



Short report

Hospital reforms in Albania: Assessing the transition from managerial to financial autonomy

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Abstract

Aim: Albania introduced hospital autonomy through Law No. 55/2022, mandating a phased transition from *managerial* autonomy (2022-2025) to *financial* autonomy (2025-2028). We analysed the current status and implementation progress of hospital autonomy reforms in Albania.

Methods: This study consisted of a desk review which synthesized legislative and policy documents, the official hospital autonomy roadmap, and institutional reports on the implementation status of autonomy in six targeted public hospitals in Albania: the University Hospital Centre “Mother Teresa” in Tirana, the regional “Memorial” hospital in Fier, and the regional hospitals in Vlora, Durrës, Shkodër, and Lezhë.

Results: The national roadmap has identified eight priority areas (core pillars) for *managerial* autonomy of Albanian hospitals, each structured into two progressive levels: i) management accounting; ii) standard clinical protocols; iii) performance measurement; iv) risk management; v) patient evaluation; vi) regulation of dual practice; vii) integration of patient files into a national electronic system, and; viii) workload assessment. By January 2025, the six targeted hospitals had achieved “Level I” standards, establishing manuals, basic systems, and internal regulations. By April 2025, they advanced to “Level II standards”, operationalizing reporting, targeted training, patient satisfaction surveys, dual practice frameworks, electronic patient file use, and quantified workload assessments. By June 2025, these milestones consolidated the *managerial* foundation and positioned the six targeted hospitals for the phased transition to *financial* autonomy.

Conclusion: Albania’s gradualist approach aligns with international best practices that emphasize sequencing managerial reforms before financial autonomy. After its full implementation, Albania’s autonomy reform could transform hospitals from budget-dependent entities into self-financing institutions, while maintaining state support for essential services.

Keywords: Albania, financial autonomy, hospital autonomy, hospital reforms, managerial autonomy, public hospitals.

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Introduction

Globally, hospital autonomy has been recognized as a key governance reform aimed at increasing efficiency, ensuring accountability, and fostering greater responsiveness within public health systems (1-3). As health systems worldwide face increased pressures from rising healthcare costs (1,4), many countries have implemented hospital planning reforms to contain cost increases and improve quality of care (1,5).

A recent scoping review has identified a range of implementation initiatives regarding the reform of the governance structure of public hospitals in different countries (2). Many of these reforms aim to improve financial and clinical accountability (2). The four identified accountable governance features consisted of inclusive governance, commitment to accountability, planning for accountability, and autonomous governance (2). Hence, hospital autonomy is acknowledged as a core feature for strengthening governance accountability in public health systems (2,6,7). Hence, foundational work has described autonomy reforms as a useful mechanism to strengthen governance accountability and efficiency in developing health systems (7). A fairly recent report has introduced an integrated governance framework where autonomy is linked directly to accountability and performance management (6).

Countries of Central and Eastern Europe (CEE) have inherited very large hospital sectors from the previous communist period, with significantly higher numbers of hospital beds and inpatient admissions per population than countries in Western Europe (8,9). A comprehensive comparative analysis of hospital reforms in eleven CEE countries has reported a rather broad scope of the reforms undertaken in these countries during the period 2008-2019 (8). In any case, reforms related to hospital sector governance and changes in purchasing and payment systems were identified more commonly than other types of reforms (8). Notably, most of the governance reforms have aimed at transforming hospital infrastructure, improving financial management and improving quality of care (8). Conversely, purchasing and payment reforms have focused on limiting hospital activities and on incentivising a shift to ambulatory and day care (8). On the other hand, three common challenges were identified across the CEE countries including the lack of a comprehensive approach, unclear outcomes, and political influences (8). Albania has adopted a hospital autonomy reform through the “Law No. 55/2022” (10), representing a significant governance reform in Southeast Europe (SEE) (11). This reform aligns with international evidence that autonomy strengthens efficiency, accountability, and responsiveness in public health systems (3,7). The adopted phased roadmap consisted of an initial *managerial* autonomy for the period 2022-2025, followed by *financial* autonomy during 2025-2028, thereby mirroring best practices identified in comprehensive analyses, which emphasize sequencing managerial reforms before financial decentralization to safeguard accountability and service quality (2,3).

This study aimed to provide a systematic analysis of the current status and implementation progress of hospital autonomy reforms in Albania, assessing the extent to which *managerial* standards have been achieved across priority areas identified in the roadmap (referred to as “pathway to hospital autonomy”) and evaluating their role in preparing the Albanian health system for the transition toward *financial* autonomy.



Methods

This study employed a desk review methodology to systematically synthesize the available evidence on the implementation of hospital autonomy reforms in Albania.

The review encompassed the following three main categories of sources:

- i) Legislative and policy documents, including “Law No. 55/2022” on hospital autonomy (10,11), and the related decrees including the “Decree of the Albanian Council of Ministers No. 72/2023” (12), and “Order No. 80/2023” on the regulatory frameworks for the autonomous hospital statute and the autonomy charter (13).
- ii) The official hospital autonomy roadmap, which outlined the phased transition from *managerial* to *financial* autonomy and defined standards across eight priority areas (10-13), and;
- iii) Institutional reports and monitoring documents produced by the Ministry of Health and Social Welfare (website: <https://shendetesia.gov.al/>), the Compulsory Health Insurance Fund (website: <https://fsdksh.gov.al/>), and individual hospital administrations in Albania.

The analysis focused on six targeted public hospitals selected by the Albanian government for the initial implementation phase: the University Hospital Centre “Mother Teresa” in Tirana (the Albanian capital), the regional “Memorial” hospital in Fier (south Albania), and the regional hospitals of Vlora (south), Durrës (central), Shkodër (north), and Lezhë (north).

For each hospital, data were extracted on the adoption of *managerial* autonomy standards envisaged in the Albanian hospital autonomy plan (10-13).

Results

Priority areas (core pillars) of the Albanian hospital reform roadmap (Table 1)

The Albanian hospital reform roadmap has established eight priority areas (core pillars) of managerial autonomy.

The six targeted hospitals (the University Hospital Centre “Mother Teresa” in Tirana, the “Memorial” hospital in Fier, and regional hospitals in Vlora, Durrës, Shkodër, and Lezhë) introduced management accounting systems with cost manuals, IT platforms, and periodic reporting; updated clinical protocols through staff training and audits; and built performance measurement frameworks for comprehensive data collection and evaluation.

Parallel efforts strengthened risk management systems to reduce clinical errors, expanded patient evaluation mechanisms via satisfaction surveys and performance reporting, and formalized dual practice regulations for physicians.

In addition, hospitals advanced the integration of patient files into a national electronic system and conducted workload assessments to define functions and quantify personnel needs.

Overall, these measures established the managerial foundation necessary for Albania’s transition toward financial autonomy.



Table 1. Priority areas (core pillars) for managerial autonomy of public hospitals in Albania (10-13)

PRIORITY AREAS (CORE PILLARS)	DESCRIPTION
Management accounting	Development of cost accounting manuals, IT systems, and periodic reporting
Standard clinical protocols	Updating manuals, training staff, and conducting clinical audits
Performance measurement systems	Comprehensive data collection and evaluation frameworks
Risk management	Systems to prevent clinical errors and adverse events
Patient evaluation	Satisfaction surveys and performance reporting
Double practice	Regulatory frameworks for physicians' dual practice
Patient file	Integration into a national electronic patient file system
Workload assessment	Defining functions and quantifying personnel needs

Standards of each priority area (Table 2)

The roadmap for hospital autonomy in Albania has defined clear standards for each of the eight priority areas of *managerial* autonomy, structured into two progressive levels.

At “Level I”, hospitals were required to establish foundational systems, including cost accounting manuals and IT platforms, revised clinical protocols, basic data collection mechanisms, risk management instructions, complaint registers, internal regulations for dual practice, compliance with the national patient file system, and detailed descriptions of staff functions.

At “Level II”, these foundations were expanded into operational practices: hospitals produced cost accounting reports, delivered targeted staff training, implemented performance reporting, introduced internal risk management reporting, conducted patient satisfaction surveys, formalized dual practice spaces and accounting systems, trained staff on patient file use, and quantified workloads.

Overall, these staged standards (“Level I” followed by “Level II” standards) ensured that the six targeted hospitals moved from basic compliance to operational maturity, thereby consolidating the *managerial* capacity required for Albania’s transition toward *financial* autonomy.



Table 2. Standards of each priority area (core pillar) for managerial autonomy of public hospitals in Albania (10-13)

PRIORITY AREAS	DESCRIPTION OF THE STANDARDS	
	LEVEL I	LEVEL II
Management accounting	-Cost accounting manual	-Cost accounting report -Information system
Standard clinical protocols	-Revision of current clinical procedures and protocols	-Specific training
Performance measurement systems	-Data collection system	-Performance reporting
Risk management	-Manual and instructions for risk management	-Risk management internal reporting
Patient evaluation	-Collection of complaints	-Specific surveys on patient satisfaction
Double practice	-Internal regulation on double practice	-Identification of spaces -Specific agenda and accounting system
Patient file	-Compliance with the patient file system already established (World Bank project)	-Staff training on use of patient files
Workload assessment	-Description of detailed functions	-Description of workloads

Outcomes and timeline of implementation of hospital autonomy in Albania (Table 3)

Regarding the outcomes and the respective timelines, by mid-2025, the six targeted hospitals in Albania had successfully completed the phased implementation of hospital managerial autonomy milestones, achieving first-level standards with manuals and initial systems by January 2025, advancing to second-level standards with training and reporting by April 2025, and reaching full readiness for *financial* autonomy by May-June 2025, hence completing the preparatory stage of the full autonomy reform in Albania.

Table 3. Outcomes and timeline of implementation of hospital autonomy in Albania (10-13)

OUTCOMES	TIMELINE
Achievement of all first-level standards in the eight priority areas	January 2025
Achievement of all second-level standards in the eight priority areas	April 2025
Transition to financial autonomy	May 2025
Plan for financial autonomy	June 2025



All in all, this sequential achievement of standards across all eight priority areas not only marked the completion of *managerial* autonomy by mid-2025 but also laid the institutional groundwork for Albania's phased transition to *financial* autonomy during 2025-2028.

Discussion

This desk review indicates that, by mid-2025, Albania had completed the preparatory stage of hospital autonomy, with six targeted hospitals achieving all "Level I" and "Level II" standards across the eight priority areas (core pillars) of managerial reform. Thus, the six targeted hospitals (the University Hospital Centre "Mother Teresa" in Tirana, the "Memorial" hospital in Fier, and regional hospitals in Vlora, Durrës, Shkodër, and Lezhë) have established cost accounting systems, have revised clinical protocols, have introduced performance measurement and risk management frameworks, have strengthened patient evaluation mechanisms, have regulated dual practice, have integrated patient files into the national electronic system, and have conducted workload assessments.

This sequential achievement of standards has not only consolidated the managerial capacity but has also positioned the targeted hospitals for the phased transition to *financial* autonomy, marking a decisive shift from budget-dependent institutions toward self-financing entities within a regulated framework.

The Albanian experience with hospital autonomy is compatible with reform trajectories observed across CEE countries, where governance restructuring has been a central feature of health system transition (8). In countries such as Poland (14), Hungary (15), and Romania (16), reforms since the 1990s progressively decentralised hospital management and introduced corporatization to enhance accountability and financial discipline (8,14-16), whereas Baltic states like Estonia (17) and Latvia (18) emphasized performance measurement and integration of electronic patient records (8,17,18). Furthermore, comparative analyses of eleven CEE countries between 2008 and 2019 highlight that governance reforms, particularly in management accounting, risk management, and performance reporting, were among the most frequent and impactful, though often challenged by political instability and incomplete implementation (8). Albania's phased approach, with clear "Level I" and "Level II" standards across eight priority areas (Table 2), reflects lessons from these regional experiences (8,14-18) by sequencing *managerial* reforms before *financial* autonomy, thereby reducing risks of premature decentralization. This positions Albania as part of the broader CEE movement toward accountable hospital governance, while offering a distinctive case of gradualist reform in a middle-income setting.

However, this study has some limitations which should be acknowledged. Hence, our analysis relied exclusively on secondary sources through a desk review, which may limit the depth of insight into hospital-level practices and day-to-day implementation challenges. The absence of primary data collection, such as interviews with hospital managers, frontline staff, or patients, restricts the ability to capture experiential perspectives and contextual nuances. In addition, institutional reports may reflect official positions and could underreport operational difficulties



or resistance to reform. While triangulation across legislative, policy, and institutional documents was employed to enhance reliability, findings of this study should be interpreted as an evidence-based synthesis rather than a comprehensive evaluation of Albania's hospital autonomy in practice.

Conclusion

The completion of *managerial* autonomy has already marked the preparatory stage for Albania's phased transition to *financial* autonomy (2025-2028). Overall, the phased implementation of hospital autonomy in Albania demonstrates that structured managerial reforms, anchored in clear standards and sequenced milestones, can successfully prepare public hospitals for financial decentralization. By mid-2025, six hospitals in Albania had achieved full compliance with "Level I" and "Level II" standards across eight priority areas, consolidating managerial capacity and accountability mechanisms.

This achievement situates Albania within the broader CEE trajectory of hospital governance reforms, while illustrating a pragmatic pathway of staged hospital governance reform in a middle-income context.

The Albanian experience emphasises the importance of coupling legislative frameworks with operational roadmaps, ensuring that autonomy reforms are not only legally mandated but also institutionally embedded.

In conclusion, as Albania advances toward financial autonomy in 2025-2028, its reform pathway provides valuable lessons for other health systems seeking to balance efficiency, accountability, and responsiveness through hospital governance transformation.

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