

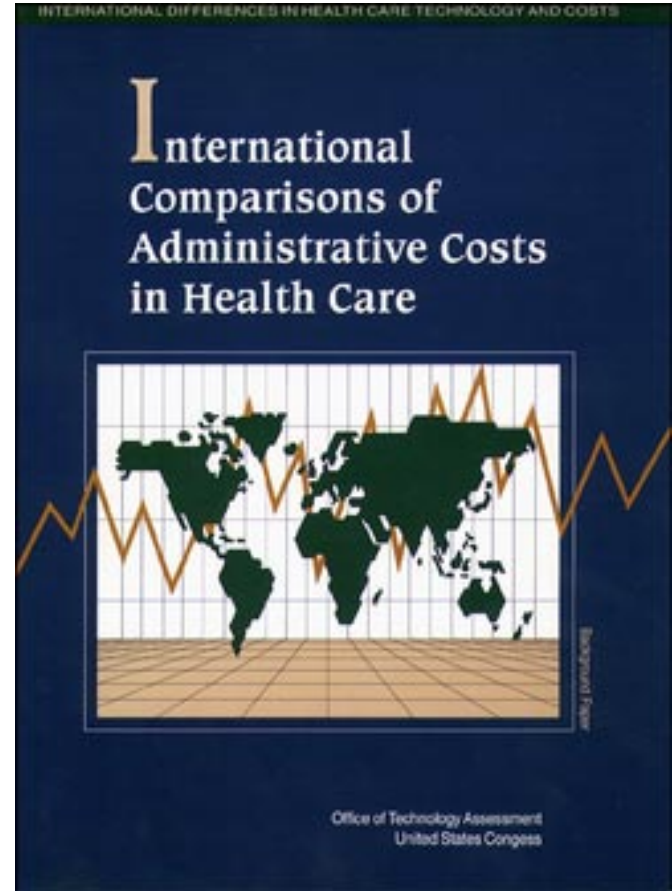
*International Comparisons of
Administrative Costs in Health Care*

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Foreword

The complexity of the U.S. health care system has become an issue in the debate over health care reform. In recent years, researchers have published studies examining whether the adoption of a Canadian-style, single-payer system in the United States would substantially reduce the administrative expenses. At the heart of these studies are international comparisons of administrative spending.

This background paper examines what is known about administrative costs in the health care systems of the United States and several other countries. In addition to exploring the types of activities that constitute health care administration, it reviews studies that measure and compare these activities in different countries, and it explores the potential usefulness of such comparisons. Although a Canadian-style system in the United States might indeed result in significant administrative savings, international comparisons of administration in countries other than Canada may also be helpful under a multiple-payer system by identifying how to achieve more modest savings or efficiencies in the way we administer our health care system.

The background paper is part of a larger project, International Differences in Health Care Technology and Costs. One other background paper, *International Health Statistics: What the Numbers Mean for the United States*, was published in November 1993. The remaining background papers in the series will examine international differences in spending for physician and hospital services, and health care technology and its assessment in eight countries. The House Committee on Ways and Means, under Chairman Dan Rostenkowski, asked OTA to undertake this assessment.

Preparation of this background paper was greatly assisted by an advisory panel, chaired by Rosemary Stevens of the University of Pennsylvania. In addition, many other individuals provided information and reviewed drafts of the paper. OTA gratefully acknowledges the contribution of each of these individuals. As with all OTA documents, the final responsibility for the content of the assessment rests with OTA.



ROGER C. HERDMAN
Director

Advisory Panel

Rosemary Stevens, Chair
University of Pennsylvania
Philadelphia, Pennsylvania

Louis P. Garrison, Jr.
Syntex Development Research
Palo Alto, California

Bengt Jonsson
Stockholm School of Economics
Stockholm, Sweden

Stuart Altman
Brandeis University
Waltham, Massachusetts

Annetine Gelijns
Columbia University
New York, New York

Kenneth G. Manton
Duke University
Durham, North Carolina

Jan E. Blanpain
Leuven University, Belgium
Leuven, Belgium

John Iglehart
Health Affairs
Bethesda, Maryland

Edward Neuschler
Health Insurance Association of
America
Washington, District of Columbia

Harry P. Cain II
Blue Cross and Blue Shield
Association
Washington, District of Columbia

Ellen Immergut
Massachusetts Institute of
Technology
Boston, Massachusetts

Jean-Pierre Poullier
Organisation for Economic
Co-operation and Development
Paris, France

Thomas W. Chapman
*The Greater Southeast Healthcare
System*
Washington, District of Columbia

Lynn E. Jensen
American Medical Association
Chicago, Illinois

Mark Schlesinger
Yale University
New Haven, Connecticut

Note: OTA appreciates and is grateful for the valuable assistance and thoughtful critiques provided by the advisory panel members. The panel does not, however, necessarily approve, disapprove, or endorse this background paper. OTA assumes full responsibility for the background paper and the accuracy of its contents.

Project Staff

Clyde J. Behney

Assistant Director, OTA

Sean R. Tunis

Health Program Director

Hellen Gelband

Project Director for International
Differences in Health Care
Technology and Costs

PRINCIPAL STAFF**MICHAEL L. GLUCK**

Study Director

David Kaufman^a

Research Assistant

Laura Esslinger^b

Summer Intern

Romulo Colindres^c

Research Assistant

ADMINISTRATIVE STAFF**Beckie Erickson**

Office Administrator

Daniel B. Carson

PC Specialist

Carolyn Martin

Word Processing Specialist

Carolyn Swarm

PC Specialist

CONTRACTORS**William Glaser**

New School for Social Research
New York, New York

Steffie Woolhandler

Harvard Medical School
Cambridge, Massachusetts

James Hahn

University of North Carolina
Chapel Hill, North Carolina

Norbert Paquel

CANOPE Consulting
Paris, France

Nancy Heneson

Editorial Consultant
Baltimore, Maryland

^aUntil June 1993.

^bFrom May 1994 through August 1994.

^cFrom August 1994.