

Good Hospital Governance In Indonesia And The Role Of Pharmacists

Gunawan Widjaja

*Faculty of Law, UPN Veteran Jakarta, Gunawan Widjaja Learning Centre, Jakarta Indonesia
widjaja_gunawan@yahoo.com*

Abstract: Healthcare workers need to contribute to good hospital governance. This research aimed to elaborate on the role of pharmacists to establish good hospital governance following Indonesian regulations. This is normative research. Data were collected through a literature search using “google machine” with “good hospital governance,” “pharmacists’ role in the hospital,” “pharmacists’ regulations” as keywords. Collected raw data were reduced to the most relevant data by conducting a content analysis. The applicable data were then analyzed using a qualitative method to answer the purpose of the research. Good hospital governance needs proper corporate management and good clinical governance. Findings proved that there were not many provisions in the regulations that govern the role of pharmacists in the hospital. However, those provisions were sufficient enough to justify the role of pharmacists in “creating” and maintaining good hospital governance. Pharmacists have two essential but different side by side roles in the right hospital governance settings.

Keywords: hospital governance; pharmacist’ role

1. INTRODUCTION

Each organization requires its governance. In 2002, the Ministry of Health had issued the Decree of Minister of Health No. 772/MenKes/SK/VII/2002 regarding Hospital bylaws Guidance (Decree No. 772).¹ The Decree mentioned that based on JCAO (Joint Commission on Accreditation of Healthcare Organizations), the legal subject that has the ultimate power/role to set up policies, make regulations, and control hospital is the governing body of the Hospital. The governing body can make bylaws that will regulate the internal operation within the Hospital, known as Hospital bylaws. Decree No. 772 divides “owner,” “director (management),” and medical staff in Hospital. Based on the division, there raised two sets of hospital bylaws (the internal regulation in Hospital). Those internal regulations are internal regulations that govern the relationship between “owner” and “management” (the corporate bylaws) and internal rules that govern the relationship among medical staff (the medical staff bylaws). Besides the relation between “owner” and “management”, there is a relation between hospitals and workers (administration staff, nursing staff, and other employees), which is not regulated in the internal regulation. This relation is regulated in hospital employment regulation. Medical teams are not an employee of the Hospital, so there were not

subject to employment regulation.¹

Article 1 point 1 Law No.44 Year 2009 regarding Hospital (Hospital Law)² defines Hospital as a health care institution that provides plenary personal health care with inpatient care, outpatient care, and emergency care. Concerning ownership of Hospital, article 7 paragraph (2) Hospital Law stated that hospitals could be established by the central government, local government, or private. The term “private” means any legal entity that has business activities in the field of Hospital. On the management of Hospital, article 20 paragraph (1) Hospital Law stipulated that there are public Hospitals and private Hospitals. Public hospitals are hospitals managed by the central government, local government, and non-profit legal entity. Public hospitals managed by the central government must take the form of Public Service Agency (*Badan Layanan Umum*) (abbreviated as BLU). Meanwhile, public hospitals managed by local government must take the form of Local Public Service Agency (*Badan Layanan Umum Daerah*) (abbreviated as BLUD).²

Article 29 paragraph (1) Hospital Law stated that each Hospital must make its hospital bylaws and implement it. The elucidation of the paragraph stated that hospital bylaws consisted of corporate bylaws and medical staff bylaws. Both are made to establish good corporate governance and good clinical governance. In every Hospital, “bylaws” must exist. The “bylaws” in hospitals should regulate management (organization) issues and clinical issues within the Hospital. The “bylaws” will form the government in the Hospital, which will be called hospital governance.²

This research aims to explain the concept of hospital governance and to further elaborate on the role of pharmacists in hospitals to establish good hospital governance according to Indonesian rules and regulations.

2. MATERIALS AND METHODS

This research is normative legal research. Materials or data used in this research were secondary data. Data consisted of primary legal sources such as laws and regulations regarding pharmaceutical care in hospitals; and secondary legal sources which were opinions developed by scholars. Data were obtained through a literature search using “google machine” with the following keywords “governance,” “hospital governance,” “pharmacists’ role in the hospital,” “pharmacists’ regulations in Indonesia.” The collected data were reviewed using content analysis. The review will take out similar and unnecessary data that are not in line with the research. The result will leave only the relevant data. The relevant data were then qualitatively analyzed to explain the purpose of the research.

3. RESULTS AND DISCUSSION

The word “governance” can be referred to as the Greek word *kybernan*. *Kybernan* means to steer or to pilot a ship. The concept of “governance” was also used in the Roman Empire under the Latin word “*gubernare*” which means to direct, to rule, or to guide.^{3,4} Until today the word “governance” has been widely used in the interaction between government and other stakeholders, such as business organization, a non-profit organization, and different kinds of the organization.⁵ Fukuyama defined governance as the ability of the government to

make and enforce rules to deliver services.⁵ GRDC stated that “governance” transcends the concept of State or government.⁶ Concerning the role of the State, governance does not necessarily mean the power of government as central power and authority.³ Governance may involve the interaction between State and civil society. Through the interaction, all the elements in the society can use their power, authority to influence the process of making policies, decisions, and regulations regarding the enhancement of public life.⁶ Governance nowadays was widely used not only for the political issue but also in the social and economic platform.⁴

Yap, in its publication, stated that “governance” means the process of making a decision and the way it is implemented. Governance can be used in many contexts, depend on how broad the decision will be made and performed. It could be corporate governance, national governance, international governance. Good governance shall have eight characteristics. They are participatory, consensus-oriented, accountable, transparent, responsive, effective, and efficient, equitable, and inclusive and must follow the rule of law.⁷ If Yap provided eight characteristics, It is keeping mentioned only six essentials. They are legitimacy, transparency, accountability, the rule of law, responsiveness, and effectiveness.⁴

Cadbury committee in 1992 defined corporate governance as “the system by which companies are directed and controlled”.⁸ Corporate governance shall create, enhance, and maximize shareholder value, and protect the interest of other stakeholders. Organization for Economic Co-Operation and Development (OECD) Principles of Corporate Governance mentioned that corporate governance is a system on how to direct and controlled the business of a corporation. The corporate governance structure will define how rights and responsibilities were distributed within a corporation.⁹

In Indonesia, regulations on corporate governance can be found in Law No.40 Year 2007 regarding Corporation (Corporate Law).¹⁰ The Corporate Law determined all the rights and obligations of the management (which consisted of the board of directors and the board of *komisaris*) and the owner (which is represented in a general meeting of shareholders). In the Indonesian Corporate Governance Manual corporate governance is defined as a system of relationships between all the stakeholders with different and sometimes contrasting interests, which are involved in directing and controlling the corporation.¹¹

The Healthcare Governance and Transparency Association (HGTA), in its publication Principles & Guidelines for Governance in Hospital, said that they are two kinds of governance in healthcare governance. They are corporate governance and clinical governance. Corporate governance referred to the procedure and process according to which an organization is directed or controlled. Even though in general, the healthcare sector may be different in many aspects from other fields of industries; hospitals, as an organization, shall have good governance. Incorporating corporate governance in the healthcare industry, such as a hospital, may be beneficial for the hospital itself. The hospital shall provide quality in healthcare without making any discrimination, because of a different race, gender, religion, social class, or political view.¹²

Concerning the clinical governance, HGTA explains that so that hospital, as a healthcare institution to provide quality services for the patient, the hospital needs clinical governance. Clinical governance will ensure that all activities, policies, and procedures will deliver high quality of care that will provide patients with the best treatment possible. The term clinical governance itself refers to many activities that healthcare professionals will do based on their expertise.¹²

Sheffield Teaching Hospitals NHS Foundation Trust stated that the purpose of good governance is to have structures and processes which lead, direct, and control the quality of service.¹³ Good governance will include the process of identifying and minimizing risk. It will also make sure that the required standards are achieved. When there happened to be a sub-standard performance, something must be done to correct it and lift it to the minimum required standard. Healthcare governance started with the process of recruitment of competent personnel.

Pharmaceutical Society of Australia (PSA) quoted the Australian Commission on Safety and Quality in Health Care's (ACSQHC's) definition of clinical governance. According to ACSQHC clinical governance is an integration of corporate governance of everyone in the healthcare organization, from clinicians to managers and members of governing bodies, they all shall be accountable to the patient to deliver safe and high-quality health care.¹⁴

Based on the explanation given above, it can be said that governance in the hospital might include two governance. First is the governance of the management and administration of the hospital as an organization. It is corporate governance. Even the hospital is not a corporation, by definition. However, it bears and has the same characteristics as corporate. Second is the governance concerning the clinical function of the hospital in providing healthcare to patients. It is clinical governance. Some activities within both governances cannot be strictly black and white. For example, the recruitment of non-medical staff may become part of corporate governance. Meanwhile, the recruitment of medical staff is part of clinical governance. Corporate governance deals with non-clinical matters; meanwhile, clinical governance involves in all direct or indirect matters related to patients' safety, including keeping the confidentiality of medical records.

As mentioned in the background of this research, Hospital Law clearly stated that governance in the hospital could be seen from corporate governance and clinical governance. The term corporate governance in the Hospital Law itself is rather ambiguous because, by history, it seemed to follow the Decree of Minister of Health No.772/MenKes/SK/VII/2002 regarding Hospital bylaws Guidance.¹⁵

The role of the pharmacist in providing pharmaceutical care in hospital is regulated in the Ministry of Health Regulation No.72 Year 2016 regarding Pharmaceutical Care Standard in Hospital (MoHR72/16).¹⁶Based on MoHR72/16, the pharmaceutical care standard in the hospital consisted of two standards. First is the standard in the management of

pharmaceutical preparations, medical devices, and consumable medical ingredients. The second is clinical pharmaceutical care.

The management of pharmaceutical preparations, medical supplies, and consumable medical ingredients (Pharmaceutical Products) consists of selection, planning, procurement, acceptance, storage, distribution, destruction and recall, control, and administration. Clinical pharmaceutical care consists of reviewing recipes, searching for drug use history, drug reconciliation; drug information service, counseling, visiting patients, monitoring drug therapy, monitoring drug side effects; evaluating drug use, dispensing sterile products, and monitoring blood drug level.

Given the above, it can be said that, in clinical pharmaceutical care, clinical governance must exist and be implemented. All the pharmaceutical cares mentioned in the MoHR72 shall have a standard operating procedure as the implementation of the clinical pathway that was made by clinical governance. Given that, the management of Pharmaceutical Products has an indirect relation with patients, and therefore it shall follow the clinical governance concept. The explanation above is in-line with the definition of clinical governance given by ACSHQC. According to ACSHQC, within the clinical governance, there is corporate governance that is required to manage the hospital organization. This means that in a hospital governance setting, pharmacists shall need to know and learn the management and administration process in an organization. The role of management in a hospital may include supply chain management, time management, financial management, human resource management, as well as clinical case management. All of this will make the pharmaceutical care given by pharmacists more efficient and effective.

4. CONCLUSION

Pharmacists working in the hospital shall have comprehensive knowledge about the clinical aspects concerning patients' care and the management of hospital organization. Pharmacists must obey hospital governance, not only clinical governance. The implementation of hospital governance is important for the hospital to be sustained all the time. By following its obligations by the prevailing enforced law and regulations, pharmacists have taken part in hospital governance.

Acknowledgement

I thank the Gunawan Widjaja Learning Centre staff for all the assistance.

Conflict Of Interest

No conflict of interest.

5. REFERENCES

- [1] Ministry of Health of the Republic of Indonesia. Decree of Minister of Health No.772/MenKes/SK/VII/2002 regarding Hospital bylaws Guidance; 2002.
- [2] The Republic of Indonesia. Law No.44 Year 2009 regarding Hospital. State Gazette No.153 Supplement No.5072;2009
- [3] Ysa, Tamyko, Adrià Albareda & Sarah Forberger. Chapter 2. What Is Governance in Governance of Addictions: European Public Policies. London: Oxford University Press; 2014.
- [4] Keping Y. Governance and Good Governance: A New Framework for Political Analysis. Fudan J Humanit Soc Sci. 2018;11(1):1–8.
- [5] Fukuyama, Francis. What is Governance?. Working Paper 314 Central and Global Development. Washington: Central and Global Development; 2013.
- [6] <https://grdc.com.au/about/corporate-governance>, accessed on 1 September 2019.
- [7] Yap, Kioe Sheng. What is Good Governance? Bangkok: United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP); n.d.
- [8] Cadbury Committee. Report of The Committee on The Financial Aspects of Corporate Governance. London: Gee; 1992.
- [9] Organization for Economic Co-Operation and Development. OECD Principles of Corporate Governance. Paris: OECD; 2004.
- [10] The Republic of Indonesia. Law No.40 Year 2007 regarding Corporation. State Gazette No.106 Supplement No.3913; 2007.
- [11] IFC Advisory Services in Indonesia. The Indonesia Corporate Governance Manual - First Edition. Indones Corp Gov Man [Internet]. 2014;1:1–533. Available from: <http://www.ojk.go.id/Files/box/THE-INDONESIA-CORPORATE-GOVERNANCE-MANUAL-First-Edition.pdf#search=governance>.
- [12] The Healthcare Governance and Transparency Association. Principles & Guidelines for Governance in Hospital. Giza: HGTA; 2014.
- [13] Sheffield Teaching Hospitals NHS Foundation Trust. Healthcare Governance Arrangements Policy and Framework for Delivery. N.P.:n.p.; 2017.
- [14] Pharmaceutical Society of Australia. Clinical Governance Principles: for Pharmacy Services. Deakin: PSA; 2018.
- [15] Widjaja G, Permanasari VY. Analysis of Corporate Governance Concept according to Indonesian Hospital Law. International Journal of Humanities and Social Science Invention. 2016;5(12):1–5.
- [16] Ministry of Health of the Republic of Indonesia. Ministry of Health Regulation No.72 Year 2016 regarding Pharmaceutical Care Standard in Hospital. State News No.49; 2016.