## Purchaser's control of health and medical care services

- About individuals, margins and millions

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## Abstract

The purchaser-provider split was widely introduced in the Swedish county councils in the 1990s. The control method is based on market logic where politicians are able control healthcare services through orders. As the control method was more widely implemented however it proved difficult to apply market-style control to healthcare services. Despite the problems, several Swedish country councils have chosen to retain the purchaser-provider split as the control method. The overall objective of this thesis is therefore to, from a purchaser's perspective describe how and why purchaser control is applied.

The study's theoretical frame of reference is based on control from an organisation theoretical perspective in which the central aspects are control relations, agent theories, organisational control theories and resource allocation theories.

The study was performed using the case study technique in which the region of Västra Götaland was the study's case. Data was collected through interviews and observations. In total, the data material consists of 54 interviews and 12 observations.

The study's results show that purchaser control is applied by combining trust and control. The purchase officials exert control while simultaneously choosing to trust in the counterparty based on shared values, interests and attitudes. From the trustbased relationship, the purchaser can gain access to more information and thereby ensure that the provider does what has been agreed upon in a satisfactory manner.

Three factors are used to explain the use of purchaser control. The first is about economising, in which focus is on financial issues and healthcare controls by adding and subtracting money to the margin. The second is about selection, in which an administrative middleman (filter) is constructed, dividing the control into manageable sequences and allowing certain issues to be "stored" in the purchase organisation. The third is about an interaction between different control logics, thereby facilitating for the application of a broader field of action. Through economising, selection and interaction between the different control logics, healthcare services can be margin controlled.

## Keywords:

Purchaser-provider split, purchaser control, margin control, quasi-market, control, trust, healthcare services, new public management.

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