

Abstract

The Walloon Region funding of hospital and social welfare facilities

The Court's audit of the funding of hospital and social welfare facilities showed that the alternative system set up by the Walloon Region in 2001 required better administrative procedures and clearer regulations to be implemented in order to have a significant impact.

In 2001 the Walloon Region devoted a particular effort to hospital and social welfare facilities by providing a new scheme of loan funding with the Regional Centre for Aid to the Communes ("Centre régional d'aide aux communes"). This alternative system aimed at raising more substantial financial means came into being in order to help reduce the backlog and was due to trigger a leverage effect without impairing the regional budget balance.

By the end of 2003, the multiplying effect expected had not yet been observed. The painstaking start of the scheme was due to administrative problems and to the late introduction of projects from several hospital institutions. These projects were still at a premature stage for them to meet the preselection requirements. As the new scheme became operational only in 2004, there was no other way than to extend the duration of this alternative financing scheme by another two years. This additional time should be devoted to putting in place the tools necessary for an ongoing knowledge of the investment needs of the sectors concerned. The Court recommended that after listing the needs clearly, the subsidy rules should be clarified so as to provide a better guarantee of equality of treatment between beneficiaries.

For the sake of efficiency, the Walloon Government standardized and simplified the terms for allocating subsidies in order to speed up the time taken to scrutinize the project files and pay the funds. As such files have been active for too short a time, it is too early to assess the impact of the new regulations but it appears that this reform was prepared without an analysis of the organisation's capacities to implement it. As far as subsidized institutions are concerned, they were undoubtedly slow to prepare the files.

The Court advised the creation of a follow-up committee made up of representatives of the organisation and of the sectors concerned that would allow to find common ways to solve the difficulties encountered. It also suggested clarifying certain regulatory provisions and the terms for granting regional subsidies while taking into account the objectives of the alternative funding of investments in hospital and social welfare sectors.

The minister for Health, Social Affairs and Equal Opportunities declared she intended to meet the Court's findings and recommendations and was considering a set of measures, which have already been submitted to the Walloon Government since then.