

Index

Canada

Alberta, 15, 22

- Acute Care Funding Plan (ACFP), 26
- hospital financing approach, 23, 24, 26-28
- hospital performance measure (HPM), 26, 27
- patient case-mix-based adjustments, 26, 27
- refined diagnosis-related groups (RDRGs), 27

British Columbia, 15, 17, 22

- adjusted new weighted patient days (ANWPD), 29, 30
- capital equipment, 34-35, 37-38
- capital planning, 40
- funding sources, 31
- Greater Vancouver Regional Hospital District, 36, 37
- hospital capital expenditures, 35
- hospital construction, 36-37
- hospital financing approach, 23, 24, 29-30
- Hospital Medical Records Institute database, 29
- Medical Services Plan, 31
- Ministry of Health, 31, 35, 36, 37-38, 39
- new weighted patient days (NWPD), 29, 30
- regional hospital districts (RHDs), 36-38
- technology assessment capabilities, 36

Canada Health Act, 24

Canadian Hospital Directory, 22

- capital expenditures, 16, 35-36
 - equipment depreciation, 33
 - financing model and determining capital requirements, 9, 34-35
 - provincial experiences, 36-39
 - relationship of operating and capital costs, 33-34
 - sources of capital funds, 35

decentralization of decisionmaking trend, 17

gross domestic product

- national health expenditures and, 2, 32, 33

Health and Welfare Canada, 35

Hospital Insurance and Diagnostic Services Act (HIDS) of 1956, 22

- hospital operating costs
 - allocation of operating costs, 32
 - employee salaries, 32
 - financing model, 8, 23-30
 - funding sources, 31-32
 - future trends in financing, 30-31, 39-40
 - operating expenditures, 32-33
 - pharmaceuticals and surgical supplies, 32

hospital sector structure, 22

House of Commons, 25

Manitoba, 15, 16

- capital equipment, 33, 39
- capital planning, 40
- Department of Health, 38-39
- hospital construction, 38-39
- hospital financing approach, 25
- Ministry of Health, 34

Ontario, 6

- equipment purchases, 35
- funding sources, 31, 32
- hospital financing approach, 23, 24, 28-29
- Ministry of Health, 28, 30
- restriction of ambulatory services, 31
- St. Michael's Hospital Health Centre, 32

outpatient care, 6, 31

physicians, 22-23

private hospitals, 22

private insurance, 21, 22

provincial ministries of health, 22, 40

Quebec

- employee salaries, 32
- hospital capital expenditures, 35
- hospital financing approach, 23, 24
- technology assessment capabilities, 36
- tax revenue for health care, 7, 17, 22, 31

trends in hospital financing
 case-mix groups (CMG), 30
 future trends, 30-31, 39-40

Capital costs. *See* Hospital capital costs; *individual countries by name*

Capital requirements determination. *See* Hospital capital costs; *individual countries by name*

Decentralization of decisionmaking trend, 17

Diagnosis-related groups (DRGs)
 Canada, 27, 30
 United States, 11, 15, 17-18, 27, 64, 79, 136, 145
 DRGs. *See* Diagnosis-related groups

Employer health insurance plans
 United States, 142, 143

pharmaceuticals and supplies, 49
 hospital sector structure, 44-45
 House of Commons Public Expenditure Committee, 52
 independent hospital sectors, 44-45
 National Health Service (NHS) reforms, 15, 43-44, 51, 52-53
 National Health Service (NHS) Supplies Agency, 49
 National Health Service (NHS) Trusts, 44-45, 46, 48, 50
 physicians, 45-47
 private hospitals, 45, 48, 49, 51, 52
 private insurance, 45, 49
 purchaser-provider split, 17
 regional health authorities (RHAs), 16, 44, 47-48, 51
 Review Body on Doctors' and Dentists' Remuneration, 46
 tax revenues, 7, 17, 43, 48-49
 Working for Patients, 43

European Community, 90, 96

England

block contracts, 48-49
 British Medical Association, 46
 Community Care Act of 1990, 43
 Consolidated Funds, 48
 consumer's choice of providers and services, 17
 cost and volume contracts, 48-49
 cost-per-case contracts, 48-49
 Department of Health, 43, 46, 47-48, 51, 52
 directly managed units (DMUs), 44, 46, 50, 51
 district health authorities, 14, 16, 44, 47-48, 51
 Family Health Services, 47
 Family Practitioner Committees, 43
 future directions of hospital financing, 52-53
 general practitioners (GPs), 46-47, 53
 The Government's Expenditure Plans, 47
 gross domestic product and health care spending
 comparison, 2, 49
 hospital and community health services (HCHS), 47
 hospital capital costs
 capital expenditures, 52
 determination of capital requirements, 51
 external financing limits (EFLs), 51
 financing model and source of funding, 9, 50-51
 relationship of operating and capital costs, 50
 hospital indicators and trends, 52
 hospital operating costs
 financing model, 8, 47-48
 funding sources, 48-49
 operating expenditures, 49-50

France

Act of December 31, 1970, 56, 71
 Centre d'Etudes des Coûts et des Revenus (CERC)
 study, 67
 district Department for Health and Social Services (DDASS), 62
 gross domestic product and health care spending
 comparison, 2, 67
 health care system description, 55-56
 health reform act of 1991, 65-66
 hospital beds and inpatient days, 57
 hospital budgets
 appended budgets, 60
 budget adjustments, 61-62
 daily charges determination, 61, 62
 expenditures requiring authorization, 60
 global allocation determination, 60-61
 public accounting principles and, 60
 reforms, 13, 56, 63-64
 sickness fund payments, 55, 56, 62-63, 66
 hospital capital costs
 capital expenditures, 73
 determining capital requirements, 70
 financing model, 9, 68-73
 health maps, 70-71
 incentives to invest, 67
 loans, 69-70

- reforms, 71-72
 - relationship of capital and operating costs, 68-69
 - self-financing, 69
 - subsidies, 69
 - hospital management, 62-63
 - hospital operating costs
 - allocation of operating funds, 66-67
 - financing model, 8, 59-66
 - operating expenditures, 67
 - sources of funds, 66
 - hospital sector structure, 56-58
 - insurance-based system, 7, 17
 - medical program information system (PMSI), 66, 73-74
 - Ministry of Health, 62, 63, 70, 71
 - mutual fund organizations, 56
 - national center for hospital equipment (CNEH), 72
 - National Health and Social Resources Committee, 71
 - national health expenditures (NHE), 67
 - percentage of total health care expenditures allotted to hospitals, 2-4
 - physicians, 58-59, 64, 65
 - primary care, 56
 - private hospitals
 - allocation of operating funds, 67
 - daily rates and fees, 64-65
 - health reforms, 65-66
 - investments, 70, 72-73
 - private for-profit hospitals, 56-58
 - private nonprofit hospitals (PSPH), 58, 59, 60, 67, 68
 - supervision, 65
 - public hospitals
 - financing model, 59-60
 - operating funds, 66-67
 - private hospitals comparison, 56-58
 - traditional investments, 72
 - regional Department for Health and Social Services (DRASS), 62
 - Regional Health and Social Resources Committee, 71
 - salaried workers' fund (CNAMTS), 55
 - social security sickness funds, 55, 56, 62-63, 66
 - trends in hospital financing
 - future trends, 73-74
-
- GDP. *See* Gross domestic product
-
- Germany**
- Baden-Württemberg, 87
 - Bavaria, 87
 - Concerted Action in Health Care, 75-76, 79-80
 - consumer's choice of providers and/or services, 17
 - federal framework law of 1972, 76
 - Federal Office of Statistics (FOS), 84, 85, 86
 - federal political system, 75
 - former East German states, 76, 87, 89
 - former West German states, 76, 85, 87, 90
 - future trends in financing, 90-92
 - general hospitals, 77-78
 - health reform law of 1989, 88
 - Health Sector Act of 1993 (HSA), 7, 16, 77, 80, 81, 82, 83, 86, 89, 91
 - historical development of hospital financing, 92
 - hospital capital costs
 - capital and operating costs relationship, 86
 - capital expenditures, 90
 - capital financing model, 9, 86-87
 - capital funds sources, 89
 - capital requirements determination, 87-89
 - hospital indicators and trends, 90
 - hospital operating costs
 - case-based lump sums, 80-82
 - financing model, 8, 79-84
 - fixed budgets for 1993 to 1995, 80
 - flexible budgets, 79-80, 80
 - operating costs and expenditures, 84-86
 - payment components coordination, 82-83
 - payment negotiations, 83-84
 - sources of funding, 84
 - special daily rates for hospital departments, 80-82
 - special fees for costly services, 80-82
 - hospital sector structure, 77-78
 - insurance-based system, 7, 17
 - interest groups, 75-76
 - medical technologies, 88-89
 - outpatient care, 7, 82
 - parliament, 89
 - physicians, 78-79
 - Schleswig-Holstein, 90
 - statutory health insurance, 75
 - two-tier system of finance, 76, 86
 - unification of East and West Germany, 76
 - West Berlin, 90
-
- Great Britain. *See* England
- Gross domestic product (GDP), national health expenditures as percentage of
- Canada, 2, 32, 33
 - England, 2, 49
 - France, 2, 67
 - Germany, 2, 86
 - The Netherlands, 2, 95

- Sweden, 2, 125, 133
 - United States, 2, 144
 - Health insurance. *See* Insurance; Private health insurance
 - Home health services United States, 144
 - Hospital budgets. *See* Hospital operating costs; *individual countries by name*
 - Hospital capital costs
 - Canada, 33-39
 - England, 50-52
 - France, 67-73
 - Germany, 86-90
 - The Netherlands, 110-112
 - Sweden, 128
 - United States, 144-147
 - Hospital financing
 - Canada, 21-42
 - future trends, 30-31, 39-40
 - England, 43-54
 - future trends, 52-53
 - France, 55-74
 - future trends, 73-74
 - general trends, 1-18
 - Germany, 75-93
 - future trends, 90-92
 - international trends, 13-17
 - The Netherlands, 95-119
 - future trends, 114-118
 - Sweden, 121-134
 - United States, 7, 11-13, 135-151
 - future trends, 148-150
 - Hospital indicators and trends
 - Canada, 30-31, 39-40
 - England, 52-53
 - France, 73-74
 - General, 1-18
 - Germany, 90-92
 - The Netherlands, 112-118
 - United States, 147-150
 - Hospital operating costs
 - Canada, 23-33
 - England, 47-50
 - France, 59-67
 - Germany, 79-86
 - The Netherlands, 100-110
 - Sweden, 125
 - United States, 138-144
 - Hospital sector structure
 - Canada, 22
 - England, 44-45
 - France, 56-58
 - Germany, 77-78
 - The Netherlands, 97-98
 - United States, 136-137
 - Hospital spending as percentage of total health care expenditures, 2-4
 - Hospital use changes
 - decline in use, 1
 - forces of change
 - financial incentives, 6-7
 - medical technology, 7
 - profile of, 2-7
 - Insurance. *See also* Private health insurance
 - employer plans, 142, 143
 - insurance-based financing systems, 7, 17
 - self-insurance, 142
 - Medical technologies
 - Germany, 88-89
 - laparoscopic surgery, 7
 - The Netherlands, 111-112
 - reduction of demand for acute hospital services and, 7
 - United States, 13, 18, 145
-
- The Netherlands**
 - academic hospitals, 97-98, 105
 - acute care hospitals, 97-98, 112, 113
 - basic health insurance scheme, 97
 - Central Agency for Health Care Tariffs (COTG), 98, 101, 102, 103, 105-106, 110, 111
 - Central Agency for Hospital Tariffs (COZ), 100, 101
 - Central Office for Statistics, 112
 - consumer's choice of providers and/or services, 17
 - decentralization of decisionmaking trend, 17
 - Dekker Committee, 95-96, 97
 - exceptional medical expenses scheme, 96
 - fee-for-service specialist care, 99
 - Financial Report on Health, 100
 - Five-Parties Agreement, 98
 - future trends in financing
 - budget scheme advantages, 114
 - budget scheme disadvantages, 114-115
 - health insurance industry, 115-117
 - payment flows after reform, 115
 - relationship of medical specialists and hospital management, 118
 - Gedeelde zorg: betere zorg report, 118
 - General Account Office, 111

- general hospitals, 97-98, 108, 114
 gross domestic product and national health expenditures comparison, 2, 95
 Health Care Tariffs Act, 98, 101
 hospital admission rate, 4
 hospital capital costs
 capital expenditures, 112
 capital requirements determination, 110-112
 hospital construction, 110-111
 major medical equipment, 111-112
 minor investments, 112
 relationship of operating and capital costs, 110
 Hospital Facilities Act, 97, 101, 102, 103, 105-106, 110
 Article 18, 111-112
 hospital indicators and trends, 112-114
 hospital operating costs
 aggregate hospital budget, 100, 108
 financing model, 8, 100-110
 functional budgeting, 102-103, 104, 106
 historical budgeting, 102-103
 hospital charges, 103, 105-106
 hypothetical budgeting, 104
 individual hospital budgets, 100
 introduction to hospital budgeting, 101-102
 legal framework, 100-101
 operating expenditures, 107-110
 sources and allocation of operating funds, 107
 summary, 106-107
 Hospital Planning Act, 111
 hospital sector structure, 97-98
 Hospitals Tariffs Act of 1965, 100
 insurance-based system, 7, 17
 medical technologies, 111-112
 Ministry of Education, 107
 Ministry of Health, 16, 98-99, 100, 101, 103, 109, 113
 National Association of Civil Servants Health Insurance, 98
 National Association of Hospitals, 109
 National Association of Medical Specialists, 98, 99, 102
 National Association of Private Health Insurers, 98
 National Association of Sickness Funds, 98, 116
 National Hospital Association, 98, 102
 nursing home sector, 113-114
 outpatient care, 7, 113
 physicians, 98-100
 policy issues to be resolved, 97
 private insurance, 96
 reforms, 14, 15
 Sickness Fund Act, 97
 sickness fund scheme, 96, 97
 special hospitals, 97-98, 105, 108
 Willingness to Change, 95
-
- Nursing homes
 The Netherlands, 113-114
 United States, 144
 OECD. *See* Organisation for Economic Cooperation and Development
 Operating costs. *See* Hospital operating costs; *individual countries by name*
 Operating expenditures. *See* Hospital operating costs; *individual countries by name*
 Organisation for Economic Cooperation and Development (OECD), 21, 85-86, 91, 95, 108, 123, 124
 Outpatient care
 Canada, 6
 Germany, 7, 82
 The Netherlands, 7, 113
 Sweden, 6
 United States, 6, 11, 144, 150
 Physicians
 Canada, 22-23
 England, 45-46
 France, 58-59
 Germany, 78-79
 The Netherlands, 98-100
 Sweden, 124-125
 United States, 137-138
 Private health insurance
 Canada, 21, 22
 England, 45, 49
 The Netherlands, 96
 Sweden, 126-127, 133
 United States, 7, 12, 17, 142
 Private hospitals. *See* Hospital sector structure
-
- Sweden**
 ambulatory surgery, 129
 “bedblockers,” 123
 capital equipment, 130
 capital expense financing, 10
 City of Gothenburg, 122

City of Malmö, 122
 consumer's choice of providers and/or services, 17
 Dagmar reform, 126
 decentralization of decisionmaking trend, 17
 decline in Swedish economy, 132-133
 diagnosis related groups (DRGs), 128
 Enköping/Habo district, 130, 131
 Federation of Swedish County Councils, 17, 122, 125
 Finance Plan of 1991, 126
 funds allocation
 internal hospital markets, 127
 purchasing of hospital services, 127-128
 traditional allocation model, 127
 gross domestic product
 national health care expenditures comparison, 2, 125, 133
 Health & Medical Services Act of 1982, 122
 health care delivery system
 county council providers, 122, 124
 private providers, 124
 infant mortality rate, 123
 island of Gotland, 122
 life expectancy, 123
 local municipalities, 122-123
 market-driven mechanisms, 132
 Ministry of Finance, 126
 Ministry of Health and Social Affairs, 121-122
 National Board of Health and Welfare, 122
 national government committee for reform, 123, 133
 national health care expenditures, 125
 ongoing organizational changes, 132
 operating expense financing, 8
 outpatient care, 6
 physicians, 124-125
 price differentials to influence patient flows, 6
 private health insurance, 126-127, 133
 prospective payment system (PPS), 129
 public sector responsibility for health care, 121
 reforms
 compulsory health insurance model, 123
 primary care-based model, 123
 reformed county council model, 123
 revenue sources
 patient fees, 126
 public funding, 125-126
 tax revenue, 7, 17
 shift from nonsocialist to social-democratic national government, 133
 Stockholm county council, 126, 128-130
 capital costs, 130
 Nacka Hospital, 129-130
 Swedish Medical Association, 125
 unemployment, 133

Uppsala county council, 130-132
 capital costs, 131-132
 University Hospital of Uppsala, 130-131

United Kingdom. *See* England

United States

American Hospital Association, 147
 National Hospital Panel Survey, 148
 California, 146
 certificate-of-need (CON) process, 146
 Clinton, Bill, 148
 community hospitals, 136, 147
 Congress, 145, 146, 148
 diagnosis-related groups (DRGs), 11, 15, 17-18, 27, 64, 73, 136, 145
 employer plans, 142, 143
 federal government hospitals, 7, 136
 Federal Housing Administration, 146
 fee-for-service plans, 141, 142
 Florida, 141
 future trends in financing, 148-150
 gross domestic product and health care spending comparison, 2
 Health Care Financial Management Association, 147
 Health Care Financing Administration (HCFA), 11, 139
 health care mergers, 149-150
 health maintenance organizations (HMOs), 141, 142
 hospital capital costs
 capital expenditures, 13, 147
 capital financing model, 10, 145
 capital funds sources, 146-147
 capital requirements determination, 145-146
 relationship of capital and operating costs, 144-145
 hospital indicators and trends, 147-148
 hospital occupancy rates, 6, 150
 hospital operating costs
 allocation of operating funds, 143-144
 financing model, 8, 138-142
 funding sources, 142-143
 operating expenditures, 144
 private sector, 141-142
 hospital sector structure, 136-137
 insurance-based financing system, 7, 17
 managed care organizations (MCOs), 12, 141, 142, 149
 market-driven health care system, 18
 Maryland, 138

- Medicaid program, 6, 11-12, 18, 136, 143, 144
 - prospective payment, 140
 - retrospective payment, 140-141
- medical technology, 13, 18, 145
- Medicare program, 6, 7, 11, 13, 18, 136, 138-139, 143, 144, 145
- Medigap policies, 143
- national health expenditures (NHE), 135
- national health insurance, 149
- National Health Planning and Resources Development Act, 146
- New York (State), 146
- Nixon administration's economic stabilization program, 12
- nonprofit hospitals, 136
- operating expense financing, 8
- Oregon, 141
- outpatient care, 6, 11, 150
- peer review organizations, 139
- percentage of total health care spending allotted to hospitals, 2-4
- philanthropic donations, 146
- physicians, 137-138
- preferred provider organizations (PPOs), 141, 142
- private insurance, 7, 17, 142
- Prospective Payment Assessment Commission (ProPAC), 139, 144, 148
- prospective payment system (PPS), 11, 13, 18, 138, 139 145
- Republican proposals, 149
- self-insurance, 142
- single-payer approach, 149
- "small market" reform, 149
- teaching hospitals, 136-137
- third-party payers, 7, 136, 150
- uninsured persons, 143, 149