

CHAPTER VI CONCLUSIONS

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This Report analyzed evaluation approaches and tools for social health insurance, pension, and social services programs for both LTC and childcare. Due to their public nature, social security agencies and programs may see evaluation as a two-sided sword: necessary to improve performance but nevertheless imposed by the Congress, a regulatory agency, the Finance Ministry, or even an international financial organization. In principle, nothing guarantees that both sides will be coordinated, and they may even become antagonistic. While conflict is a risk, it is not a foregone conclusion. A well-planned evaluation process can do much to preempt conflict.

Consistent with the arguments presented in the previous chapters, we recommend that systems, agencies, and programs maintain a comprehensive evaluation strategy that performs the following:

- *They should incorporate all the approaches and perspectives identified in Chapter II—the economic, actuarial, fiscal, OR, and administrative—based upon the latest knowledge in the disciplines that support the perspectives.*
- *They should be well structured in the sense of including all the steps in an evaluation strategy: identification and involvement of key stakeholders, not only managers; design of the logical framework; identification of indicators; setting of targets; definition of information sources; and development of the elements for evaluation and the strategy for*

the disclosure of the results. These elements should not be developed and applied randomly but based upon a disciplined approach to obtain the most from evaluation.

- *They should consider the development of modern databases as an indispensable element of evaluation. While lack of information may initially lead to imperfect monitoring, collecting more consistent data over the years will allow for more consistent evaluation. At best, the most important data should come directly from transactional systems, and surveys should provide complementary data. The previous report of the CISS argues in favor of the modernization of organizations and administrations, but there is no doubt that given current IT, the intensive use of data will be part of any effective management solution that aims to guide effective evaluation.*
- *They should develop databases centered on citizens and register all contacts between them and health, pension, and social service agencies and programs. They should consolidate data and develop service models around individuals and aim for the evaluation of the state of individuals rather than the state of agencies and programs, recognizing their primary concern should be the welfare of children, the elderly, the disabled, and the sick, not agencies.*
- *They should consider implementing more incentive mechanisms. For evaluations to achieve a greater impact on improving operations, all stakeholders must*

be well informed and the structure of benefits and costs be appropriately defined with respect to the objectives.

- *They should recognize that because systems are collections of agencies and programs, any target at the agency and program level should conform to targets at the system level, and that the information at the system level is only the aggregation of targets at the program and agency levels. Evaluation should avoid destructive or ineffective competition across agencies for funding or political recognition. Again, focusing on results at the level of the individual should discipline the evaluation system to avoid deviation from agency goals.*

It is important to mention that a comprehensive system of evaluation cannot be fully implemented if agencies are not supported by other public entities. In general, agencies have much more information than do regulators regarding financial allocation, the state of the current administration, customer care, user complaints, and the status of the provision of services. Regulators and public audit instances should identify systemic means of evaluating agencies and avoid regulating through overtly specific indicators, which can lead to tunnel vision and become a source of conflict due to contradictions with the internal views of agencies.

The final concern regarding the evaluation of social programs is how much information should be disclosed to the public. In many social environments, information on price and quality is important for making decisions. However, price often cannot be quantified and quality is costly to assess when answering questions such as the following: Did a surgery go wrong because of a bad decision by the hospital or because the patient had an unexpected adverse condition? Did a child fail to learn because of the failure of his tutors or lack of individual capability? Is an elderly man demanding additional support because he suffered an unfortunate event or because he is trying to exploit loopholes in the system? Even more, social security programs generate legitimate concerns that lead them not to disclose

some information: Should the hospital reveal private information on the patient only because it could help reduce future errors? How far should the agency go in subjecting the disabled to additional tests in order to reduce costs?

Another reason why the extensive use of indicators has been avoided is the possibility of unintended consequences. Skimming-off the market and convergence to the average are the most common factors cited in the evaluation literature. Nonetheless, political reasons have also proven to be factors that hinder the use of indicators or evaluation systems. Evaluation systems may pose special challenges when public officials see their careers subjected to discretionary scrutiny. On the other hand, there are strong arguments in favor of disclosing information, including to link performance and rewards, provide information to providers on possibilities for improvement, let users know what providers are actually doing, and improve policy decisions.

On the issues of disclosure and the increasing amount of information, parts of this Report have pointed out that users may sometimes need time to learn how to use information, and their efforts to do so may require some structure. A prime example is the relatively low rate of response of workers to the commissions and returns offered by pension fund managers. Similarly, it is clear that it is very difficult to increase competitiveness in health insurance simply by providing more information, as it is not easy for families to understand and process data on physicians, hospitals, and results.

However, efforts to increase disclosure can generate awareness. Moreover, these efforts have led policymakers to develop a consistent tracking system for monitoring how changes in the social security system are affecting the quality of services delivered (Lansky 2002). The limited impact of increasing the disclosure of information does not represent a failure and highlights the hurdles to be overcome by doing things differently. Past efforts did not achieve their outcomes because the general public did not consider the information disclosed to be relevant. Today, we

must work on making the members of the public aware and teach them how to use the information. Information is more useful if a national protocol of information use is established; it will be less effective if different institutions disclose information using many different protocols.

There is no straightforward manner of determining how much information should be disclosed. Privacy issues are a fully valid reason for placing restrictions on disclosure, as well as the fact that too much information can overwhelm stakeholders. Disclosing all information available may seem an easy and “transparent” strategy but the following points need to be considered:

- *The degree of openness of information at any point in time should depend upon the possibility of agencies acting to improve low performance areas. Policymakers should be aware of the consequences of disclosing public information. Providing information without also providing the capacity to make change may result in frustration among agency managers and the general public.*
- *The disclosure of information must be accompanied by any caveats that may apply, such as assumptions, limitations, and lags in data.*
- *Information should be disclosed in such a way that it is understandable to the target audience.*
- *The optimal channels to deliver information are likely to change quickly. The previous CISS report (CISS 2007) and its discussion on the informational architecture of agencies can be useful in guiding debate on this issue.*