

## Chapter 3 Contracting and Management of Medical Care Institutions

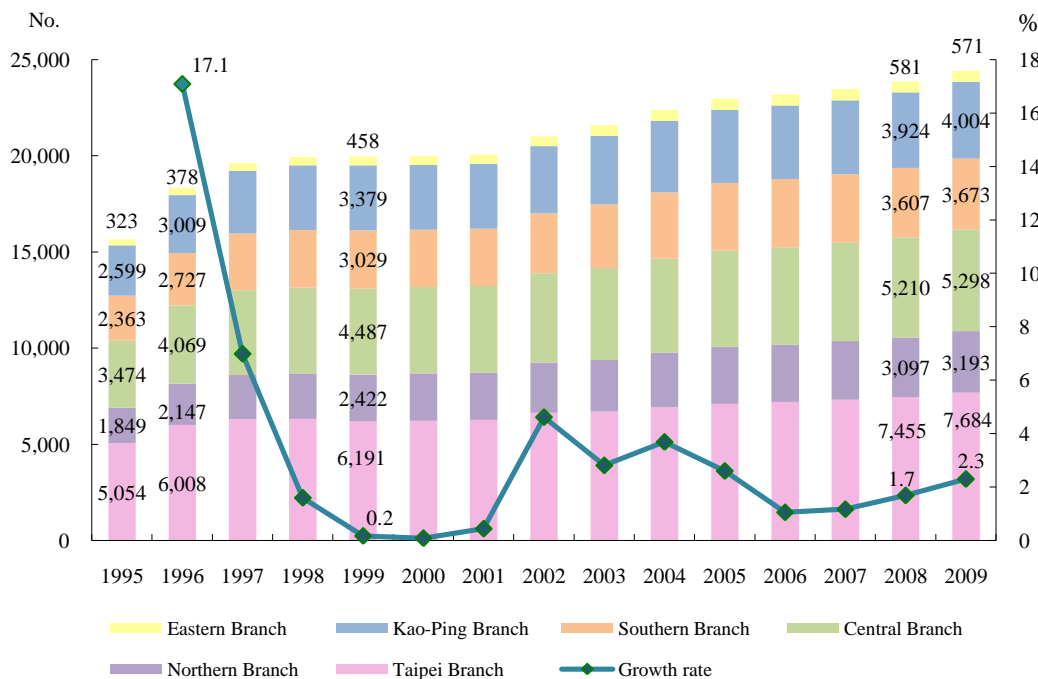
Contracted medical care institutions are categorized as contracted hospitals and clinics, contracted pharmacies, contracted medical laboratory institutions and other medical care institutions appointed by the competent authority, which so far include midwifery clinics, home nursing care facilities, psychiatric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

### I. Contracted Medical Care Institutions

**Hospital numbers decreased with a corresponding increase in clinic numbers shown from 1999, highlighting the complementary relationship between hospital size and clinic accessibility.**

The total number of contracted medical care institutions was 24,423 in 2009, an increase of 549 from the previous year and 4,457 from 1999 with an average annual increase of 2.0%. The number of hospitals had decreased by 147 from 1999 with an average annual decrease of 2.5%. On the other hand, the number of clinics had increased by 3,055 with an average annual increase of 1.8%. The number of other medical care institutions had increased by 1,549 with an average annual increase of 3.5%.

Figure 16 Number of Contracted Medical Care Institutions and Growth Rate

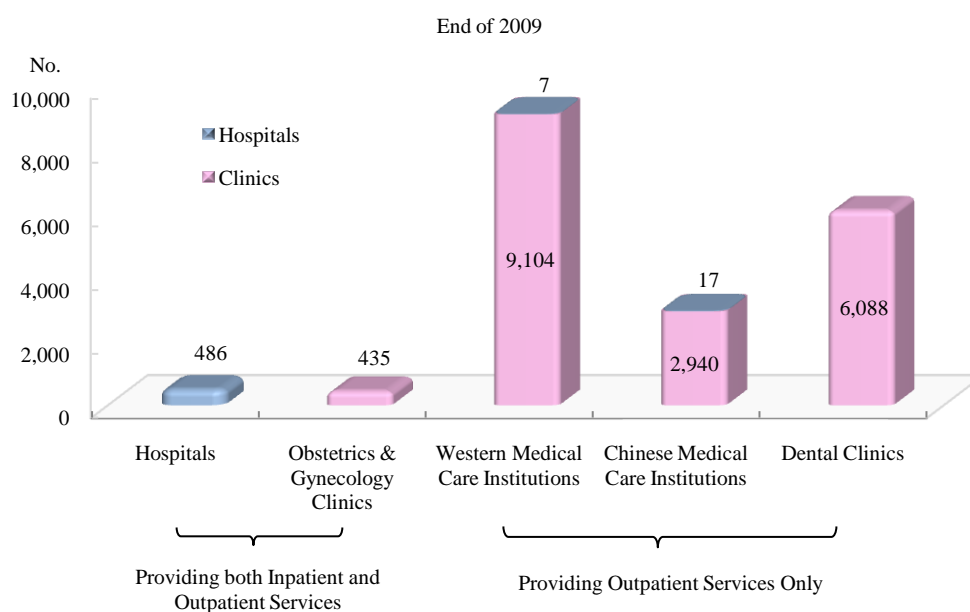


## 1. Contracted Hospitals and Clinics

### Hospitals decreased by 1 and clinics increased by 249 from the previous year.

As of the end of 2009, there was a decrease of 1 for hospitals from the previous year and 147 from 1999 with an average annual decrease of 1.8% for western medical hospitals and 12.7% for Chinese medical hospitals. There was an increase of 249 for contracted clinics from the previous year and 3,055 from 1999 with an average annual increase of 1.4% for western medical clinics and 3.9% for Chinese medical clinics. There were 921 medical care institutions which offered both inpatient and outpatient services, 486 for hospitals and 435 for obstetrics & gynecology clinics. There were 18,156 medical care institutions which provided only outpatient services, 9,104 for Western Medical Care Institutions and 2,940 for Chinese Medical Care Institutions. There were 6,088 dental clinics.

Figure 17 Contracted Medical Care Institutions

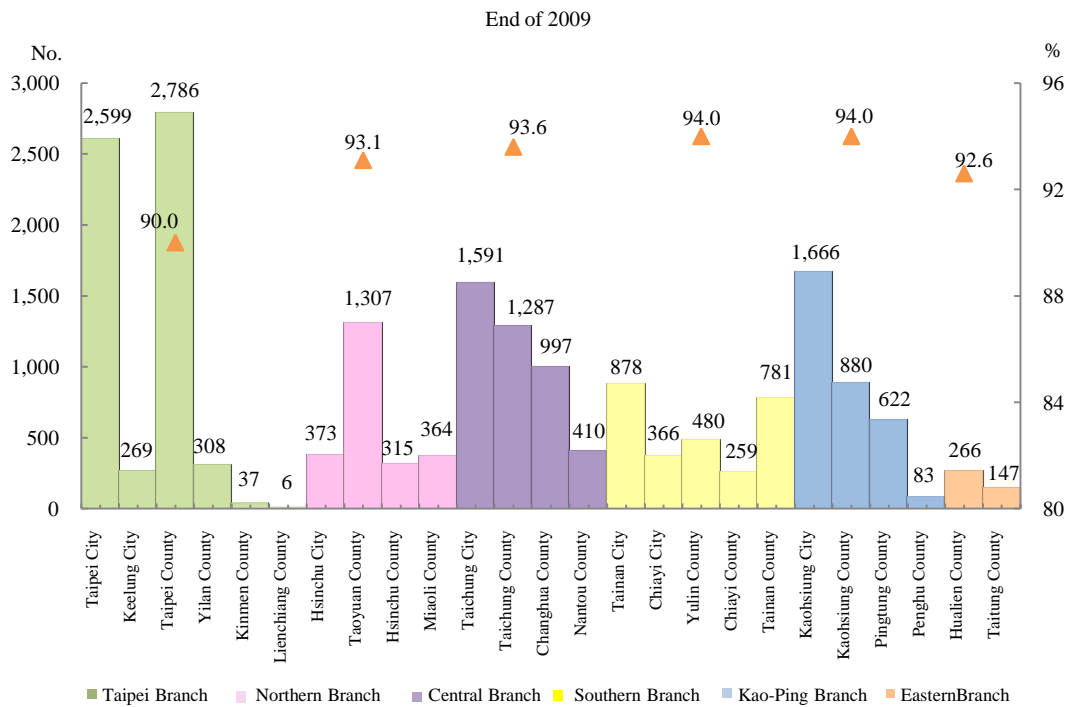


Note: Hospitals include 23 Academic Medical Centers, 78 Metropolitan Hospitals, and 385 Local Community Hospitals .

In terms of BNHI regions, the Taipei Branch had the largest number of contracted hospitals and clinics at 6,005 (31.5%), followed by the Central Branch at 4,285 (22.4%), the Kao-ping Branch at 3,251 (17.0%), the Southern Branch at 2,764 (14.5%), the Northern Branch at 2,359 (12.4%) and the Eastern Branch at 413 (2.2%). Percentages of the hospitals and clinics which signed contracts with the BNHI were 90.0 for the Taipei Branch, 93.1 for the Northern Branch, 93.6 for the Central Branch, 94.0 for both the Southern Branch and the Kao-ping Branch, and 92.6 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 Taipei County, Yilan County, Hsinchu County, Miaoli County, Taichung County, Changhua County, Nantou County, Chiayi County, Tainan County, Lienchiang County; Taipei City was the lowest at 84.4, followed by Taichung City at 89.6.

Figure 18 Contracted Medical Care Institutions by BNHI Branch and Locale

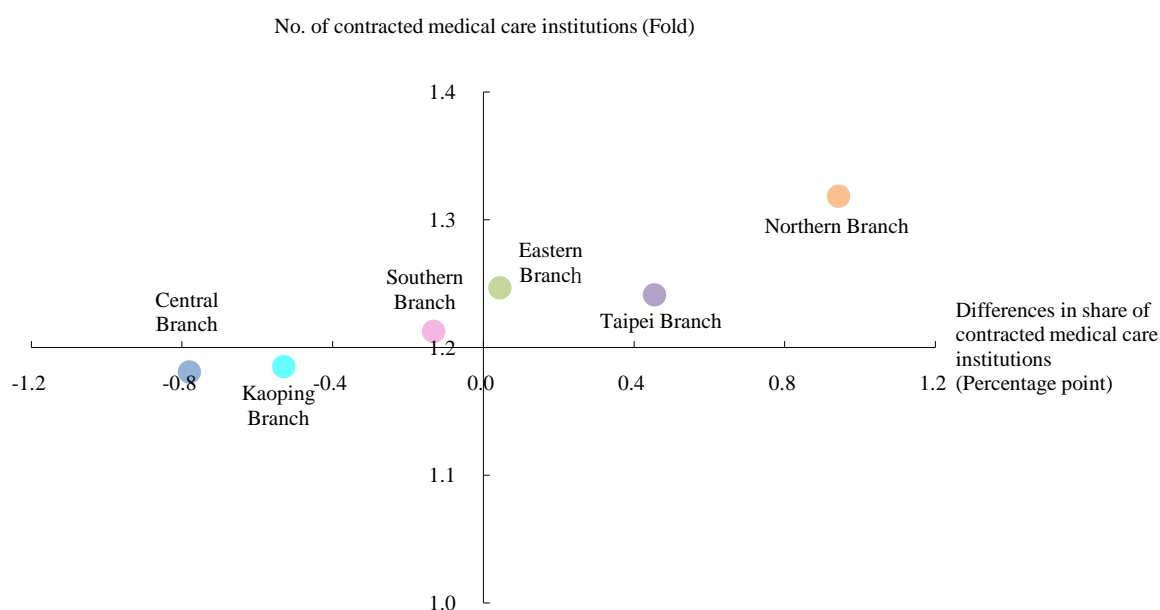


Broken down by accreditation status, 91.0% of the contracted hospitals were qualified. The Kao-ping, Taipei, and Central Branches were the branches with the top three highest percentages of qualified hospitals, accounted for 69.5%. Broken down by ownership, there were 505 public medical care institutions, 79 were hospitals and 426 were clinics; there were 18,562 non-public medical care institutions, 433 were hospitals and 18,129 were clinics.

Compared to 1999, the Northern, Taipei and Eastern Branches had shown 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 1999 and in share of contracted medical care institutions at 0.9 percentage points. On the other hand, the Southern, Kao-Ping and Central Branches had shown negative trends in

share of contracted medical care institutions; the Central Branch had the highest decrease at 0.8 percentage points.

Figure 19 Contracted Medical Care Institutions 2009 vs. 1999



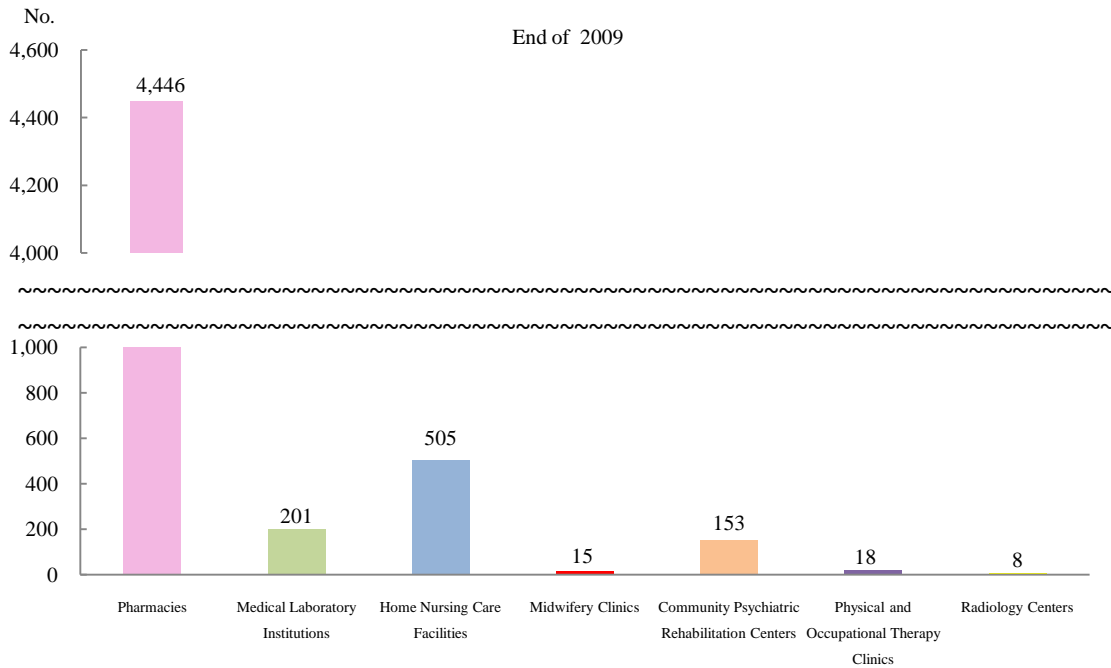
## 2. Contracted Pharmacies and other Medical Care Institutions

**The average annual increases were 3.1% for pharmacies and 5.4% for other medical care institutions in 1999-2009.**

As of the end of 2009, the number of pharmacies increased by 266 from the end of the previous year and 1,183 from 1999 with an average annual increase of 3.1%. In terms of BNHI, the Taipei Branch had the largest number of contracted pharmacies at 1,453 (32.7%), followed by the Central Branch at 830 (18.7%), and the Southern Branch at 760 (17.1%). In terms of city/county, Taipei County had the largest number of contracted pharmacies at 746, followed by Taipei City at 536 and Taoyuan County at 434; the Kinma area only had one pharmacy.

The number of other medical care institutions increased by 35 from the previous year and 366 from 1999 with an average annual increase of 5.4%. The Taipei Branch had the largest number of hospitals and independent home nursing care facilities providing home nursing care services at 119, followed by the Kao-ping branch at 99 and the Central Branch at 87. For psychiatric rehabilitation institutions, the Taipei Branch leads with 67, followed by the Northern Branch with 24.

Figure 20 Other Contracted Medical Care Institutions by Nature of Service



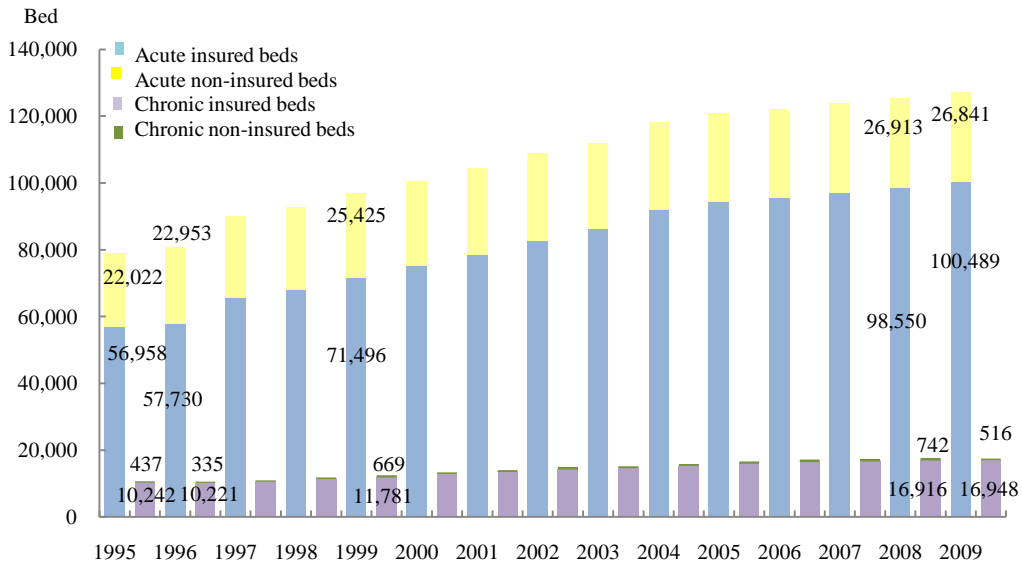
## II. Insured Beds

**The average annual increases were 3.5% for insured beds and 0.5% for non-insured beds in 1999-2009.**

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 with additional fees. At the end of 2009, the shares of insured beds in various levels of hospitals were 66.4% for academic medical centers, 78.9% for metropolitan hospitals, 88.2% for local community hospitals and 99.9% in physician clinics & dental clinics.

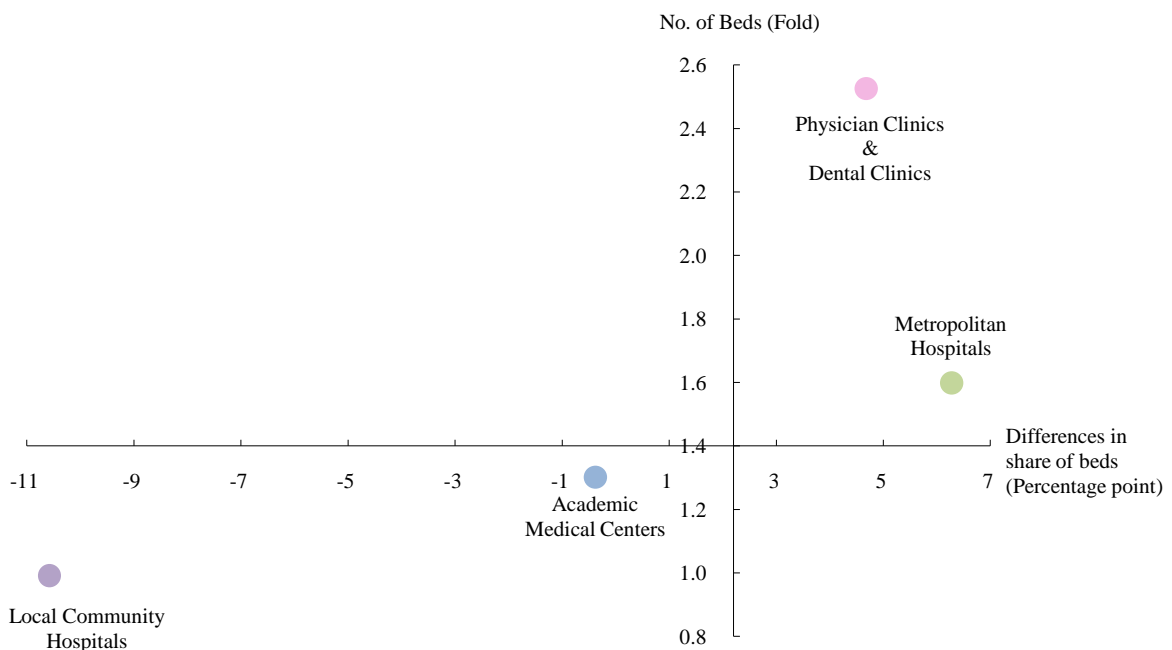
At the end of 2009, the total number of beds in contracted medical care institutions was 144,794, an increase of 1,673 from the previous year and 35,423 from 1999 with an average annual increase of 2.8%, 3.5% for insured beds and 0.5% for non-insured beds.

Figure 21 Beds in Contracted Medical Care Institutions



Compared to 1999, metropolitan hospitals, physician clinics & dental clinics had shown positive trends in both the increase of beds and share of beds; metropolitan hospitals had the highest increase in increase of beds at 0.6x the number in 1999 and in share of beds at 6.3 percentage points. On the other hand, academic medical centers and local community hospitals had shown negative trends in share of beds; local community hospitals had the highest decrease at 10.6 percentage points.

Figure 22 Beds in Contracted Medical Care Institutions 2009 vs. 1999



In terms of branches, the Taipei Branch has the most beds at 41,826 (28.9%) with a percentage of insured beds of 76.8%, followed by the Central Branch at 29,372 (20.3%) with a percentage of insured beds of 82.7%, the Kao-ping Branch at 25,104 (17.3%) with a percentage of insured beds of 82.3%, the Northern Branch at 21,524 (14.9%) with a percentage of insured beds of 82.7%, the Southern Branch at 21,451 (14.8%) with a percentage of insured beds of 82.9% and the Eastern Branch at 5,517 (3.8%) with a percentage of insured beds of 86.9%.

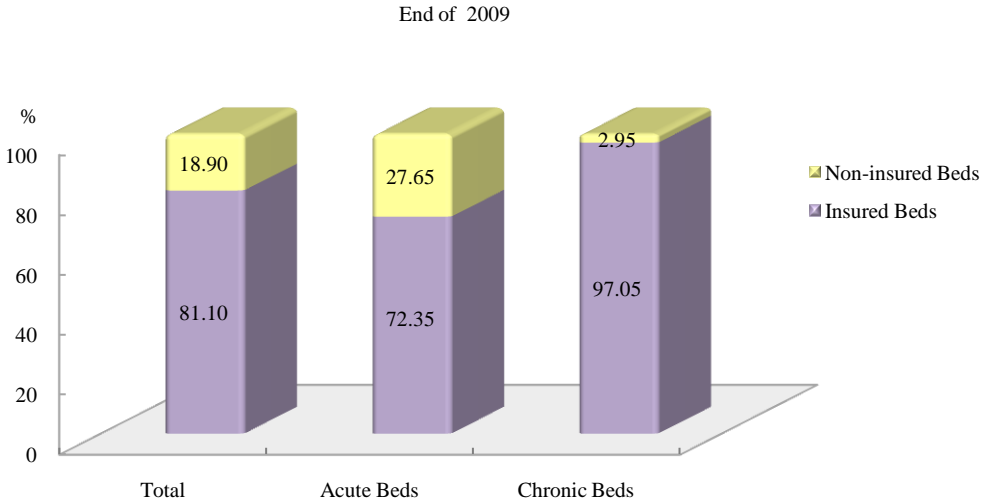
In terms of cities and counties, Taipei City topped the list with 21,434 beds, followed by Taipei County with 13,912 beds, Taoyuan County with 13,233 beds, and Kaohsiung County with 11,696 beds, accounting for 41.6% of the total number of beds in contracted medical care institutions.

1. Acute beds

At the end of 2009, acute beds accounted for 87.9% of the total number of beds in contracted medical care institutions. There was an increase of 1,867 beds from the previous year and 30,409 beds from 1999 with an average annual increase of 2.8%. The percentage of insured acute beds to acute beds was 72.4%; the average annual increase of insured acute beds was 3.5% from 1999.

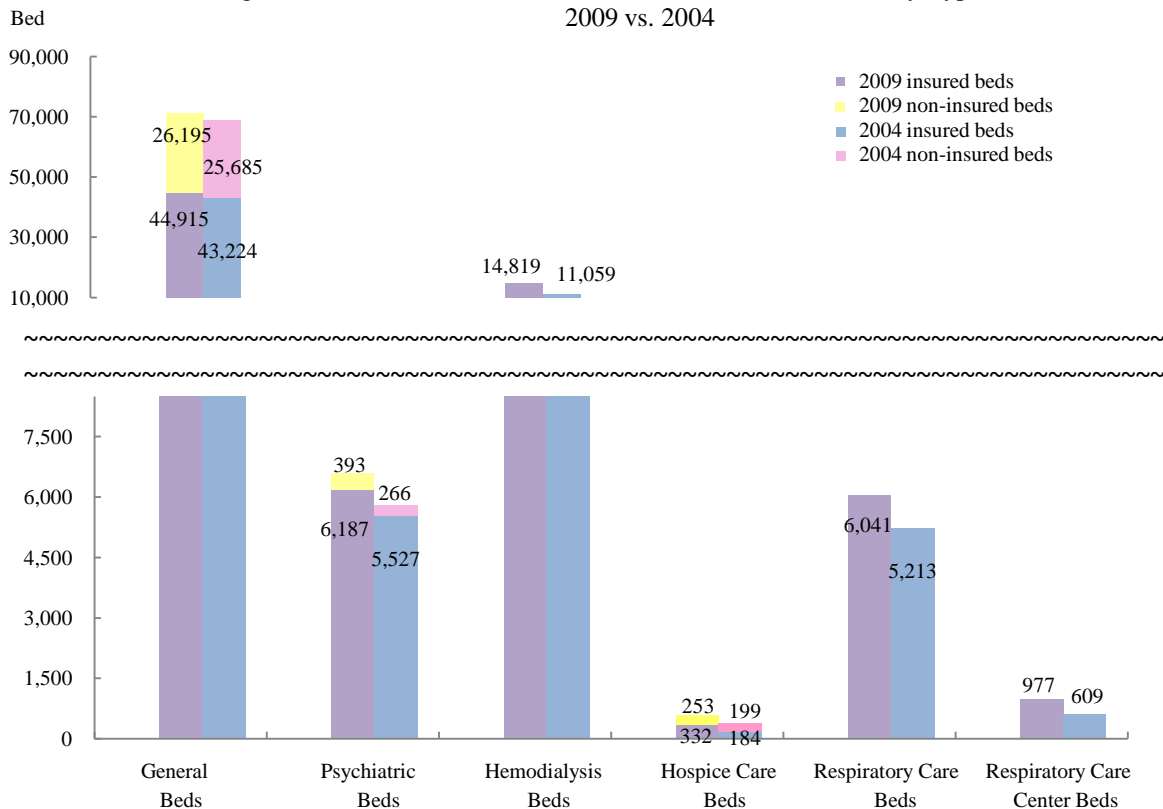
Broken down by the BNHI, the percentages of insured acute beds to acute beds were 79.0% for the Eastern Branch, 74.3% for the Central Branch, 74.2% for the Southern Branch, 74.0% for both the Northern and the Kao-ping Branches and 67.8% for the Taipei Branch. broken down by cities and counties, Taitung County was ranked the highest with 81.5%, followed by Miaoli County at 81.0% and Chiayi County at 80.3%; Taipei City was at the bottom with 61.1%.

Figure 23 Percentages of Insured and Non-Insured Beds in Contracted Medical Care Institutions



Broken down by type of bed, there was an increase of 1,691 general beds from 2004 with an average annual increase of 0.4%; an increase of 660 psychiatric beds with an average annual increase of 1.1%; an increase of 3,760 hemodialysis beds with an average annual increase of 3.0%; an increase of 148 hospice care beds with an average annual increase of 6.1%; an increase of 828 respiratory care beds with an average annual increase of 1.5% and an increase of 368 respiratory care center beds with an average annual increase of 4.8%. All the figures indicated upward trends, with the highest increase of hospice care beds.

Figure 24 Acute Beds in Contracted Medical Care Institutions by Type of Bed  
2009 vs. 2004



## 2. Chronic Beds

At the end of 2009, chronic beds accounted for 12.1% of the total number of beds in contracted medical care institutions. There was a decrease of 194 beds from the previous year and an increase of 5,014 beds from 1999 with an average annual increase of 3.4%. The percentage of insured chronic beds to chronic beds was 97.1%; the average annual increase of insured chronic beds was 3.7% from 1999.

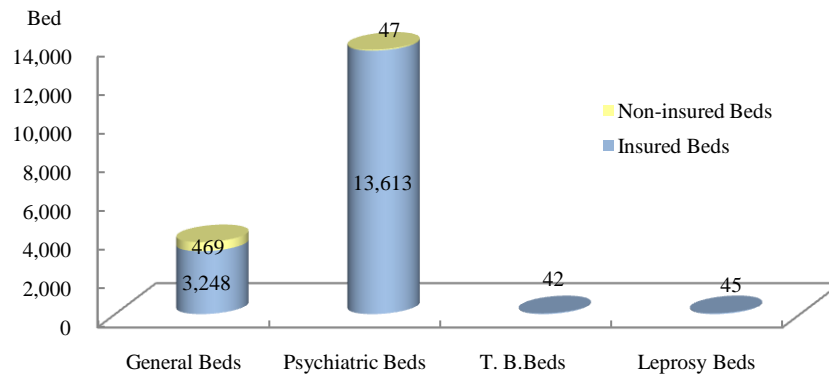
Broken down by the BNHI, the percentages of insured chronic beds to chronic beds were 98.1% for the Southern Branch, 98.0% for the Central Branch, 97.0% for



both the Taipei and Eastern Branches, 96.8% for the Northern Branch and 94.9% for the Kao-ping Branch. Broken down further by cities and counties, the percentages of insured chronic beds for all the cities and counties were over 90% except Hsinchu County with 88.0%.

Broken down by type of bed, there was a decrease of 293 general beds with an average annual decrease of 0.9%; an increase of 5,477 psychiatric beds with an average annual increase of 5.3%; a decrease of 47 T.B. beds with an average annual decrease of 7.2%; an increase of 30 leprosy beds with an average annual increase of 11.6%. The increase of leprosy beds was the highest.

Figure 25 Chronic Beds in Contracted Medical Care Institutions by Type of Bed  
End of 2009



### III. Management of the Contracted Medical Care Institutions

**There has been a significant decrease in the number of medical care institutions committing violations in 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 the reviews of violation as well as the management of abnormal activities. 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 2009, 536 medical care institutions were found to have committed violations (2.2%), an increase of 90 or 20.2% from the previous year and a decrease of 303 from 1999; 234 medical care institutions were penalized by reduced reimbursement, 68 by corrections, 207 by suspension of contract ranging from 1 month to 3 months and 27 by contract termination.

Figure 26 Penalties and Disciplinary Actions against Contracted Medical Care Institutions

