

3. Contracting and Management of Medical Care Institutions

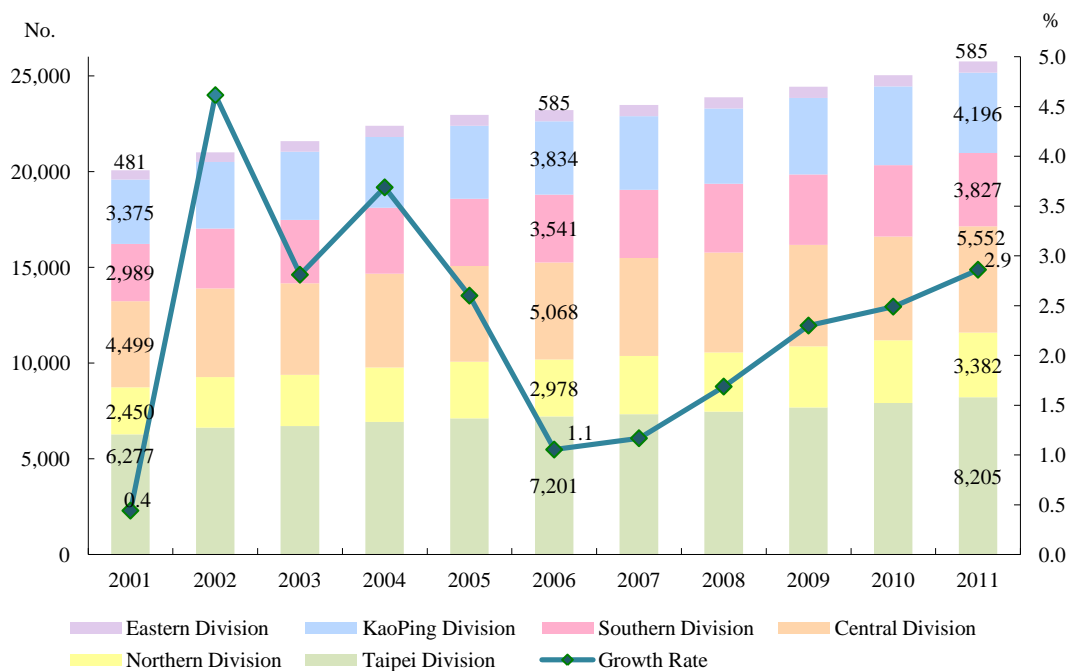
Contracted medical care institutions are categorized as contracted hospitals and clinics, contracted pharmacies, contracted medical laboratory institutions and other medical care institutions appointed by the competent authority, which so far include midwifery clinics, home nursing care facilities, psychiatric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

(1) Contracted Medical Care Institutions

From 2001 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 2011 was 25,747, an increase of 716 over the previous year, and 5,676 since 2001 with an average annual increase of 2.1%. The number of hospitals has decreased by 115 since 2001 with an average annual decrease of 2.1%. On the other hand, the number of clinics increased by 3,320 with an average annual increase of 1.9%. The number of other medical care institutions increased by 2,471 with an average annual increase of 5.5%.

Figure 19 Number of contracted medical care institutions and growth rate

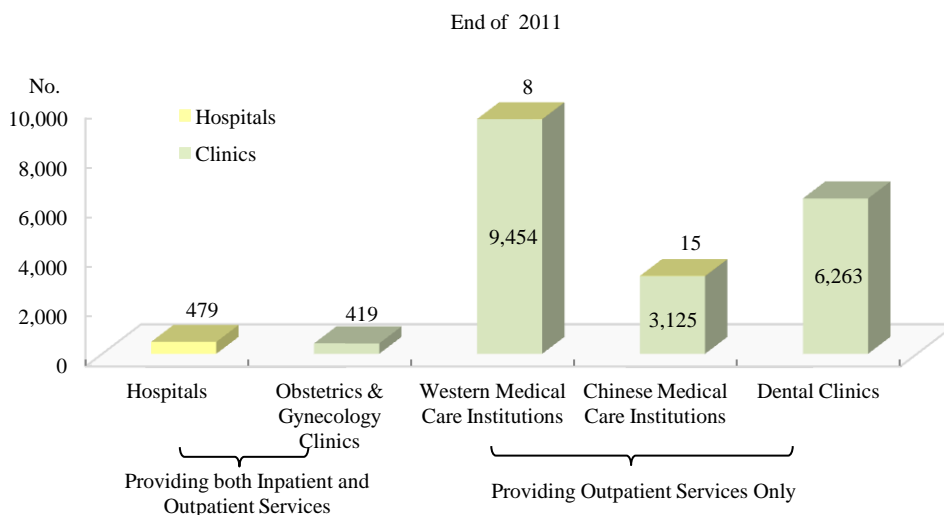


i. Contracted Hospitals and Clinics

Compared with the previous year, the number of hospitals decreased by 3, while clinics increased by 378.

By the end of 2011, the number of contracted hospitals was 494, 3 fewer compared with the previous year. Of which, 479 was for western hospitals with an average annual decrease of 1.6% and 15 for Chinese hospitals with an annual decrease of 10.2%. The number of contracted clinics was 19,269, increased by 378 from the previous year. Of which, 9,881 was for western clinics with an average annual increase of 1.8% and 3,125 for Chinese clinics with an annual increase of 3.5%. There were 898 medical care institutions which offered both inpatient and outpatient services, 479 for hospitals, and 419 for obstetrics & gynecology clinics. 18,865 medical care institutions provided only outpatient services, 8 for Western Medical Care Institutions, 15 for Chinese Medical Care Institutions, and 6,263 for Dental Clinics.

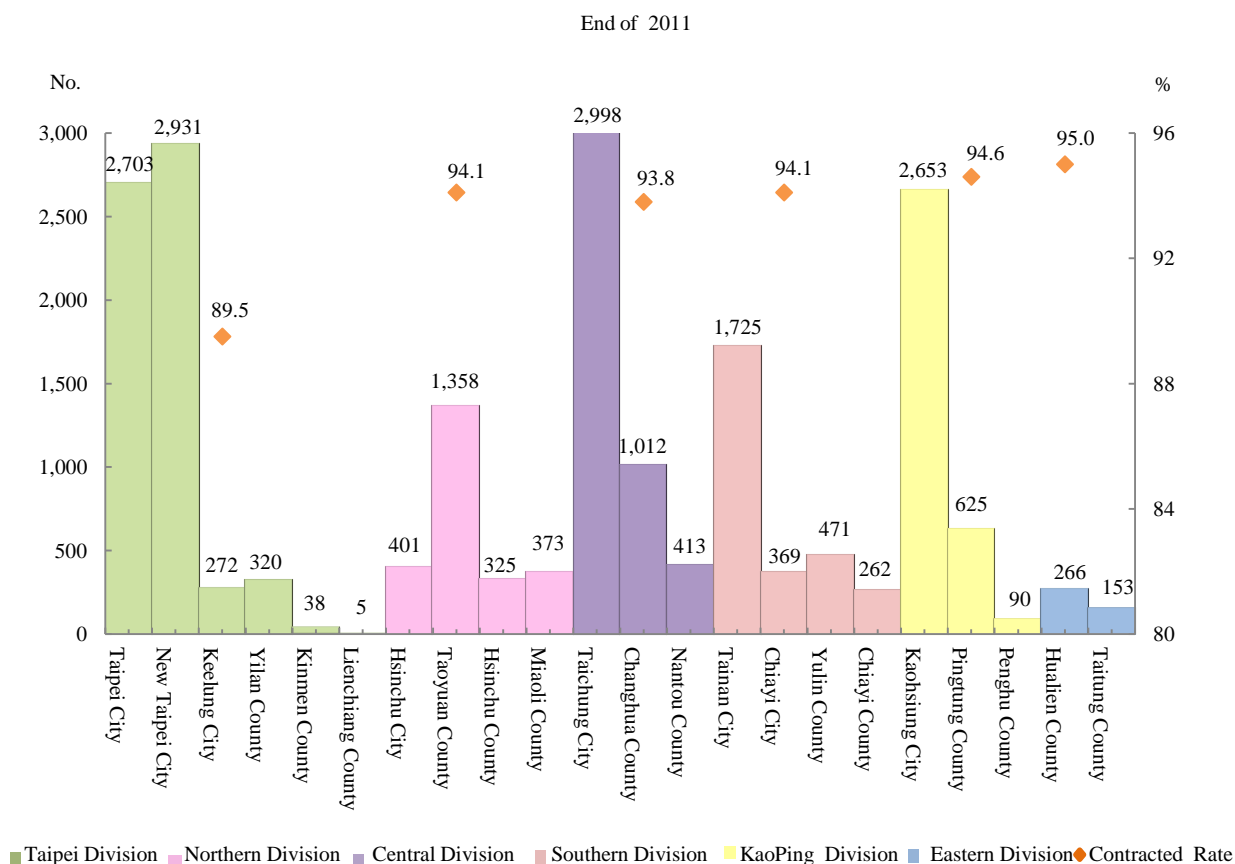
Figure 20 Contracted Medical Care Institutions



Note: Hospitals include 22 Academic Medical Centers, 83 Metropolitan Hospitals and 374 Local Community Hospitals.

In terms of divisions, the number of contracted hospitals and clinics was 19,763. The Taipei Division had the largest number at 6,269 (31.7%), followed by the Central Division at 4,423 (22.4%), the Kaoping Division at 3,368 (17.0%), the Southern Division at 2,827 (14.3%), the Northern Division at 2,457 (12.4%) and the Eastern Division at 419 (2.1%). The percentages of hospitals and clinics which signed contracts with the BNHI were 89.5 for the Taipei Division, 94.1 for the Northern Division, 93.8 for the Central Division, 94.1 for the Southern Division, 94.6 for the Kaoping Division and 95.0 for the Eastern Division. In terms of cities and counties, the percentages of the hospitals and clinics which signed contracts with the BNHI were 100 for Lienchiang County, over 96 for Chiayi County, Yilan County, Miaoli County, Penghu Country, Changhua County and Hsinchu County; Taipei City, at 82.3, was the lowest.

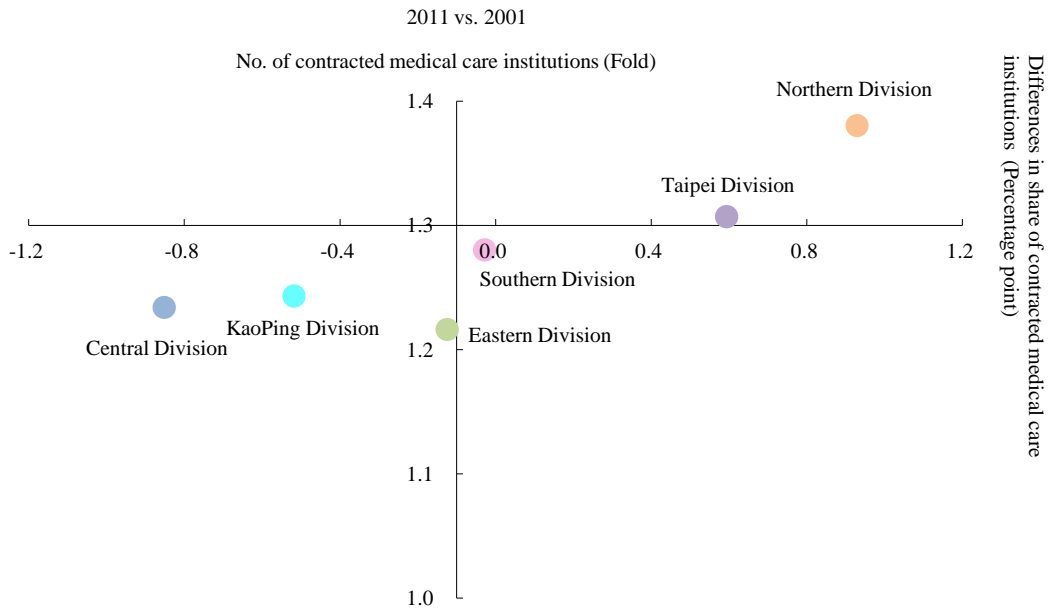
Figure 21 Contracted Medical Care Institutions by NHI Regional Division and Locale



Broken down by accreditation status, the number of the contracted hospitals qualified was 455 (90.1%). The Kaoping, Taipei, and Central Divisions were the divisions with the top three highest percentages of qualified hospitals, accounted for 69.7%. Broken down by ownership, there were 505 hospitals, 81 for public and 424 for non-public; there were 19,248 clinics, 420 for public and 18,828 for non-public.

Compared to 2001, the Northern, Taipei and Southern Divisions exhibited positive trends in both increase of contracted medical care institutions and share of contracted medical care institutions; the Northern Division had the highest increase in number of contracted medical care institutions at 1.3x of the number in 2001 and in share of contracted medical care institutions at 0.9 percentage points. On the other hand, the Eastern, KaoPing, and Central Divisions exhibited negative trends in share of contracted medical care institutions; the Central Division had the highest decrease at 0.9 percentage points.

Figure 22 Contracted Medical Care Institutions



The X-axis and Y-axis values at the Origin (-0.1, 1.3) respectively represents "the median of growth (percentage point) in the share of medical care institutions" and the "median of folds in the number of medical care institutions" in the six BNHI branches.

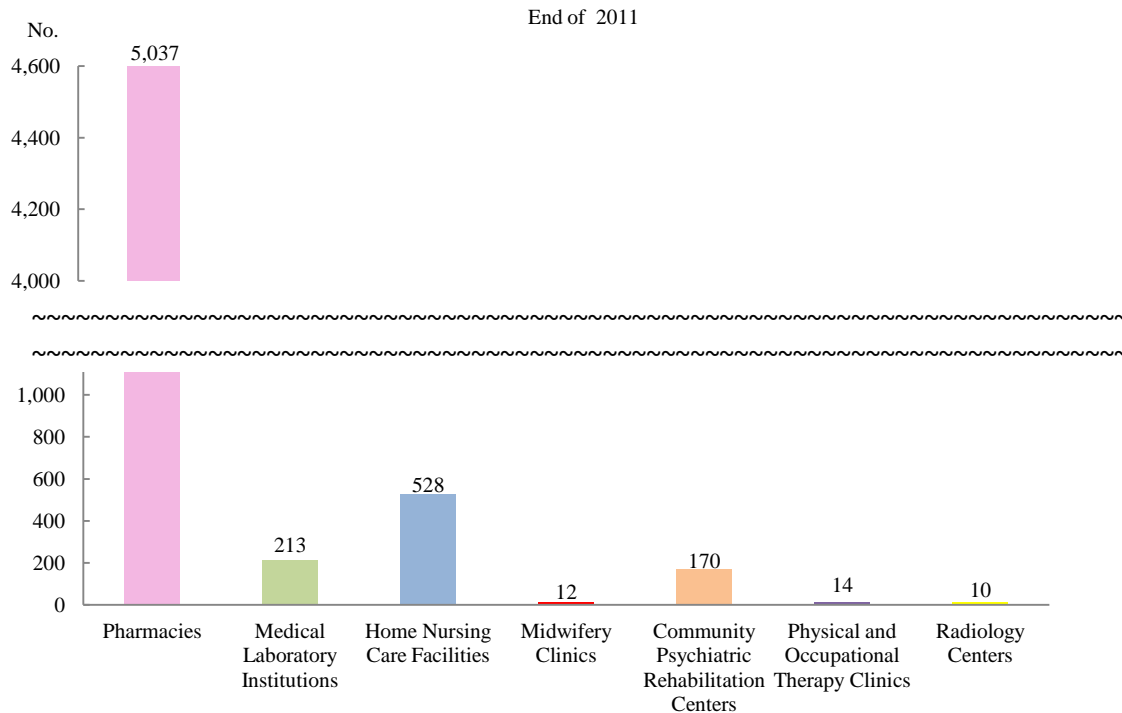
ii. Contracted Pharmacies and Other Medical Care Institutions

The average annual increases were 5.8% for pharmacies and 3.8% for other medical care institutions from 2001–2011.

By the end of 2011, the number of pharmacies was 5,037, an increase of 331 from the end of the previous year. The average annual increase in the most recent 10 years was 5.8%. In terms of NHI Regional Division, the Taipei Division had the largest number of contracted pharmacies at 1,693 (33.6%), followed by the Central Division at 937 (18.6%) and the Southern Division at 848 (16.8%). In terms of city/county, New Taipei City had the largest number of contracted pharmacies at 889, followed by Taipei City at 624 and Taichung City at 589; the Kinma area had only two pharmacies.

The number of other medical care institutions increased by 10 from the previous year. The average annual increase in the most recent 10 years was 3.8%. The Taipei Division had the largest number of hospitals and independent home nursing care facilities providing home nursing care services at 126, followed by the Kaoping Division at 97 and the Central Division with 90. In terms of psychiatric rehabilitation institutions, the Taipei Division leads with 72, followed by the Northern Division with 29.

Figure 23 Other Contracted Medical Care Institutions by Nature of Service



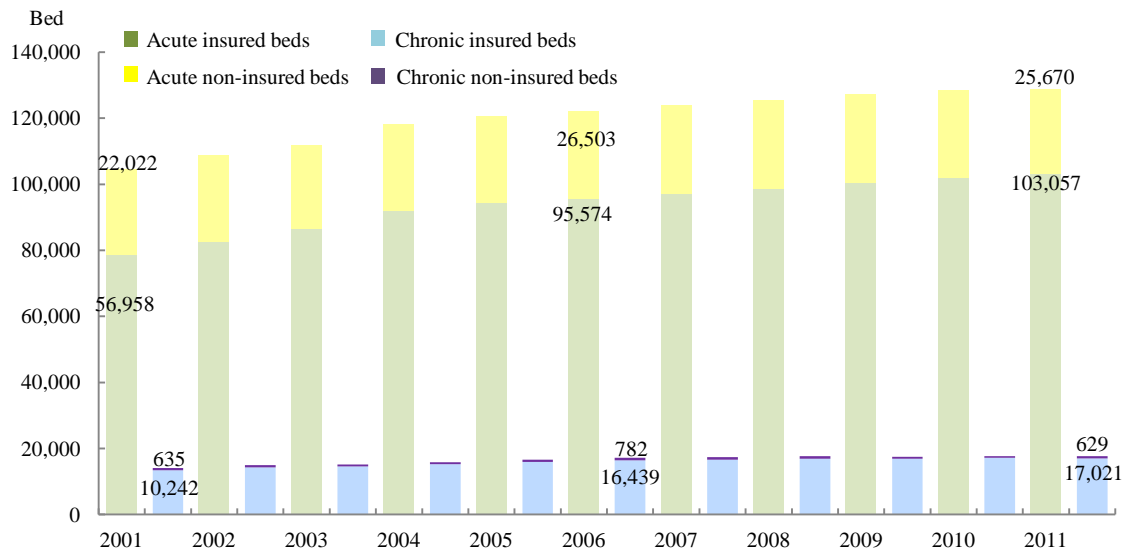
(2) Insured Beds

In the most recent 10 years, the average annual increase was 2.7% for insured beds; the average annual decrease was 0.1% for non-insured beds.

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 2011, the share of insured beds in various levels of hospitals was 69.5% for academic medical centers (an increase of 2.8% from the previous year), 79.0% for metropolitan hospitals, 89.0% for local community hospitals, and 99.9% in physician clinics & dental clinics.

At the end of 2011, the total number of beds in contracted medical care institutions was 146,377, an increase of 190 from the previous year. The average annual increase was 2.1% in the most recent 10 years. The average annual increase was 2.7% for insured beds, however, the average annual decrease was 0.1% for non-insured beds.

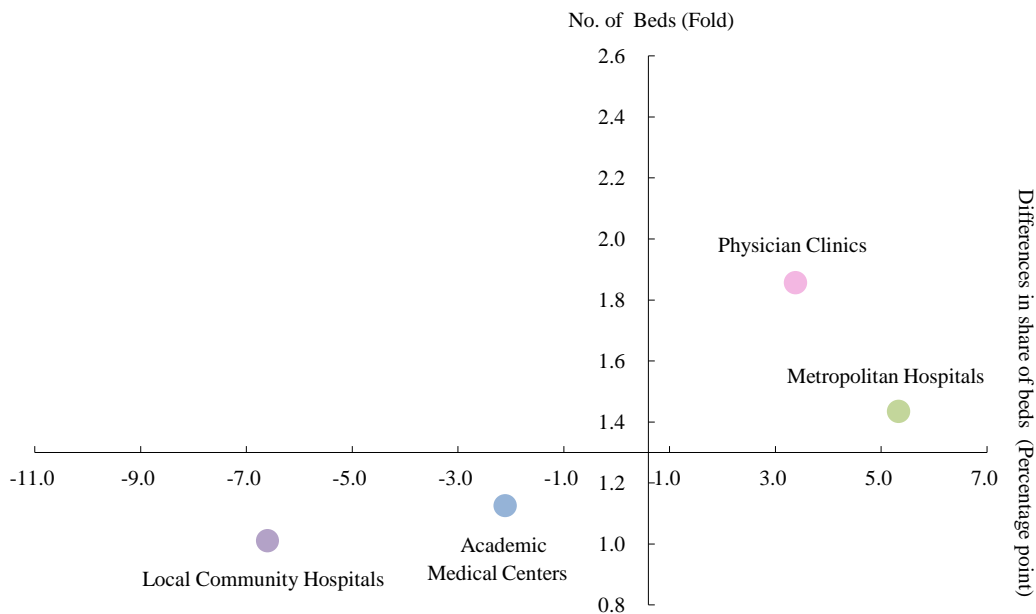
Figure 24 Beds in Contracted Medical Care Institutions



Compared to 2001, metropolitan hospitals, physician 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 2001, and in share of beds at 5.3 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 6.6 percentage points.

Figure 25 Beds in Contracted Medical Care Institutions

2011 vs. 2001



The X-axis and Y-axis values at the Origin (0.6, 1.3) respectively represents "the median of growth (percentage point) in the share of beds in medical care institutions" and the "median of folds in the number of beds in medical care institutions" in the six BNHI branches.

In terms of divisions, the Taipei Division has the most beds at 42,253 (28.9%), with the percentage of insured beds at 78.7%, followed by the Central Division at 30,008 (20.5%), with the percentage of insured beds at 82.6%, the Kaoping Division at 25,417 (17.4%), with the percentage of insured beds at 82.9%, the Northern Division at 21,474 (14.7%), with the percentage of insured beds at 83.0%, the Southern Division at 21,397 (14.6%), with the percentage of insured beds at 84.2%, and the Eastern Division at 5,828 (4.0%), with the percentage of insured beds at 87.9%.

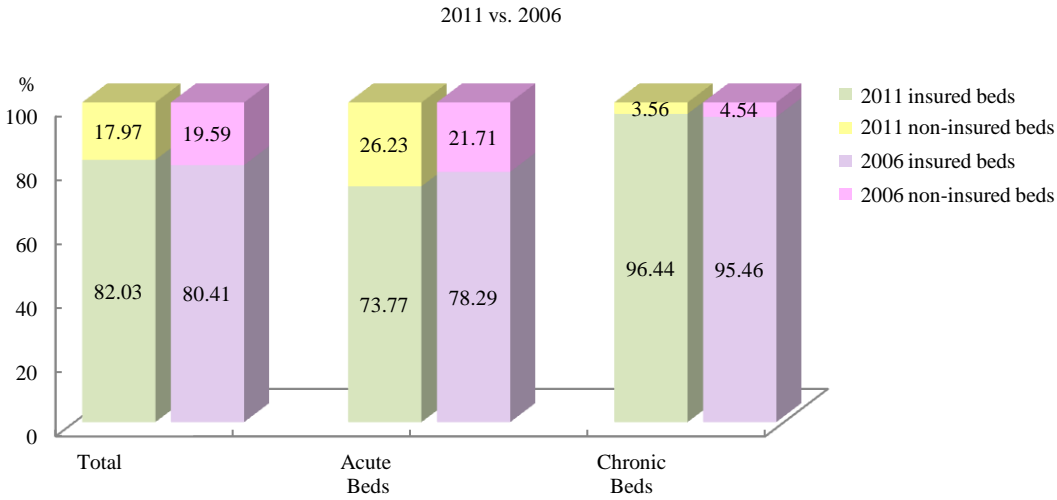
In terms of cities and counties, Taipei City topped the list with 21,303 beds, followed by Kaohsiung City with 19,316 beds, Taichung City with 19,141 beds, New Taipei City with 14,401 beds, Taoyuan County with 13,218 beds and Tainan City with 10,895 beds, accounting for 67.1% of the total number of beds in contracted medical care institutions.

i. Acute beds

At the end of 2011, acute beds accounted for 87.9% of the total number of beds in contracted medical care institutions. There was an increase of 238 beds from the previous year. The average annual increase in the most recent 10 years was 2.1%. Of which, the insured acute beds accounted for 73.8%; the average annual increase was 2.7%.

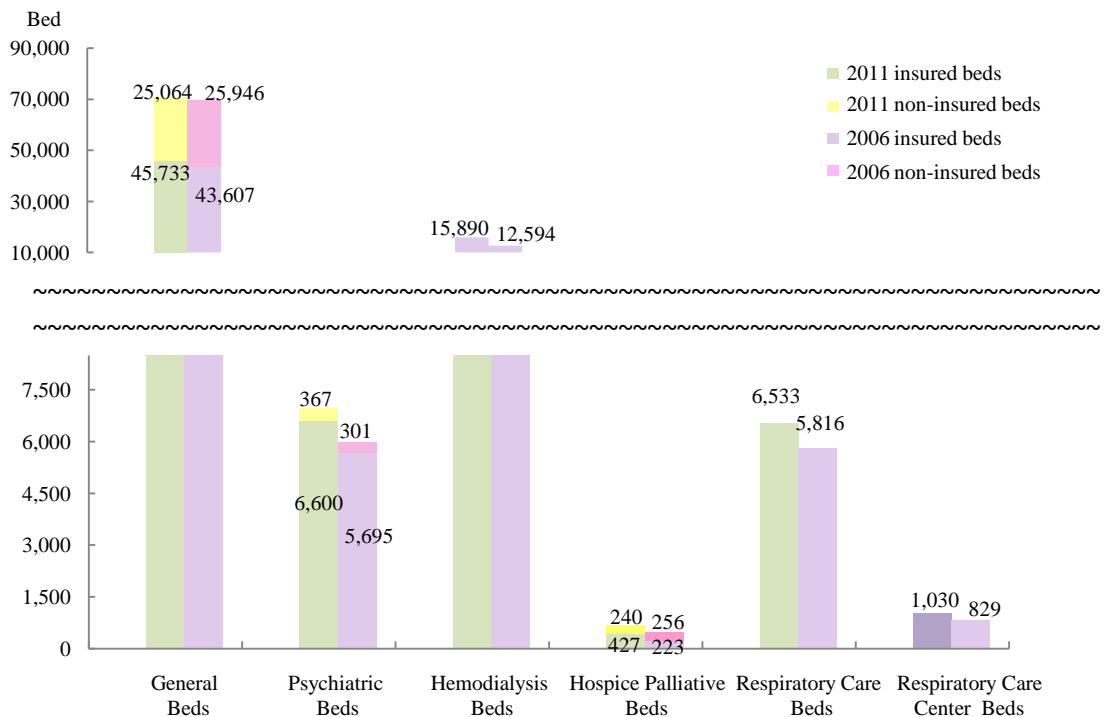
Broken down by NHI Regional Division, the percentages of insured acute beds to acute beds were 80.2% for the Eastern Division, 75.9% for the Southern Division, 75.0% for the Kaoping Division, 74.6% for the Central Division, 74.3% for the Northern Division and 70.6% for the Taipei Division. Broken down by city and county, Taitung County was ranked the highest with 83.3%, followed by Chiayi County and Keelung County at 81.8%, Hsinchu County at 81.6%; Taipei City was at the bottom with 65.7%.

Figure 26 Percentages of Insured and Non-Insured Beds in Contracted Medical Care Institutions



Broken down by type of bed, there was an increase of 2,126 general beds from 2006 with an average annual increase of 1.0%; an increase of 905 psychiatric beds with an average annual increase of 3.0%; an increase of 3,296 hemodialysis beds with an average annual increase of 4.8%; an increase of 204 hospice care beds with an average annual increase of 13.9%; an increase of 717 respiratory care beds with an average annual increase of 2.4%, and an increase of 201 respiratory care center beds with an average annual increase of 4.4%. All of the figures indicated an upward trend, with hospice care beds exhibiting the greatest increase.

Figure 27 Acute Beds in Contracted Medical Care Institutions by Type of Bed
2011 vs. 2006



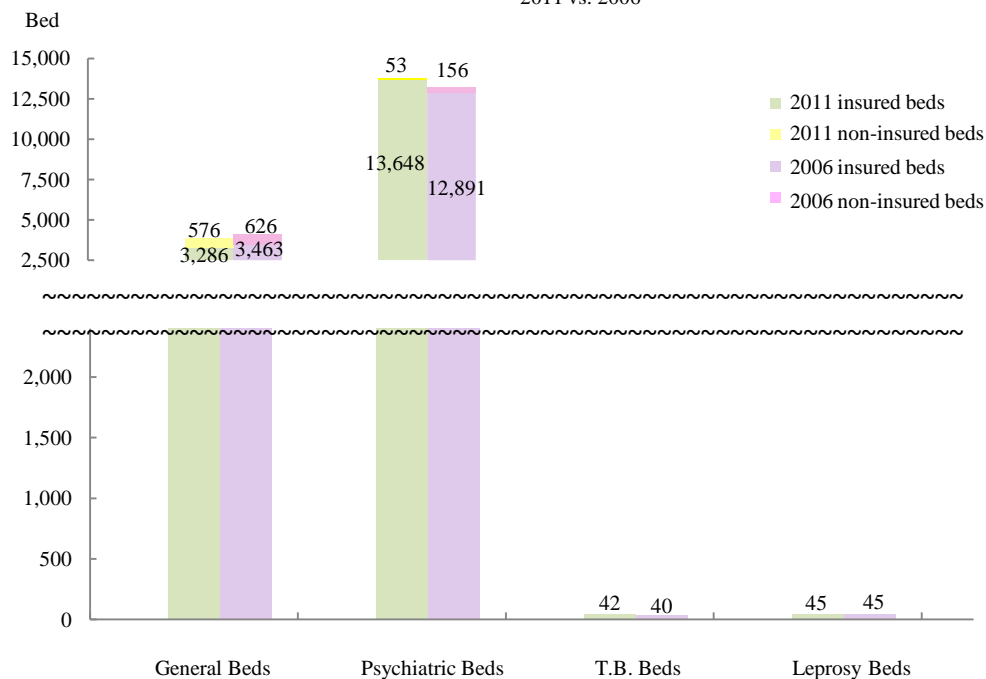
ii. Chronic Beds

At the end of 2011, chronic beds accounted for 12.1% of the total number of beds in contracted medical care institutions. There was a decrease of 48 beds from the previous year. The average annual increase in the recent 10 years was 2.3%. Of which, the insured chronic beds accounted for 96.4%; the average annual increase was 2.4%.

Broken down by NHI Regional Division, the percentages of insured chronic beds to chronic beds were 99.5% for the Southern Division, 97.3% for the Eastern Division, 96.8% for the Northern Division and the Taipei Division, 95.1% for the Central Division, and 94.1% for the Kaoping Division. 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 177 general beds from 2006 with an average annual decrease of 1.0%; an increase of 757 psychiatric beds with an average annual increase of 1.1%; an increase of 2 T.B. beds with an average annual increase of 1.0%. Psychiatric beds showed the greatest increase.

Figure 28 Chronic Beds in Contracted Medical Care Institutions by Type of Bed
2011 vs. 2006



(3) Management of Contracted Medical Care Institutions

In recent years, there has been a significant decrease in the number of hospitals/ medical care institutions which have received disciplinary action.

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 2011, 420 medical care institutions were found to have committed violations (1.6%), a decrease of 121, or 22.4% from the previous year and a decrease of 281 from 2001. Of which, 204 medical care institutions were penalized by reduced reimbursement, 81 by corrections, 111 by suspension of contract ranging from 1 month to 3 months and 24 by contract termination.

Figure 29 Penalties and Disciplinary Actions against Contracted Medical Care Institutions

