events, concretely regional elections and Senate elections in 2004. At the same time, the topic of organisational-legal form of hospitals was used for election struggle. Prime Minister Gross retrospectively considered the health issues as a poorly chosen topic for the regional elections. His government as well as latter Paroubek's government emphasized the creation of a law on healthcare facilities in their policy statement of government.

The chances of gaining political attention and support rise together with the preparedness of the appropriate solution. According the multiple stream framework there may exist pre-formulated policy solutions that are considered by government as appropriate ones and within **the policy stream** they may cut short political and experts disputation on the suitable policy.

In 2004, proposal on Public Non-Profit Institutional Health Facilities was initiated by the Czech Medical Chamber (CMC). Because CMC cannot propose a law in the Czech Parliament, it was subsequently developed by the Ministry of Health and proposed as the parliamentary initiative (proposed by MP Krákora). In that time the

proposal had been already widely discussed. However, in the end of 2004, the Minister of Health was not satisfied with the proposal and announced an intention to suggest her own version.

Beside, Julínek (ODS , the right-wing party) presented his idea of the health care system with hospitals as the joint-stock companies (the document Blue chance). He endeavoured to bring his ideas to life when he became the Minister of Health in 2008. There was also World Bank expert group invited (lead by Mukesh Chawla) but there had not been published any findings.

Unlike the policy stream with the dominant role of argumentation, **the political stream** is based more on negotiation and power-play. The political stream reflects the political mood and openness to change that reflects the current political climate in society (including personnel changes in executive and legislative power, interest group campaigns).

The election of 2002 was won by the CSSD, which had 101 votes in the Chamber of Deputies with two other coalition parties. After the elections to the Senate in 2004, the number of coalition senators decreased. In the same year votes of the parties of the government coalition also dropped significantly in the regional elections. Due to delay in the preparation of Act on Public Non-Profit Institutional Health Facilities as well as the efforts of the governors to accelerate the transfer of hospitals to the joint-stock companies, the first attempt using blocking mechanism was made to stop the transfer of hospitals. It was incorporated into so called the Act on Noise, but it was not approved. Both the Senate and the President used their veto. Presidential veto was not overvote by Chamber of Deputies.

All three streams succeeded to couple in December 2004, when the first reading of the bill took place in the Parliament despite governmental objections.

3.3 Decision-making

Decision-making period lasted almost one and half year. **The problem stream** had not changed in fact - the key problem laid in unsatisfactory organisational-legal form of hospitals. The general argumentation started to be stronger than in agenda setting. Moreover, quite often left-wing politicians and some of the actors from the medical sphere stressed the risk of transformation of hospitals into the form of business companies. They pointed out the risk of lower access to the medical care and misappropriation on the hospital property. The right-wing politicians framed the problem as a re-nationalisation of property as in the 1950s when the Communists regime started.

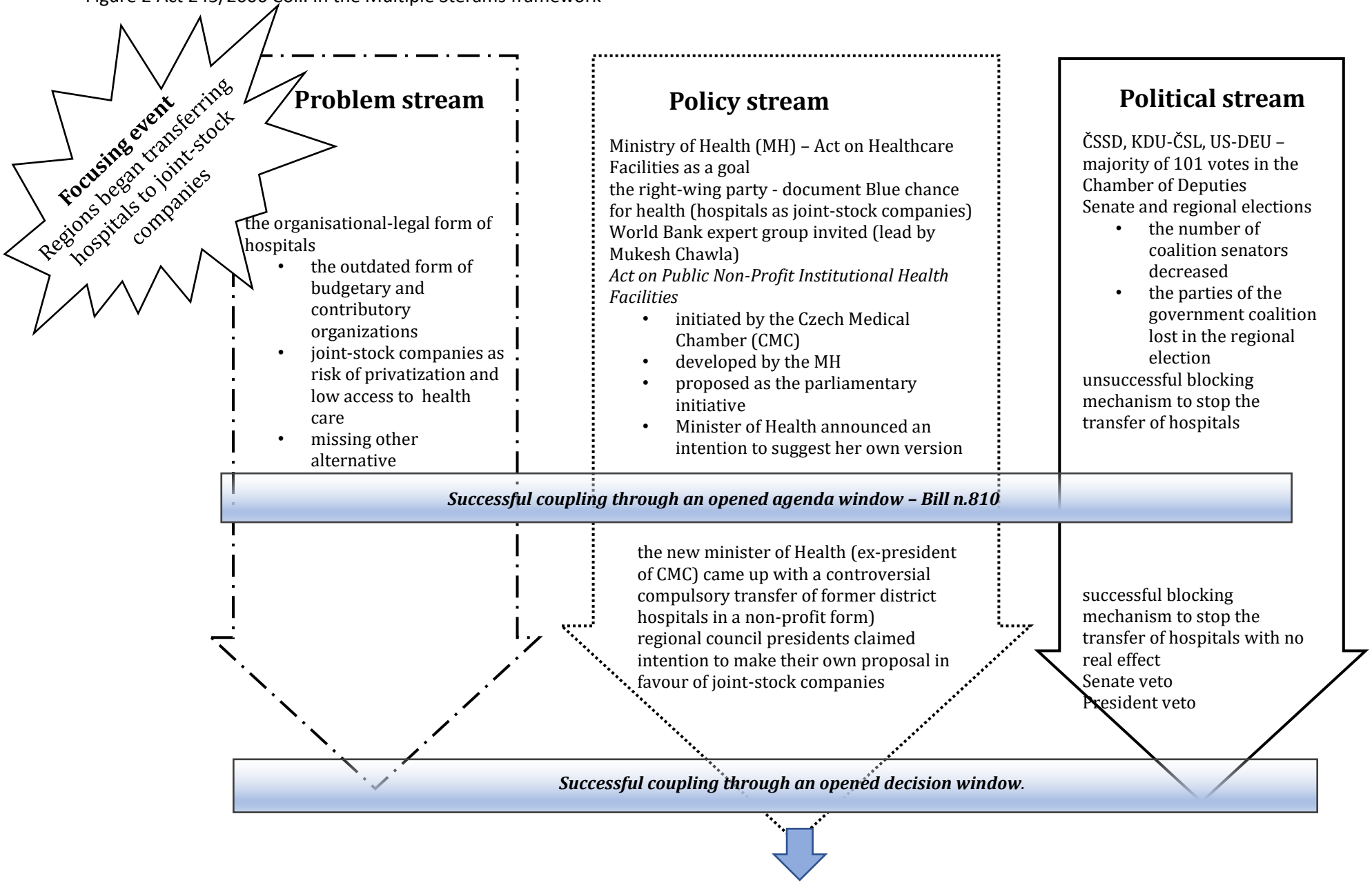
Within **the policy stream** the parliamentary initiative continued as Bill no. 810 on Public Non-Profit Institutional Health Facilities. But in 2005, the new Minister of Health Rath (ex-president of CMC) came up with a new proposal that provoked protests from many actors. The main reason was the planned compulsory transfer of former district hospitals in a non-profit form. In addition to that, regional council chairmen claimed their intention to work on their own proposal in favour of joint-stock companies in January 2006.

The political stream played the key role in decision-making process thanks to the current composition of parliament. Unfinished Act on Public Non-profit Institutional Health Facilities and ongoing transfer of hospitals evoke another attempt to stop the transfer of hospitals in the legal form of joint-stock companies. Deputy Chairman of the Chamber of Deputies Filip (KSČM-communist party) proposed second blocking mechanism as part of the amendment to Act 258/2000 Coll., On Public Health Protection. Despite the Senate veto and Presidential veto, the Act was passed by the Parliament in August 2005. But it did not have a real effect because most of the hospitals had already been transformed into the joint-stock companies. Also, regional council chairmen immediately reacted with announcement that they filed a complaint to Constitutional Court. Some regions were about to use legal loopholes to avoid the concept of "change of legal form" by setting up new business companies.

In relation to hospitals, both governments (Prime Ministers Gross in 2004 and Paroubek in 2005) in their program declarations emphasized a creation of a law on healthcare facilities and a creation of a network of healthcare facilities. The Bill. 810 passed but the Chamber of Deputies had to overvote the Senate veto (April 2006) and the President veto (May 2006).

After one and half year since its first reading in the Parliament, i.e. since the beginning of decision-making stage, the three streams succeeded to be coupled in May 2006.

Figure 2 Act 245/2006 Coll. In the Multiple Sterams framework



4. Conclusion

The analysed process of approving the Act on a new organisational-legal form of hospitals confirmed the assumption that all three streams played a role for agenda coupling while in case of a decision coupling, the political stream was the most important. Thus, it is valuable to distinguish the agenda setting, and decision-making within multiple streams framework as Herweg (2017) proposed. The processes differ in the role of entrepreneurs because policy and political entrepreneurs use different strategies. The whole process took a long time, so it was possible to identify the entrepreneur who took part in it as both, a political entrepreneur and a policy entrepreneur. Concretely, the Minister of Health (after 2005) played this specific role because he was previously the Head of the Czech Medical Chamber, the institution that made an original proposal of Public Non-Profit Institutional Health Facilities.

As of December 2004, the problem, politics and policy stream coupled and created the window of opportunity within the policy stream and agenda-setting stage was successfully finished by proposing the Bill. One and half year later the window of opportunity opened within the political stream, and even though the Bill within the decision coupling underwent significant changes, it was approved despite the Senate or the Presidential veto. The multiple streams framework helps to examine policymakers decisions during agenda-setting as well as decision-making stage.

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