

ABSTRACT

An Examination of Demand and Cost Issues in Health Care Financing: The Case of the General Hospital, St. George's, Grenada

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The search for sustainable and equitable mechanisms of financing health care has preoccupied health sector policy makers worldwide. This search has been coupled with the need for overall health sector reform in many instances. In the particular case of Grenada, the need for reforms in the health sector is urgent, for although the 1980s was a period of relative prosperity for the island, growth levels were not high enough to allow the health sector to escape the effects of fiscal tightening. The continuing effects of this tightening have carried through to the 1990s.

This situation has led the government to seek alternative avenues for funding and providing health care services. It is within this context therefore, that the thesis makes use of demand and cost analysis as a means of informing policy decisions. The estimation and forecasting of the demand for inpatient services at the General Hospital is undertaken, given its central role in the health sector. The reasoning is, that since the hospital absorbs the majority of government's health expenditure, any

policy decisions taken will have of necessity, to consider the implications for the institution.

Additionally, the thesis incorporates the use of the results of the joint Health Policy Management Unit/University of the West Indies, St. Augustine, hospital costing study, undertaken in Grenada in 1995/1996.

The results indicate that the variations in the level of demand for inpatient services over the forecast period are not large. When estimates of the unit costs of financing inpatient care for the period are combined with these results, we are able to derive the estimates of the level of financial resources any alternative method of financing would have to generate in order to be sustainable.

To the administrative staff of the General Hospital, St. George's, Grenada, many thanks for your co-operation in providing necessary information.