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A comparison of social accounting between local public healthcare services: An empirical research

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Abstract

Introduction: Social accounting in healthcare is a quantitative–qualitative accounting tool which marks the bond between the business and its social background. It displays healthcare business results and information to the stakeholder. Actually, its use is not widespread in Italy, but often published in United States and other Countries.

Methods: This work is based upon an empirical research, studying social accounting from Local Health Units (LHU, Italian ASL) of Adria, Brindisi, Firenze and Umbria region published between 2006 and 2008.

These documents have been analyzed, studying the business' structure, healthcare services, social and economical conditions, financial status, performance indexes and much more data about most company activities.

Results: Accountability in Italy has been studied carefully through longitudinal and cross-sectional analysis, observing models and contents, elaborating a concrete proposal for social accounting.

Discussion: Social accounting in healthcare can guarantee important information for non-expert users and expert technicians, allowing the former to take more conscious decisions, and the latter to study its business aspects more deeply. This is made possible by the consideration of extended economical data available in other accountability forms (like annual financial statement), and other performance indexes which give valuable data about social impact, efficiency and effectiveness to the end user.

Key words: social accounting, social audit, accountability, health communication

Introduction

Social accounting or social report is a quantitative–qualitative accounting tool which marks the bond between the business and its social background; it has been recently applied to healthcare.

Unlike other traditional company book-keeping documents, such as annual financial statements, this document aspires to be an instrument for its readers and to supply key knowledge about the available healthcare services through tools such as data on economics, costs and operative activities.

The social legitimization for business goes beyond the creation of profit (internal orientation), an aims at coherence between the behaviour assumed and strategic choices from a social, political and environmental point of view (external orientation). This is particularly important for healthcare businesses, especially considering that the main goal of such businesses should not be profit-orientated.

The Green Book of the European Commission defines "social responsibility" as the "Voluntary integration of social and ecological matters in businesses and in their commercial operations with the stakeholder" (every subject connected and interested in the business) [1].

In this context, the referring richness value measurement is not just the income statement bottom line, but also the need for other important calculations and judgements like the social relationship between stakeholders and business, and its strategic ability to accomplish the different expectations of stakeholders. This so-called "bottom line" becomes "double or triple" [2] and, when matched to the financial result, gains social and environmental aspects of the increasing importance from business' behaviours.

International organizations like the GRI (global reporting initiative), the European Institute for Social Accounting and the AccountAbility proposed many models of social accounting. One of the main model available in Italy is the GBS (Gruppo di studio per il Bilancio Sociale), which has a three-part structure divided into business identity, added value production and distribution,

and social relationship [3-5].

There are many reasons that lead businesses into social accounting:

- Citizens – consumers – patients are always more critical about and sensitive to social and environmental problems.
- The rising need for increased transparency about business information needed when people address future choices and behaviours.
- The substantial lack of knowledge and transparency about available data characterized last years events in which important international business groups worsened relationships with different social groups.

Since there is no legal obligation in Italy, Social accounting needs a voluntary choice from the business: in 1981 a law proposal (n. 1571/1981) to start social accounting in business failed to be approved. Yet, in order to show a richer and more transparent company profile, and thus to develop public relations and image strategies, a social strategy aimed towards some types of stakeholders and a defensive strategy answering to criticism , many national and international businesses n voluntarily choose to add social accounting to their company policies.

International and national situation

Though United States of America, United Kingdom, Canada and Australia have very different healthcare systems they have developed similar accountability, and despite differences between countries, social accounting continues to increase [6].

Social accounting in healthcare originated in the United States and has spread into other countries.

United States: Accounting has been influenced by the private healthcare system leading to particular attention to costs and efficiency. At first, social accounting was conceived as a tool for helping users make a choice between different (competitors) health insurances, often showing various clinical outcome indexes, for example mortality risk after bypass [7].

Usually, hospitals or associations give reports to the citizen, with most recent costs and quality measurements. Data in these reports are detailed and use specific indexes, 33% are certified.

Reports are analyzed by national associations like National Opinion Research Centre (NORC), National Committee for Quality Assurance (NCQA), National Committee for Quality Health Care (NCQHC), foundation for accountability (FACCT) and the Healthcare Cost Report Information System (HCRIS).

International associations, active worldwide (especially in US) are Global Reporting Initiative (GRI), AccountAbility, with thousands of companies certifying the use of their social accounting models (respectively G3 and AA1000). Many of these companies belong to the healthcare sector.

The logical competitiveness of the American market is founded on the awareness that only a strategy based on client satisfaction can guarantee important results. Therefore, the need to plan and manage strategic and organizational developments globally is highly perceived.

To protect free choice of healthcare structure by all users byplacing "certified" information at clients' disposal, users are able to consciously choose what the healthcare structures' final goal is.

United Kingdom: The vanguard American experience in social accounting at first generated enthusiasm when it was proposed, yet a clear conceptualization of its purposes or its practical set up is still unseen [8].

There is an increased need for accountability within healthcare systems with various half-autonomous units. So social accounting started to be seen as a new way to improve quality, to maximize benefits and to lessen risks [9,10].

Actually, various government tools, with limited autonomy, control efficiency, productivity and quality of health structures. The definition of "service standards" is given by institutes like the National Institute of Clinical Excellence and National Service Frameworks. Quality control is asserted by National Performance Framework, National Patient and User Survey and the Commission for Healthcare Audit and Inspection. (CHAI).

Canada: It possesses an internal, voluntary and self-examining data gathering quality system which allows to improve plans controlling standard health quality. In 1998, the Ontario Hospital Association, in association with the Canadian Ministry of Health, were the first group to publish a report with performance data comparing almost all Ontarios' hospitals. In 2003 a specific report for "acute care" hospitals, for "emergency department care" and for "Complex Continuing Care" was issued. The documents contained a detailed and rigorous structure, divided in 4 sectors: the system and its integration; clinical activities and results; patient and their families' satisfaction; financial performance and condition. [11]

Australia: After long debates about actual and future information and quality of health services,

individual attempts to decide which reporting to adopt were started.

Various forms of voluntary quality internal and external audits, in both private and public healthcare structures are available. While privates have attempted to develop one of their own benchmark like Quality of Care report of Royal Women's Hospital of Melbourne, following the example given by international associations like GRI, Consumer Focus Collaboration is working on an accounting model. [12]

Italy: Social accounting in healthcare is completely spontaneous-voluntary, without any government institute dedicated to its control. The absence of "Information Literacy" in this country could be the cause of further problems.

Healthcare has been the last business sector where accountability has spread. Thus the GBS published only very recently (November 2008) a research document concerning accountability for healthcare business. [6]

This phenomenon is a consequence of the young age of the Italian healthcare business, created legally in 1992 (with law 502 of 12/30/1992). Initially, the local health unit (USL) only dealt with the financial book-keeping. On becoming actual businesses Local Health Units (LHU) also dealt with other economical issues. Actually, only the most virtuous and economically solid units published reports dealing with social accounting. This practice appears to be more common in the north, especially in the Veneto region, where there have been 2 meetings totally dedicated the theme of social accounting, and also the Emilia-Romagna region [13]. In central and southern Italian Regions only a few businesses produce this kind of document.

In this report, social accounting reports from various Italian Local Health Units were analyzed using a longitudinal and cross-sectional approach, to carefully study accountability in Italy observing models and contents.

The aim of this study was to elaborate a concrete proposal for social accounting, pointing out the most important indexes and contents for the creation of a satisfying model.

Methods

The materials for this work were the social accounting reports of 4 LHU, during the 2006-2007-2008: Adria, Brindisi, Umbria region and Firenze Health units [14-20]. A comparison between these units and for the duration was carried out and aspects of the most interesting ideas of social accounting content in every document were examined.

An example of derivable data from the longitudinal approach observing efficiency index present from 2006 to 2008 in Firenze is shown in Table 1.

In this case, an improvement in the business' patient organization with increasing of bed occupation and rotation, and lessening of turnover can be observed. As seen, social accounting (when carefully written) allows fast and complete access to many valuable healthcare data.

Results

Firenze is the greatest LHU in this study, as it attends to a huge territory around Florence with 805000 people assisted and 6500 employees. The Brindisi Unit has 400000 people and 4000 employees, Umbria 347000 people and 1900 employees, while Adria is the smallest with 75000 people and 700 employees.

Regarding business identity (or the equivalent chapters) all the examined social accounting data contained a good description of business organization for offered services, functional organization, and territorial distribution.

All the examined businesses carefully describe

Table 1. Firenze longitudinal data.

Index	2006	2007	2008
Average stay in bed - average days for a patient's admission	7,79	8,05	6,18
Turn over – average days the bed remains unused between 2 patients	2,03	1,72	0,91
Rotation – patients for bed in the observed time	41,9	42,06	51,22
Average beds – free beds in a year	841,12	811,96	830
Bed occupation – percentage of bed occupation in a year	80,9	83,39	87,22

their mission, main strategies, and the specific characteristic of the population they are relating to.

However a detailed performance report like the Firenze unit is absent for Adria, Brindisi and Umbria They report just some simple indexes (such as mortality, life expectancy). Moreover Firenze is the only LHU which investigated customer satisfaction and complaints brought by citizens, a practice that can prove to be very important when adjusting strategies towards new, and clearer stakeholder expectations.

Regarding economical data some observations were made:

1-Social accounting which was more careful about production and distribution of added value were seen in Adria and Firenze units. Both report the origin of their funds, costs sustained and resources spent through the representation of the income statement added value.

2-Firenze also reported the full annual financial statement, which is an analysis document that allows one to study the economical status of the businessdeeply . Adria didn't provide this document, though a financial statement rich in interesting data was available. Less carefully reported, but sufficient is Brindisis' document, reporting a financial summary of statements, income statements, and some data regarding funding . Umbria reports just a few data on expenditures, incomes and staff.

3-The status relating profit/expenses is summarized below (Table 2), where a much different performance between the LHU is observed.

While Umbria had slightly positive economical results, other businesses all had final losses, with high relevant improvments for Adria, and smaller ones for Brindisi, and worsening losses for Firenze.

For greater clarity the social relationship chapter of the various LHU will be examined singularly and after compared.

Brindisi: Data about the staff were sufficient andthere was a reference to training analysis, job security, distribution divided for age, gender and territorial spreading.The presence of a consulting committee for the relationship with the voluntary work associations and a control unit for appropriate admittance is positive.

Information on beds was also available, as well as admittance rates (standard and day hospital/surgery), medicine services, prevention activities, paediatrics and SERT. Similar data are reported for private healthcare suppliers.

Umbria:A lot of data is available regarding staff training, security and composition.

Hospital activities are represented through admittance, beds, average stay in bed, and specific activities like oncology and image diagnosis are also shown.

Particular care is taken to report prevention activities, who's importance is especially highlighted, considering how much it effects local territory and impacts on SSNs' (National Sanitary Service) long-term costs.

An interesting need-target-action approach for a service control, and its correspondence to the users' expectations is also shown. This new control analysis has been applied to the business which are present in this documents in the result section.

Adria: In its document, human resources are deeply examined with data about training, security and composition (it was the only business where gender percentages of managerial staff did not differ much from the total ones).

Users related activities are carefully illustrated with prevention department and SERT.

In depth data and indexes related to hospital activities were studied, with admittance rates, beds, average stay in bed, occupation, total DRG value, average DRG value considered.

Firenze: In this business unit, social accounting is particularly rich in data and information. In fact, various performance indexes, and many data related to the staff are reported.

The numerous business activities are studied in depth, and further data related to public and private hospital assistance like admittance, beds, medicine services, and present efficiency index such as occupation, mean stay in bed, turn over, rotation are documented.

All-in human resources are well represented in all documents, even if Firenze LHU is the only one proposing a performance index, which is

Table 2. Examined Local Health Units profit/expenses (data in euro).

Local Health Unit	2005	2006
Umbria	+24.900	+10.200
Adria	-11.200.000	-10.900.000
Firenze	-16.900.000	-18.500.000
Brindisi	-49.200.000	-34.900.000

fundamental for the development of benchmarking analysis.

Brindisi LHU is the only one that reported social accounting co-operation projects carried out with the collaboration of a university.

Hospital assistance activities, divided in departments, are well developed in all documents, especially in the Firenze LHU one.

Efficiency indexes are available in both Adria and Firenze LHU, while Umbria and Brindisi ones totally ignore them (the latter neglecting even the mean stay in beds).

Surely between the various documents examined in this work, the most comprehensable one from an external observer point of view is the Brindisi LHU one (considering that the most frequent reader and stakeholder is the average citizen, with limited specific knowledge). In this paper, information is always expressed clearly, and glossary is available (this was also seen in LHU Adria's document), and also some "HELP" squares that clarify specific elements which may be difficult to comprehend included.

Tools like glossary and these squares are simple but effective and aid understanding of more specific information, and at the same time increase interest in reading and show business results more clearly.

All social accounting reports clarify their mission, and are inspired by the principles of the healthcare business within the economic system of the Country.

However, even if all reports present diagrams and descriptions of the management structure, it may not always have been correctly represented. As it can be seen from the images, only in Firenze LHUs' document are the control bodies displayed correctly in terms of governance. In fact both Brindisi and Umbria LHU ignore the strategic control (or valuation nucleus) needed and fundamental to complete the business' management. Adria LHU didn't even report the trade union committee which must be present by law and cannot be omitted.

Umbria LHU didn't identify stakeholder (even the concept of stakeholder is omitted in the whole document), while Firenze and Brindisi ones did, but the relationship between them and the business must be derived by its reader from the rest of the document.

Surely Adria LHU was the most effective in representing the relationship with stakeholders. Not only are theyidentified, but the information available related to them in the context of social accounting are also pointed out for all stakeholders. Every stakeholder (except citizens and human resources which got an entire chapter where is postponed) is shown within a scheme where all business' responsibility, impact index, information channels, involving and problem-solving methods considered.

Table 3 summarizes the pros and con for each document.

Discussion

The traditional book-keeping accounts can be matched by Social accounting which is a useful integrative informative tool to reach goals such as communication and promotion, manage planning and organizing lever, check and control coherence between company strategy and results referred to social background.

Businesses must account for their behaviour to many stakeholders who have expectations and interests about them, without trying to be self-referential. Anyway these kinds of behaviours are useless, leading to the loss of audience and company-user relationship [21].

The new "ethical" orientation of confrontation between companies about social legitimization, bonded to the capability to create value for the community, is necessary to create a climate of consent and confidence [22].

Businesses desire to inform the stakeholder in a self-convenient way, sometimes trying to use social accounting in a selfreferencing way. At the opposite end, the stakeholder wants information through trustworthy communication and documents clearly illustrating the essence of interesting data.

Stakeholders must always be divided into technician-experts, with certain knowledge in healthcare economics, and non-experts users.

As proven by the GBS studies, if business and stakeholders join together in editing these documents, the end result is satisfactory for both parties. This is the path to follow to get the basics of editing social accounting right so as it actually performs its informational duties.

Social accounting aims to reach all actual and potential stakeholders. The most qualifying part of the full accounting process is their identification, with the subsequent goal to underline actual and satisfying relationships made between stakeholder and company.

Perfect social accounting doesn't exist, but some ideas to follow are available , to make this document a really useful tool for every type of stakeholder in the scenario. Particularly, the model developed by national scholars of the GBS and the more significant international standard setter GRI are useful benchmarks.

Table 3. Local Health Units compared pro and con.

Local Health Unit	Pro	Con
Adria	• Document not too long; without superfluous parts, thus giving better understanding • Slim structure, with many data, boxes and few digressions • Best performance, efficiency, effectiveness and quality index • Stakeholder-centered approach	• Limited information about hospital assistance and economical activities • Control organs are not pointed out in the management structure
Brindisi	• Excellent understanding (the idea of "help" squares should be followed in every document) • Cooperation with social institutes like universities • Clearly pointed out the work group which edited the document • The document has been certified by the business certifying organization "Det Norske Veritas"	• Limited relationship with stakeholder • Absolute lack of any kind of index • Little data about human resources and economical activities
Firenze	• Data representation about all its activities, whole annual financial statement and distribution of added value • Good efficiency, effectiveness, performance and quality index • Human resources and governance analysis and representation • Good understanding, the document is pretty long, but easy to read • Analysis of customer satisfaction and complaints	• The document is too long, with various parts deemed useless to the reader, which should be removed • Little information about relationship with stakeholder
Umbria	• Good representation of hospital activities, with careful study in depth for prevention ones	• Very little performance (and every type of) index • Relationship with stakeholder not found • Scarce understanding, the document appears too technical, especially the economical part

The more significant indexes, and the most important information underlined in the examined documents, may be more helpful for a non-expert citizens' choice, a user who wants to know if the healthcare business' behaviour and capability to satisfy his needs are met. Important information such as:

1- Performance, efficiency and effectiveness index

These indexes should be standardized and reported in every social accounting document, and if related to the economical situation they could give precious information about healthcare services and resources used. This way, and in relatively little space ,many essential data about business' abilities and its economical and financial status can be expressed.

Performance index: mortality (tumour, cardiovascular, etc.), waiting time, screening, vaccine coverage, equity and access,

appropriateness, control of drug expenses.

Performance index related to human resources: per capita investment in training, skill shortage (gap between real and needed abilities), business staff average age, rookie ratio (staff hired less tan 2 years ago), turn over, internal and external business image, percentage of administration staff in the total.

Effectiveness index: average stay in bed, occupation, stay in bed related to case-mix(average ill seriousness), case mix, function of production and costs, hospital infection, hospital re-admittance, mortality 30days after discharge.

Efficiency index: cases treated, services offered, DRG total value, average DRG value, expenses for DRG point, proportion of doctors/nurses/inhabitants/beds.

2- Customer satisfaction and complaints

These are important data, a simple and straightforward way for the user to get a first idea about a healthcare business.

3- Staff valuation, motivation and satisfaction

These measurements are for internal management evaluation, but can also give information to stakeholders. Staff motivation and/or satisfaction surely impacts on the quality of their work, so it's important to have some kind of this data in every social accounting document.

4- Standardization

It's an essential procedure which should be applied to social accounting, to allow a better comparison between documents in time and space and between different healthcare businesses.

5- Understanding

Social accounting must be understood by all stakeholders, and not oriented towards a minority of them. It can happen that some data, and related information aren't published, fearing them to be not understandable, or even worse, using them as alibi when omitting non satisfying data.

As noted from the comparison, complex social accounting can be done using certain methods, without being not understood by the reader.

6- Bonding used resources to elaborated inde

The results achieved by the business should not just be reported in indexes that make them comparable, but indexes should also relate them to the economic situation to underline the connection between used resources and achieved results. Nowadays, with funds assigned on the basis of healthcare services given, the association of indexes to economical situation can be a useful tool to evaluate the results of sectors or the whole businesses.

7- Creation of a durable connection with the stakeholder

The Stakeholder should be involved in editing social accounting documents, and in other strategic business choices. As an example Adria LHU found a method to facilitate the various stakeholders consulting "their" space, thus satisfying all categories.

Limitations of this study are:

- Raw data composing the documents are needed to control the process of accountability, and avoid important omissions. It would be interesting to compare the differences between these data and the final document which was published;
- More social accounting needs to be compared in order to obtain a complete comprehension of the more important indexes, and maybe create an evaluation scale specifically for social accounting in healthcare;
- More data are needed also to compare various types of LHU and hospitals. A database could also be created to generate some expectations and standards for each index reported within these documents.

This study is a first step taken in an innovative field, and gives the opportunity to explore and undertake new paths with a social accounting document, which is still not employed to its full potential.

At the end of this work, it appears necessary to reflect upon aspects of social accounting and its all-in configuration, and whether non-expert subjects in healthcare can understand such documents and obtain useful information from them for their decisions. Such document has (or should have) the ability to make business understandable and establish a connection with its users/the citizens, to satisfy their health needs, treatment, and other social and economic issues .

In law 502 art. 14, subsection 6, it is reported that every citizen has the right to choose between various healthcare structures. But often the user hasn't enough knowledge about the healthcare business, and at the same time there aren't available information to allow the citizen to orient himself in this health service scenario. No user can choose this or that business if not on an objective and qualifying basis.

In this situation, it appears clear that the stakeholder has to choose healthcare business randomly and not through a process of analysis, benchmarking and comparison, which would be more conscious and fair. Even today, the users' choice is hampered by a condition of incomplete data and poor information.

Social accounting is inserted in this context to

allow citizen and expert technicians an adequate possibility to choose which healthcare business to use on the basis of qualified information that they have the right to access. It is the needed tool for a first "easy" comparison between hospitals.

Italy suffers some delay compared to other Countries like United States, United Kingdom, Canada and Australia, for accountability application, but this situation can be used like an opportunity to improve connections and quality within the SSN through the use of social accounting, which can become a powerful tool.

From the analysis of Adria, Brindisi, Firenze and Umbria LHU documents, one can conclude that social accounting in healthcare is a needed tool with great applicability.

It can guarantee, if widely used (maybe behind legal obligation), important information for users and experts, allowing the former to make more conscious healthcare decisions, and the latter to study healthcare businesses in a deeper way. This practice may be improved if further economical data available in other accountability forms (like annual financial statement) and other performance indexes that give valuable data about social impact (often ignored and considered of little importance) efficiency and effectiveness, are included.

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