

ABSTRACT

Health Sector Reform Initiatives In Developing Countries With Special Emphasis On Hospital Costing: Lessons For CARICOM Countries.

by

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In developing countries, hospitals continue to dominate the health care system, consuming the major share of the health care resources. A primary concern in this scenario is whether the population is receiving the best value for the money being spent in this way.

In CARICOM countries, one of the challenges facing policymakers is how to improve access to and availability of high-quality health care for the entire population. In response to this concern, the CARICOM Health Ministers have committed themselves to a policy of developing a system of well-integrated shared health care services. These services are to be provided in "Centers of Excellence" in selected CARICOM States. The benefits of this system of shared services are: (1) the cost savings that would be realized by all the member states, and (2) access to high-quality health care services that most states could not adequately provide.

In other words, the system of shared services was identified as the means of improving the health status of the population with limited resources.

A prerequisite to the implementation of this policy of shared services is the identification and costing of the relevant health care services. The lack of a methodology to consistently cost these services is partially responsible for not implementing such a system.

This thesis argues that although the accounting-based methodology is by far the most popular method that is utilized to cost hospital services, it is limited in terms of conducting economic analyses of hospital costs. The methodology that was used in the cost intensity, however, provided the means whereby pertinent economic questions could be answered.

This thesis is organized in three sections. The first provides an overview of the typical health care system and outlines the existing health reform strategies that are being implemented in CARICOM States. The second section examines the theoretical and conceptual issues that are associated with the costing of hospital services. It also reviews hospital cost studies that were conducted in selected developing countries. Finally, section three describes the path hospitals in the region should follow given the lessons that were learned through the review of the hospital cost studies.

Key words: Hugh T. Moore, hospital costs and cost intensity model.