

3. Contracting and Management of Medical Care Institutions

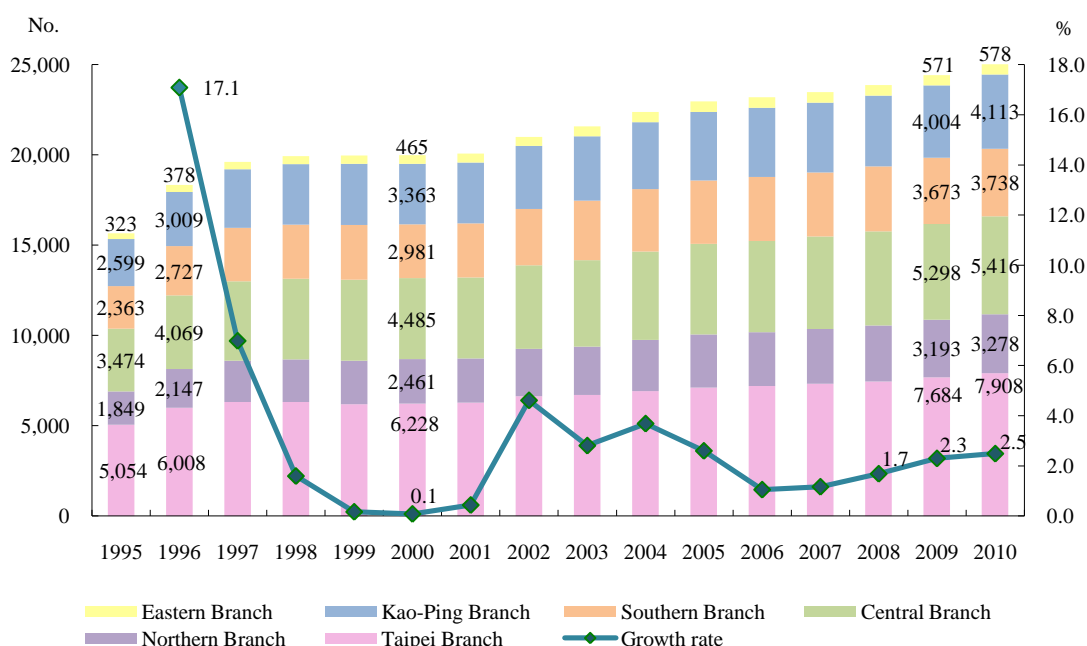
Contracted medical care institutions are categorized as contracted hospitals and clinics, contracted pharmacies, contracted medical laboratory institutions and other medical care institutions appointed by the competent authority, which so far include midwifery clinics, home nursing care facilities, psychiatric rehabilitation centers, physical therapy clinics, occupational therapy clinics, medical examination facilities, and radiology centers.

(1) Contracted Medical Care Institutions

From 2000 onward, the number of hospitals decreased with a corresponding increase in the number of clinics. This highlights the complementary relationship between the number of hospitals and accessibility of clinics.

The total number of contracted medical care institutions in 2010 was 25,031, an increase of 608 over the previous year, and 5,048 since 2000 with an average annual increase of 2.3%. The number of hospitals has decreased by 132 since 2000 with an average annual decrease of 2.3%. On the other hand, the number of clinics increased by 3,188 with an average annual increase of 1.9%. The number of other medical care institutions increased by 1,992 with an average annual increase of 4.0%.

Figure 17 Number of contracted medical care institutions and growth rate

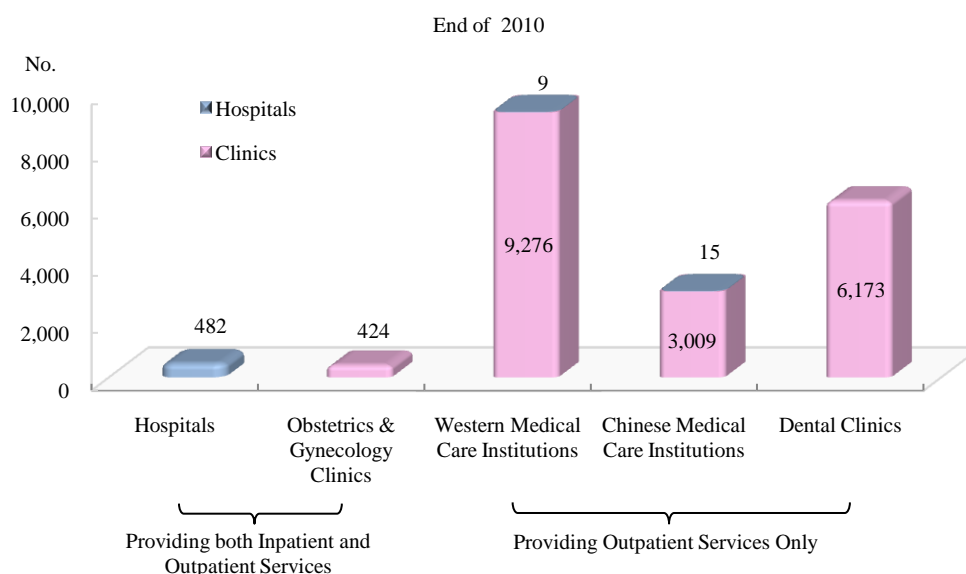


i. Contracted Hospitals and Clinics

Compared with the previous year, the number of hospitals decreased by 6, while clinics increased by 317.

By the end of 2010, there were 6 fewer hospitals compared with the previous year and 132 fewer since 2000 with an average annual decrease of 1.8% for western medical hospitals and 11.7% for Chinese medical hospitals. Contracted clinics increased by 317 over the previous year and 3,188 since 2000 with an average annual increase of 1.7% for western medical clinics and 3.7% for Chinese medical clinics. There were 906 medical care institutions which offered both inpatient and outpatient services, 482 for hospitals, and 424 for obstetrics & gynecology clinics. 18,482 medical care institutions provided only outpatient services. 18,482 medical care institutions provided only outpatient services.

Figure 18 Contracted Medical Care Institutions

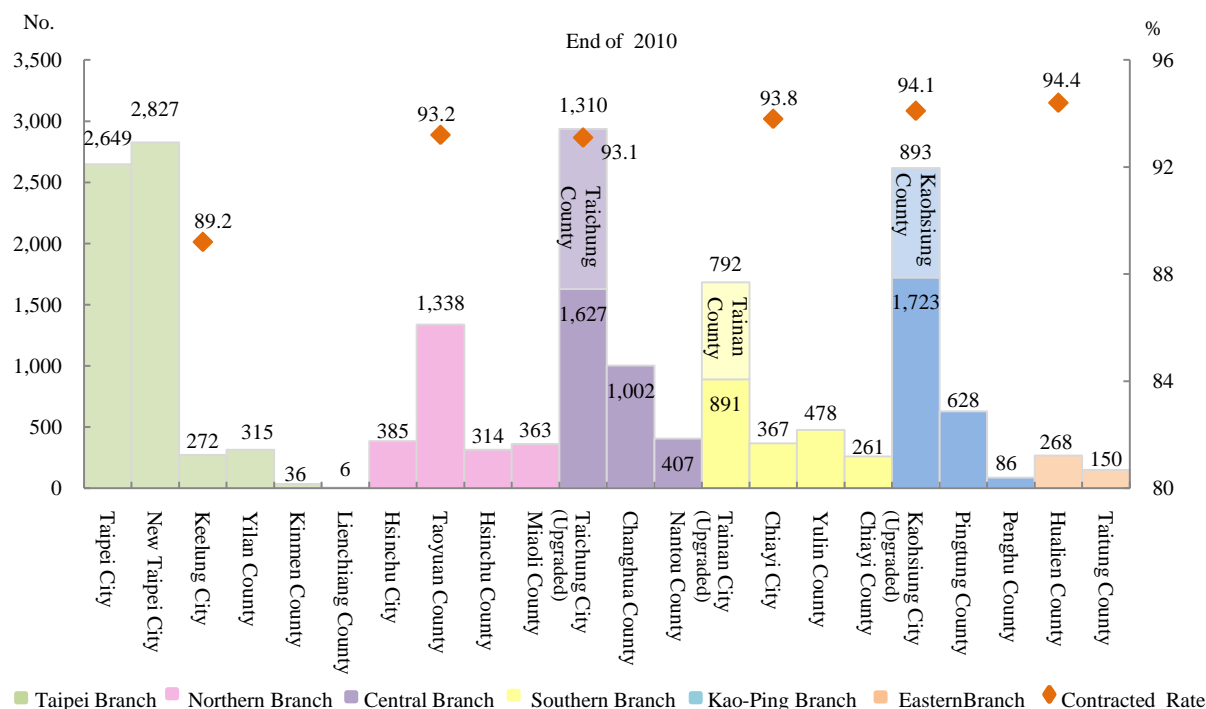


Note: Hospitals include 23 Academic Medical Centers, 81 Metropolitan Hospitals, and 378 Local Community Hospitals.

In terms of BNHI regions, the Taipei Branch had the largest number of contracted hospitals and clinics at 6,105 (31.5%), followed by the Central Branch at 4,346 (22.4%), the Kao-ping Branch at 3,330 (17.2%), the Southern Branch at 2,789 (14.4%), the Northern Branch at 2,400 (12.4%), and the Eastern Branch at 418 (2.2%). The percentages of hospitals and clinics which signed contracts with the BNHI were 89.2 for the Taipei Branch, 93.2 for the Northern Branch, 93.1 for the Central Branch, 93.8 for the Southern Branch, 94.1 for the Kao-ping Branch, and 94.4 for the Eastern Branch.

In terms of cities and counties, percentages of the hospitals and clinics which signed contracts with the BNHI were over 95 for New Taipei City, Yilan County, Hsinchu County, Miaoli County, Changhua County, Nantou County, Chiayi County, and Lienchiang County; Taipei City, at 83.0, was the lowest.

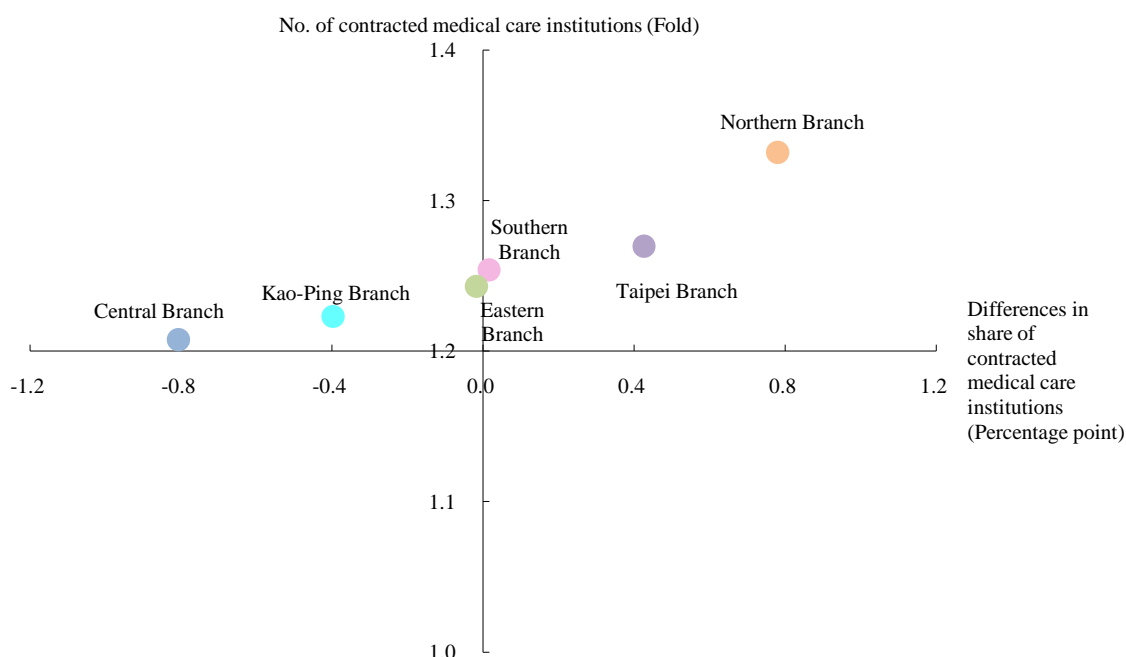
Figure 19 Contracted Medical Care Institutions by BNHI Branch and Locale



Broken down by accreditation status, 89.0% of the contracted hospitals were qualified. The Kao-ping, Taipei, and Central Branches were the branches with the top three highest percentages of qualified hospitals, accounted for 69.4%. Broken down by ownership, there were 508 public medical care institutions, 81 were hospitals and 427 were clinics; there were 18,870 non-public medical care institutions, 427 were hospitals, and 18,443 were clinics.

Compared to 2000, the Northern, Taipei, Southern, and Eastern Branches exhibited positive trends in both increase of contracted medical care institutions and share of contracted medical care institutions; the Northern Branch had the highest increase in number of contracted medical care institutions, at 1.3x of the number in 2000, and in share of contracted medical care institutions at 0.8 percentage points. On the other hand, the Central and Kao-Ping Branches exhibited negative trends in share of contracted medical care institutions; the Central Branch had the highest decrease at 0.8 percentage points.

Figure 20 Contracted Medical Care Institutions 2010 vs. 2000



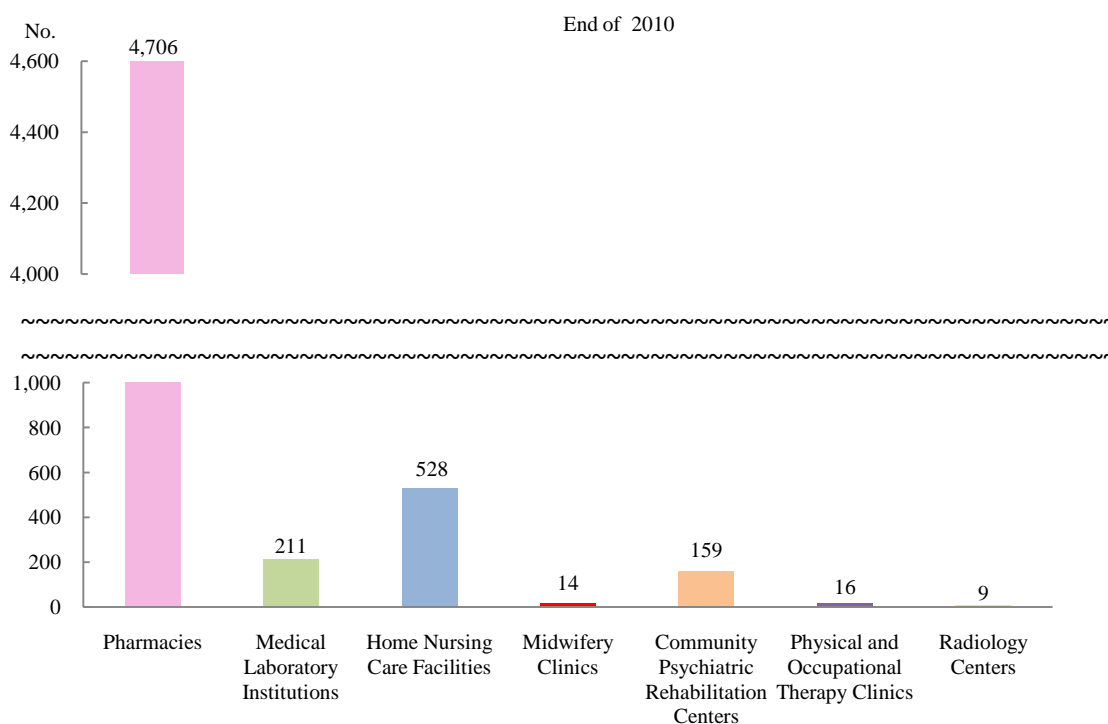
ii. Contracted Pharmacies and Other Medical Care Institutions

The average annual increases were 4.4% for pharmacies and 4.7% for other medical care institutions from 2000–2010.

By the end of 2010, the number of pharmacies increased by 260 from the end of the previous year and 1,645 from 2000 with an average annual increase of 4.4%. In terms of BNHI, the Taipei Branch had the largest number of contracted pharmacies at 1,565 (33.3%), followed by the Central Branch at 880 (18.7%), and the Southern Branch at 796 (16.9%). In terms of city/county, New Taipei City had the largest number of contracted pharmacies at 805, followed by Taipei City at 585 and Taoyuan County at 457; the Kinma area had only two pharmacies.

The number of other medical care institutions increased by 37 from the previous year and 347 from 2000 with an average annual increase of 4.7%. The Taipei Branch had the largest number of hospitals and independent home nursing care facilities providing home nursing care services at 125, followed by the Kao-ping branch at 98, and the Central and Southern Branches, with 89 each. In terms of psychiatric rehabilitation institutions, the Taipei Branch leads with 68, followed by the Central Branch with 27.

Figure 21 Other Contracted Medical Care Institutions by Nature of Service

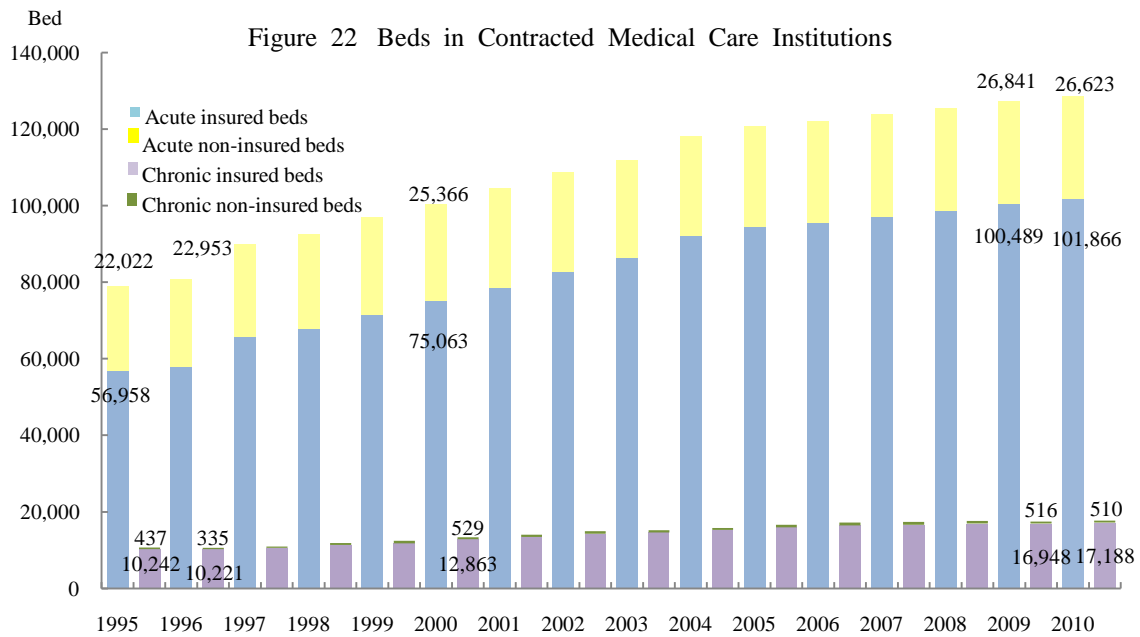


(2) Insured Beds

The average annual increases were 3.1% for insured beds and 0.5% for non-insured beds from 2000–2010.

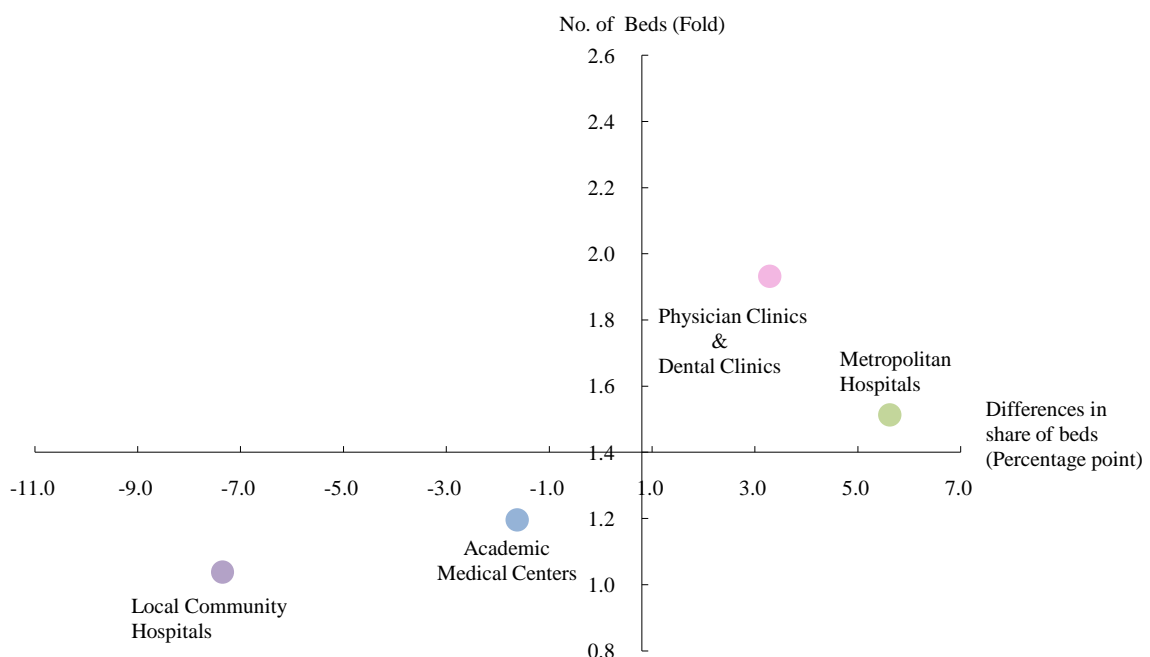
Setting up of wards in contracted hospitals must follow 1.) the standard requirements for setting up wards by medical care institutions and 2.) the ratio of the number of beds in insurance wards to the total number of beds in the same contracted hospital. Hospital wards are divided into acute and chronic wards. An insurance ward refers to a ward provided by a contracted hospital to an insurance beneficiary in receiving hospital care without charging the patient additional fees. At the end of 2010, the share of insured beds in various levels of hospitals was 66.7% for academic medical centers, 79.3% for metropolitan hospitals, 88.5% for local community hospitals, and 99.9% in physician clinics & dental clinics.

At the end of 2010, the total number of beds in contracted medical care institutions was 146,187, an increase of 1,393 from the previous year and 32,366 from 2000 with an average annual increase of 2.5%, 3.1% for insured beds, and 0.5% for non-insured beds.



Compared to 2000, metropolitan hospitals, physician clinics, and dental clinics have shown positive trends in both the increase of beds and share of beds; metropolitan hospitals had the greatest increase of beds, at 0.5x the number in 2000, and in share of beds, at 5.6 percentage points. On the other hand, academic medical centers and local community hospitals showed a negative trend in share of beds; local community hospitals had the highest decrease, at 7.4 percentage points.

Figure 23 Beds in Contracted Medical Care Institutions 2010 vs. 2000



In terms of branches, the Taipei Branch has the most beds, at 42,146 (28.8%), with the percentage of insured beds at 77.3%, followed by the Central Branch, at 29,618 (20.3%), with the percentage of insured beds at 82.8%, the Kao-ping Branch at 25,386 (17.4%) with the percentage of insured beds at 82.5%, the Northern Branch at 21,690(14.8%) with the percentage of insured beds at 80.0%, the Southern Branch at 21,541 (14.7%) with the percentage of insured beds at 83.2%, and the Eastern Branch at 5,806 (4.0%) with the percentage of insured beds at 87.5%.

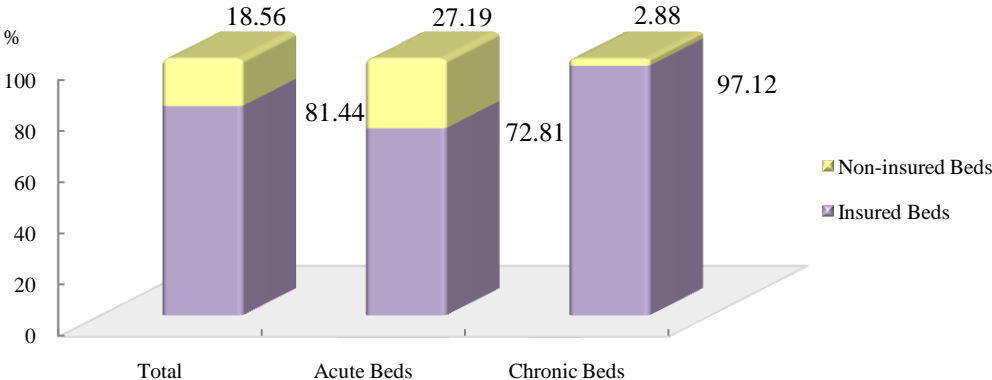
In terms of cities and counties, Taipei City topped the list with 21,513 beds, followed by Kaohsiung City with 19,317 beds, Taichung City with 18,641 beds, New Taipei City with 14,131 beds, Taoyuan County with 13,336 beds, and Tainan City with 11,125 beds, accounting for 67.1% of the total number of beds in contracted medical care institutions.

i. Acute beds

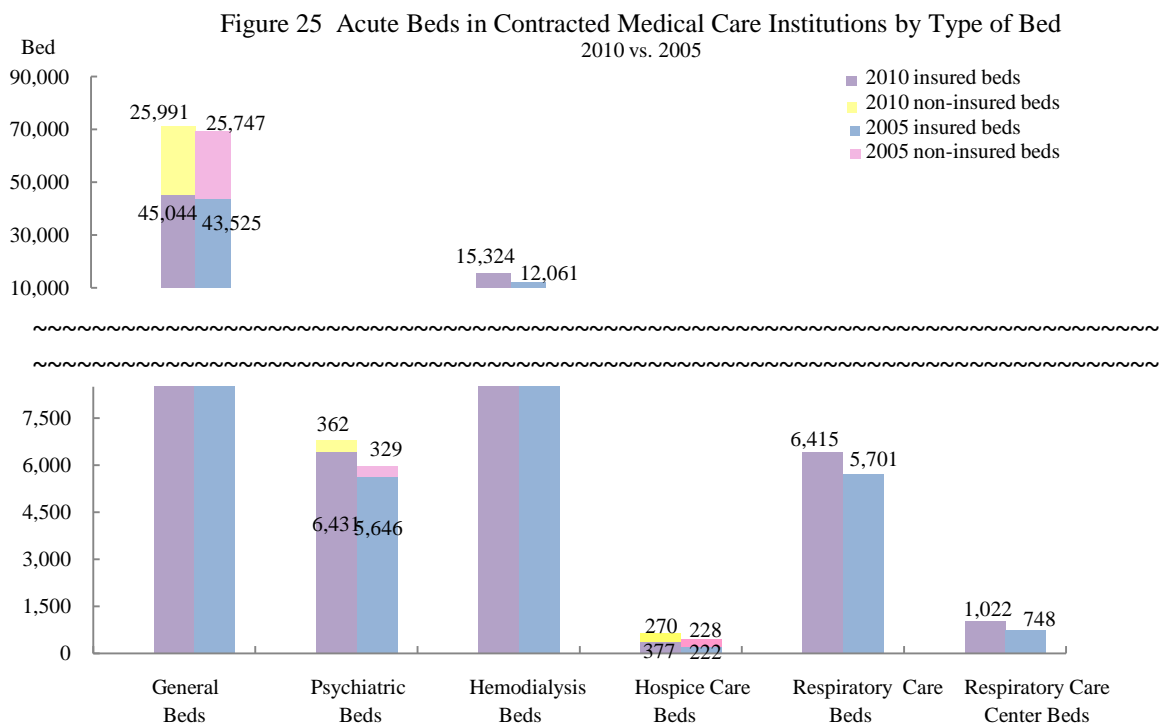
At the end of 2010, acute beds accounted for 87.9% of the total number of beds in contracted medical care institutions. There was an increase of 1,159 beds from the previous year and 28,060 beds from 2000 with an average annual increase of 2.5%. The percentage of insured acute beds to acute beds was 72.8%; the average annual increase was 3.1% from 2000.

Broken down by the BNHI, the percentages of insured acute beds to acute beds were 79.6% for the Eastern Branch, 74.6% for the Southern Branch, 74.5% for the Northern Branch, 74.4% for the Central Branch, 74.3% for the Kao-ping Branches, and 68.6% for the Taipei Branch. Broken down by city and county, both Taitung County and Chiayi County were ranked the highest, with 82.6%, followed by Keelung County at 81.5% and Miaoli County at 80.8%; Taipei City was at the bottom with 62.5%.

Figure 24 Percentages of Insured and Non-Insured Beds in Contracted Medical Care Institutions



Broken down by type of bed, there was an increase of 1,519 general beds from 2005 with an average annual increase of 0.3%; an increase of 785 psychiatric beds with an average annual increase of 1.3%; an increase of 3,263 hemodialysis beds with an average annual increase of 2.4%; an increase of 155 hospice care beds with an average annual increase of 5.4%; an increase of 714 respiratory care beds with an average annual increase of 1.2%, and an increase of 274 respiratory care center beds with an average annual increase of 3.2%. All of the figures indicated an upward trend, with hospice care beds exhibiting the greatest increase.



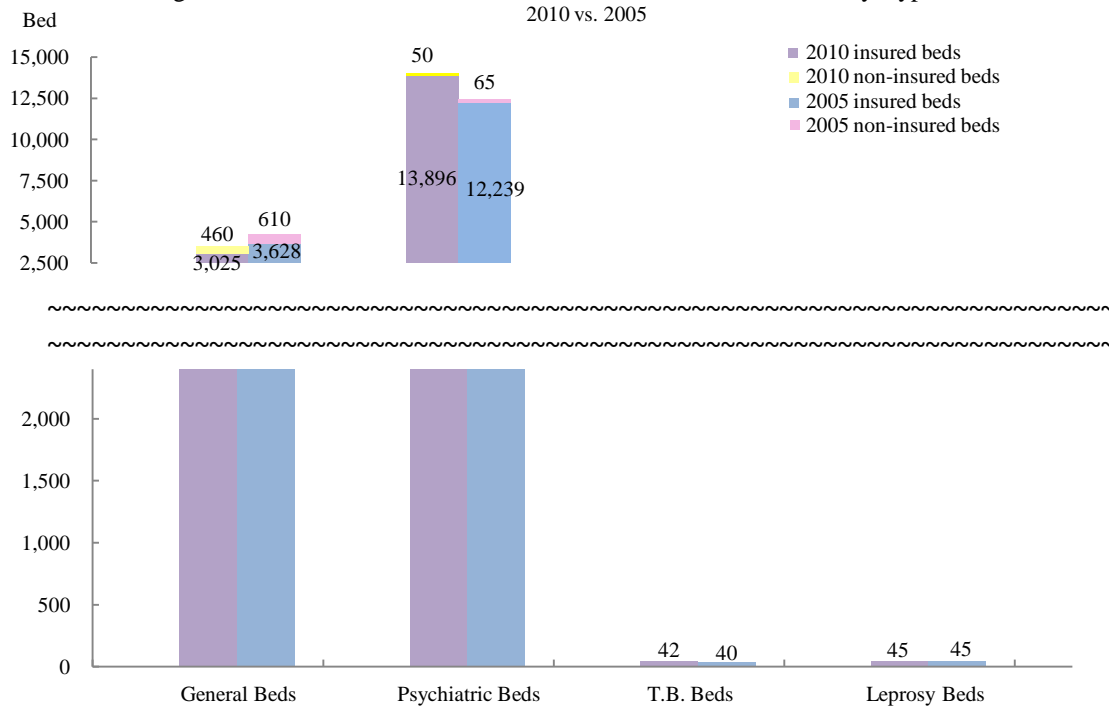
ii. Chronic Beds

At the end of 2010, chronic beds accounted for 12.1% of the total number of beds in contracted medical care institutions. There was an increase of 234 beds from the previous year and an increase of 4,306 beds from 2000 with an average annual increase of 2.8%. The percentage of insured chronic beds to chronic beds was 97.1%; the average annual increase was 2.9% from 2000.

Broken down by the BNHI, the percentages of insured chronic beds to chronic beds were 98.5% for the Southern Branch, 98.2% for the Central Branch, 97.3% for the Eastern Branches, 97.0% for the Taipei Branch, 96.8% for the Northern Branch, and 94.4% for the Kao-ping Branch. Broken down further by city and county, the percentages of insured chronic beds for all the cities and counties were over 90%, except for Hsinchu County with 88.0%.

Broken down by type of bed, there was a decrease of 423 general beds with an average annual decrease of 2.4%; an increase of 1,657 psychiatric beds with an average annual increase of 2.6%; an increase of 2 T.B. beds with an average annual decrease of 1.0%. Psychiatric beds showed the greatest increase.

Figure 26 Chronic Beds in Contracted Medical Care Institutions by Type of Bed
2010 vs. 2005



(3) Management of Contracted Medical Care Institutions

There has been a significant decrease in the number of medical care institutions committing violations over the past three years.

Since its establishment, the BNHI has been putting more emphasis on the supervision of contracted medical care institutions to maintain the quality of medical services provided. In addition, the Bureau also follows the Regulations Governing Contracting and Management of National Health Insurance Medical Care Institutions to reinforce violation reviews as well as management of abnormal activity. The reviews focus on severe violations such as committing fraud to falsely claim insurance benefits. When appropriate, the BNHI assists the related judicial authorities in investigations of serious offenses committed by contracted medical care institutions.

In 2010, 541 medical care institutions were found to have committed violations (2.2%), an increase of 5, or 0.9%, from the previous year and a decrease of 89 from 2000; 215 medical care institutions were penalized by reduced reimbursement, 159 by

corrections, 114 by suspension of contract ranging from 1 month to 3 months, and 53 by contract termination.

Figure 27 Penalties and Disciplinary Actions against Contracted Medical Care Institutions

