

GOVERNANCE AND REFORM IN THE HEALTHCARE SYSTEM: KEY CHALLENGES AND PERSPECTIVES

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Abstract

Modern transformations of the system of socio-economic relations necessitate the reformatting of management models, the actualization of the role of publicity and ensuring transparency and accessibility of information. These processes are of particular importance in the medical industry. The purpose of the research is an extended analysis of key modern aspects of public administration in the healthcare sector in the context of popular reforms and current challenges. The research considers the main achievements of the upgrade of management strategies in the studied industry, identifies priority problems of the transformation process and related challenges for the public administration system. Practical cases of the dynamics of management approaches in the healthcare sector of developed countries have been analyzed; basic legal and organizational aspects have been identified that can serve as the basis for the formation of effective management strategies for the development of the industry. The impact of digitalization of management processes on management processes has been studied; the most important reforms in the industry have been outlined, including the introduction of innovative electronic systems and technologies to



optimize the medical system. The main security challenges for the healthcare system in the information environment have been noted, in particular, the protection of confidential data, the prevention of unauthorized access, and the integrity of information resources. The main areas of future reforms in the industry have been highlighted, which will allow achieving greater efficiency of public administration: improving the quality of medical care, ensuring sufficient funding, improving sectoral legislation and harmonizing standards with European requirements.

Keywords

Healthcare system, public administration, state management, efficiency, health protection policy.

Resumo

As transformações modernas do sistema de relações socioeconômicas exigem a reformulação dos modelos de gestão, a atualização do papel da publicidade e a garantia da transparência e acessibilidade da informação. Estes processos são de particular importância na indústria médica. O objetivo da investigação é uma análise aprofundada dos principais aspectos modernos da administração pública no setor da saúde, no contexto das reformas populares e dos desafios atuais. A pesquisa considera as principais conquistas da atualização das estratégias de gestão na indústria estudada, identifica os problemas prioritários do processo de transformação e os desafios relacionados para o sistema de administração pública. Foram analisados casos práticos da dinâmica das abordagens de gestão no setor de saúde de países desenvolvidos; foram identificados aspectos jurídicos e organizacionais básicos que podem servir de base para a formação de estratégias de gestão eficazes para o desenvolvimento da indústria. O impacto da digitalização dos processos de gestão nos processos de gestão foi estudado; as reformas mais importantes no setor foram delineadas, incluindo a introdução de sistemas e tecnologias eletrônicas inovadoras para otimizar o sistema médico. Os principais desafios de segurança para o sistema de saúde no ambiente da informação foram observados, em particular, a proteção de dados confidenciais, a prevenção de acesso não autorizado e a integridade dos recursos de informação. Foram destacadas as principais áreas de reformas futuras no setor, que permitirão alcançar uma maior eficiência da administração pública: melhorar a qualidade dos cuidados médicos, garantir financiamento suficiente, melhorar a legislação setorial e harmonizar as normas com os requisitos europeus.

Palavras-chave

Sistema de saúde, administração pública, gestão estatal, eficiência, política de proteção da saúde.

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Introduction

Within the framework of modern trends in socio-economic development, the healthcare sector is a priority area for the transformation of management processes. All aspects of regulation are undergoing changes – from the ideological basis of the provision of medical services to financial, economic and market mechanisms.

The problematic aspects of modern concepts of public administration in the field of health care are reflected in scientific discourse in a multidisciplinary context. Numerous scientists (Wang et al., 2023; Zeeshan et al., 2020) devote scientific investigations to the study of opportunities for optimizing medical management against the background of digitalization and the dynamics of views on management functionality, as well as practical cases related to their implementation. The publications of Madan and Ashok (2023), Simonet (2014) update the goals, means and transformed communication between participants in the process of providing medical services. The authors emphasize the principles of humanism and anthropocentrism, as well as the right of autonomy in decision-making by the consumer of services.

Among the key achievements of medical reform, it is necessary to highlight the growth of the share of private practice, optimization of financing and logistics of patients between individual medical sectors. At the same time, a number of issues regarding the effective management of healthcare institutions in the context of digitalization, guarantees of inclusivity, and accessibility of medical services remain insufficiently researched and still need to be resolved. Effective use of resource potential, increasing the efficiency of its



implementation in the area under study, can be achieved under the condition of effective sectoral public administration.

The purpose of the research is an extended analysis of key contemporary aspects of public administration in the healthcare sector in the context of popular reforms and current challenges.

Literature Review

Scientists who developed a system of analytics and evaluation of healthcare functions (Androniceanu, 2021; Buljac-Samardzic et al., 2020; Clausen et al., 2020), investigated the potential for effective personnel policy in the studied area (Hasselgren et al., 2020; Henman, 2020; Lucifora, 2023), and emphasized the significance of supporting the competitive advantages of medical institutions (Petrigna & Musumeci, 2022; Reina & Scarozza, 2020). The authors identified the influence of the state on the development of individual segments in the healthcare sector and emphasized the need for an effective system for protecting patient rights.

The possibilities of adapting modern digital transformation tools in the healthcare sector were investigated by Khatoon (2020), Klochan et al. (2021); the scholars found that modern medical support platforms and electronic document management should function as a single hub for all areas of services, which will optimize time resources, reduce corruption risks, and allow for better results in the functioning of the medical system.

Individual elements of public governance in the industry are considered in the study by Chen et al. (2020), Klenk and Reiter (2019), Kraus et al. (2021), where the authors emphasize the need to guarantee citizens' medical rights in the process of transforming the healthcare sector, and also promote narratives of unification of standards as the basis for sustainable and inclusive social development.

Ahn and Chen (2022), MacLean and Titah (2022) identified specific prerequisites for the effectiveness of sectoral management in the area under study, including the availability of resources and the willingness of participants in the process of providing medical services to upgrade the traditional system.

The results of the scientific studies of the mentioned authors do not allow achieving comprehensiveness and systematicity in the formation of concepts of public administration in the field of health care, which actualizes the need for further examination of various aspects of this issue.

Methods

The methodological and theoretical basis of the research was formed taking into account the priority principles of implementing systemic studies, based on a comprehensive approach. Many theoretical research techniques were employed to completely reveal the problems, including abstract logical and comparative analysis, abstraction, induction, and deduction, as well as methods of specification and formalization, among others.



Methods of abstract logical analysis, as well as synthesis, were used to identify the most significant aspects and basic concepts of the phenomenon under study. The dialectical method, comparison and generalization were utilized to detail the system of definitions, identify basic categories and theoretical generalizations, and form a concept of a holistic process of public administration in the medical field. Comparative analysis was used to identify the stages and factors of development of the public administration system in the studied field. The inductive method was applied to predict development indicators. The deductive method was used to develop proposals for optimizing management processes in the medical field.

The specification method was used to measure the feasibility of updating and upgrading the role of public governance in implementing medical reforms. Along with this, with the help of the specification, optimal solutions and necessary prerequisites for optimizing the medical management system and mitigating related risks were identified.

The formalization method was used to identify key vectors for improving the public administration system in the health services sector in synergy with the conceptual principles of sustainable development, as well as to develop directions for the practical implementation of the results obtained in sectoral public administration, structuring the principles, priorities and functionality of the research object.

Results and Discussion

The need to optimize state administrative policy in the field of health care is due to the lack of a single strategy and the inconsistency of generally accepted global requirements for the quality of medical services with practical realities. State management in the field is primarily responsible for planning, organizing and monitoring the provision of medical services, conducting effective personnel policy, and integrating modern digital tools and information systems. The necessary conditions in this regard are depoliticization, partnership between the state and the public, prioritization of consumer interests and a focus on continuous improvement of the quality of services.

The practical experience of developed countries makes it possible to identify the advantages and disadvantages of the most representative models of healthcare system management. In particular, in Japan, the influence of local authorities prevails, and the characteristic features of management are strict control over the quality of services and large-scale state financing. At the same time, in the United States, the rapid development of private health insurance has caused financial imbalances in the healthcare system.

In German practice, public administration is focused on ensuring the accessibility and quality of medical services, the active implementation of innovations and personnel policy. The experience of Great Britain is considered representative, where the key principles of sectoral public management are the accessibility of medical services and effective resource allocation. France, which occupies a leading position in the World Health Organization's ranking of health care management, ensures universal coverage of the population with medical services and focuses its efforts on maximum patient satisfaction, combining public and private practice. In general, the management systems of the studied industry in countries with a high level of socio-economic development are



characterized by the dominance of private practice and state guarantees of a minimum package of medical care.

For developing countries, general market approaches to the formation of a package of medical services remain a priority, which actualizes the mechanisms of public-private partnership (PPP) to protect vulnerable social groups and meet the needs of the population with a high level of socio-economic well-being. Today, it is obvious that PPP projects in the medical sector make it possible to significantly improve the quality of services and expand their range, integrate international quality standards, and guarantee the availability of medical care.

Integrating efficient digital systems and cutting-edge artificial intelligence capabilities is another crucial strategy for changing public administration in the healthcare industry. The creation of electronic document management systems and the formation of a national observatory of human resources will allow not only to effectively collect, accumulate and process informative data, but also to provide a system for supporting management decision-making (Ansell & Miura, 2020; Farouk et al., 2020).

The creation of a digitalized register of medical specialists, the prolongation of education and training of doctors, and cooperation with international organizations will allow for a gradual transition to an optimal system of medical staff ratio in the health care system. The main areas of influence of innovative technologies on public administration processes in the health care sector are specified in Table 1.

Table 1. Digitalization of public administration in the field of healthcare

Vector	Practical tools
Unified digital solutions – Electronic healthcare system	<ul style="list-style-type: none"> – creation of unified electronic patient databases; – introduction of electronic declarations; – electronic prescriptions and referrals; <ul style="list-style-type: none"> – backup, cloud storage; – medical records and reports
HR policy	<ul style="list-style-type: none"> – digital recruiting; – staff upskilling; – digital management systems
Privacy protection	<ul style="list-style-type: none"> – multi-level authentication; – verification of medicines; – personal data protection systems

Source: developed by the author

An important aspect of management is ensuring the reliability, timeliness and transparency of information provided to participants in the healthcare system. A modern electronic health system (e-Health) makes it possible to unite all stakeholders in the healthcare system, forming a single central management mechanism that ensures effective collection and consolidation of clinical data, access to medical services, digital prescriptions, electronic medical records, online consultations, etc. (Brunetti et al., 2020). The key challenges of the process are seen as the complexity of standardizing and unifying medical documentation in different organizations; the need to support



cybersecurity and guarantee privacy protection; and the resistance of participants in the process of providing medical services to innovations.

Public governance in the area under study includes the functioning of central and regional bodies, which are tasked with forming sectoral state policy and ensuring its implementation in a certain territory. At the central level, the process of forming sectoral state policy, adopting regulations, establishing financing and other functions defined by current legislation takes place (Scupola & Mergel, 2022). At the same time, at the regional level, the organization and provision of medical services takes place, which includes primary, specialized and emergency care, preventive measures, licensing, as well as other types of services.

Most modern researchers, including Mergel et al. (2021), Paul et al. (2023), see one of the most effective means of optimizing the healthcare sector as the active use of digitalization tools in the public administration system. Time constraints, resource support, and staff qualifications often act as determining factors for the level of quality of digitalization, and therefore, only a small number of healthcare institutions are currently actively integrating technological and managerial innovations. The features of the further development of the technical architecture of the electronic health care system within public administration should include adaptability and flexibility, service orientation, and inclusive development of information and communication tools intended for different categories of users.

Public governance in the health sector is actively expanding its scope of operation, becoming an effective tool for providing the population with high-quality and affordable medical services. The formation of a modern management paradigm in the industry should include strategic management mechanisms, psychological and socio-economic methods of influence, which, in synergy, increase the quality and accessibility of medical services. The transformation of the studied branch of public administration can take place more intensively if successful practices of developed countries are involved, global trends in solving personnel problems are taken into account, as well as intra-system problems.

It is also necessary to emphasize the importance of public control over the legality and effectiveness of administrative activities. Guarantees of transparency and publicity in the medical sector should be provided, including by public organizations and their associations, which will contribute to greater involvement of citizens in administrative processes. The state should provide the appropriate prerequisites: stimulate the activities of local public councils, conduct information and educational activities. At the same time, it is worth noting that control by state bodies and public organizations should be carried out while maintaining the vertical of management.

Based on the above, it is possible to predict an increase in the influence of public administration on the quality and accessibility of a wide range of medical services, including through the implementation of digital optimization solutions. The key strategic objectives for improving public administration in the area under study should be:

1) the pursuit of a "healthy" state policy, which involves ensuring a clear political orientation towards preserving and strengthening the health of society, guarantees of



unhindered and equal access of different social categories to high-quality and timely medical care;

2) combating adverse environmental conditions and implementing the principles of corporate social responsibility;

3) focusing efforts on overcoming the gap in the provision of medical care across social classes, overcoming or minimizing inequality;

4) positioning the population as the country's main capital, providing practical support for its harmonious development;

5) reorienting the healthcare sector towards preventive medicine, integrating the concepts of health preservation and prevention policy;

6) positioning the nation's health as basic social capital.

Conclusions

As the results of the study show, public administration in the healthcare sector is assigned one of the main roles in national policy. The efforts of public administration in the medical sector should be aimed at improving the quality and accessibility of medical services for all segments of society. The actualization of openness and publicity factors plays a significant role in strengthening the position of health care institutions, optimizing social communications, and increasing public involvement.

The introduction of cutting-edge electronic systems and technologies to optimize the medical system is one of the most significant industry reforms. However, this comes with security challenges for the healthcare system in the information environment (protection of confidential data, prevention of unauthorized access, and ensuring the integrity of information resources). The introduction of effective information systems and innovative capabilities of digitalization and artificial intelligence, the creation of electronic document management systems, and the formation of a national human resources observatory allow not only to effectively collect, accumulate and process informative data, but also to provide a system to support management decision-making. The development of a digitalized register of industry specialists, the extension of education and training of doctors, and cooperation with international organizations will allow for a gradual transition to an optimal system of medical staff ratios in the health care system.

The research demonstrates that PPP projects in the healthcare industry enable substantial service quality optimization and expansion, integration of worldwide quality standards, and assurance of medical care accessibility. The synergy of a professional approach and stable principles of implementing the strategic goals of healthcare reform, proper control by the state and society will increase the efficiency of public administration in the healthcare sector.

Promising scientific developments on the topic of the current research should be aimed at finding ways to improve and update state management policy in the field of healthcare, in accordance with the challenges of digital transformation.



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