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# Planning and Decision Making in Hospital Projects. Lessons with the Norwegian Governance Scheme.

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## **Planning and Decision Making in Hospital Projects. Lessons with the Norwegian Governance Scheme.**

### **Regime for planlegging og beslutning i sykehusprosjekter**

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*Summary: This report concerns the front-end planning in Norwegian hospital projects in the period from 2005 to 2009. The projects have all performed their planning processes according to recommendations in the guideline "Veileder for tidligfaseplanlegging i sykehusprosjekter" [Guidelines for front-end planning in hospital projects] published by the Health Directorate. The study builds on a mapping of 10 projects and discusses the background for and development and implementation of a planning- and quality assurance regime in the hospital sector. The report describes the structure of the guidelines, how the planning is performed and what possible effect these guidelines may have had on the decision making process and the quality of the documents produced during the process. Experience with the use of these guidelines in projects and the use of success factors are highlighted. The report discuss what positive effects are achieved by implementing systematic front-end planning in large hospital projects, and what need there is for development and improvement in both the planning process and the guidelines. Differences in the use of the guideline and the consequences thereof in the contents and quality of the documents are identified. The purpose of this study is to map, document and discuss the effect of the implemented guideline and to suggest improvements to the guideline and processes. The report gives specific recommendations for changes in the execution of the planning process and the contents of the guideline.*

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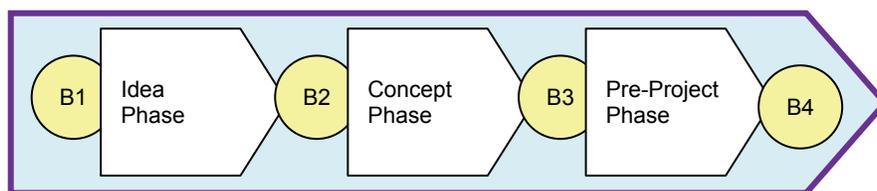
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## Summary

The current report summarizes lessons learned from five years of planning during the front-end phase in Norwegian hospital projects. The 10 projects being analyzed in this report have all adopted “The Planning Guide for Front-end Planning in Hospital Projects” issued by the Norwegian Directorate of Health in April 2006. These guidelines were developed by The Competence Network for Hospital Planning, which is operated and financed by the Norwegian Directorate of Health in collaboration with four regional health authorities in Norway. The network has also developed other methodologies and tools for front-end planning in hospital projects and more information is available on [www.sykehusplan.no](http://www.sykehusplan.no)

The current study is based on interviews, workshops and systematic review of documents from the planning and decision making process in the projects involved. The report also sums up the background for and driving forces behind the development and implementation of the guidelines in the regional hospital trust, the hospitals and the project organizations.

Figure 1 illustrates the phases involved in the front-end planning process used in Norwegian hospital building projects, and the decision points from the start of the project (B1) until the final decision is made to go ahead with detailed technical design and construction (B4). This marks the end of the front end planning process. During the three phases the following documents/reports are produced: During the first phase, several alternative strategic solutions should be developed based on identified needs and future demands. The analysis of alternatives should always include what is called the *zero option*, representing the continuation of the present solution with investments available only for essential upgrading of the buildings.



**Figure 2** The model for Front-end Planning and Decisions in Hospital Projects.

The first phase provides the inputs for the development of a document during the second phase, which is similar to a business plan for the preferred alternative, designed to meet the goals and requirements for the investment project. The business plan will include a combined plan for functional content, future capacity needs, organization of the services delivery system, effects on the cost of running, and investment in infrastructure. The focus should be on consequences for health care service delivery and the financial situation for the hospital. Norway does not apply PPP or PFI financing systems for hospital projects.

The business plan forms the basis for the third phase, the pre-project phase. This phase involves detailed programming, pre-engineering, assessments and quality assurance of costs and plans for the building phase. The Department of Health demands a pre-project report before the projects are given a formal approval.

The introduction of guidelines for front-end planning is partly the result of a policy reform whereby the ownership of hospital facilities was transferred from the regional authorities to the central government in 2002. Hospitals were transformed to state owned companies and thus separated from the systems for public management applied in the public sector at large.

Even though each regional trust is free to develop their own local guidelines and planning and QA-tools, the guidelines developed by the Competence Network have developed into a de facto standard for front-end hospital planning, and it is used in practically all major hospital building projects. The guidelines have the focus on the delivery system of clinical services. The dependencies between the clinical organization and the building, has been strengthened.

Common guidelines shared between all projects, combined with openness and transparency between the project owners, have created a climate for learning and development of standards based on experience and communication. The result is reportedly higher competences in the process and better quality in the documentation.

The decision makers use the guidelines as a reference document on all levels where the results are evaluated and approval is given. Front-end planning as described in the guidelines is used also in other sectors, and a harmonization of the recommendations in the guidelines with other the QA-regulations will possibly increase quality in planning.

This study also reveals the need for changes and development of the planning process and of certain parts of the guidelines. Identification of strategic goals is weak in many projects. It is important that goals on all levels (strategic goals, operational goals and expected results) are clearly formulated and made operational. Lack of clear objectives arise partly from weak linkage between

strategic development goals and needs for change in the healthcare industry, and what the project owner is trying to achieve from the investment. Political involvement and lack of clarity from high level decision makers at the very start of the project can also be part of the explanation.

In many projects alternative conceptual solutions for the delivery of better health care services to the population are not described. In investment projects the focus is often restricted to alternatives in terms of new and better buildings and financial solutions rather than alternative approaches to the overall problem of an integrated service delivery system. One important quality of the front-end planning process is the idea of taking a broad and open approach to the strategic problem before the attention and the resources are locked to what appears to be the most common solution: the same as today but more and better.

A step by step planning process implies a risk for overlap between phases. The study shows a lack of clarity in the content of each phase and the criteria for selection of the preferred alternative. The decision point for the selection of a preferred solution should also be more explicitly specified.

The front-end planning process should bring adequate information as basis for final approval before too much money and prestige are invested in detailed planning and design. The present guidelines require a pre-project or a detailed technical design report to be produced before the final approval can be given. The informants emphasizes that the business plan should be upgraded to serve as the basis for the final approval.

The introduction to Building Information Models (BIM) into hospital projects, including the front-end planning process, will produce essential information about the building at an early stage. The ability to develop information on alternative solutions early on will influence the front-end planning process.

The report advocates changes in some parts of the guidelines and planning process and presents an alternative model: This model for a revised front-end planning process has focus on identification of goals, clarification of the content of each phase and the interface between the phases and development of the business plan as the basis for final approval of the investment and the end of the front-end planning process. It emphasizes the Regional Hospital Trust as the party that should be responsible for laying down clear, strategic goals and mandate including financial restrictions before the planning process starts. The business plan should be extended to include all information necessary to form a solid basis for final approval.

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