

## Lessons from Europe: governance of health care providers

by **Laura Schang** and **Sarah Thomson**

Successive UK and European governments have believed that granting a hospital the ability to make its own strategic or financial decisions will secure the quality, innovation and productivity required to improve health care delivery.

In England the NHS foundation trust model has become the preferred form of provider governance. Originally designated as an 'elite' model offering earned autonomy to reward high-performing trusts, the government now expects most providers operating in the NHS to achieve foundation trust status by 2014.

A **new briefing** outlines key insights from a *Lessons from Europe* seminar that examined the impact of recent reforms in hospital governance in Spain and the Netherlands. It identifies lessons for NHS managers and policymakers in England on how to approach the challenge of effective provider governance as the present NHS reforms are implemented.

Provider governance is not an end in itself, but a means to ensure that health services meet population health needs. Innovative care models and financing arrangements need to address the complexity of assessing and meeting these needs.

Reorganising health care delivery structures may not in itself improve processes and outcomes – there is a need for better comparative information and outcome standards. In health systems with autonomous providers, a regulatory framework is needed to maintain equal access to care across regions. Annual performance checks at hospital level do not seem to be a sufficient regulatory response to tackling regional variations in care.

The challenge for policy is to define and implement a framework that gives providers freedom to make decisions but also holds them accountable for outcomes through appropriate reporting requirements and incentives.

The *Lessons from Europe* seminar series is organised jointly by LSE Health, the NHS European Office and the Health Services Research Network with funding from the ESRC. This seminar drew on a recent study on **hospital governance** by the **European Observatory on Health Systems and Policies**. For more information, please contact **Sarah Thomson**.

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