



# HOSPITAL HEALTH CARE SUPPLY

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November 9th, 2022

## Course evaluation

01 September 14th

02 September 21st Online

03 September 23rd

04 ~~Sept 28th~~ Oct 5th Online

05 October 7th > Quiz1

06 October 12th Online

07 October 19th

08 November 9th Online

09 November 10th Online > Quiz2

Point on  
+ session  
presentations

10 November 23rd

11 November 30th

12 December 09th

> Lecture 7 on inequities towards health

> Conference on health management?

> Your session presentations

Final grade =

Quiz (25%) +  
Presentation (35%) +  
Report (40%)

# OVERVIEW

## 01. Hospital health care: description

- Historical description
- 19th century
- 20th century
- 21st century

## 12. Hospital theoretical principles

- Hospital-company
- Hospital healthcare demand
- Hospital healthcare supply
- Production
- Financing

# HOSPITAL HEALTH CARE: DESCRIPTION

# Historical description and evolution

19th century:

- hospital health care for the poorer part of the population, **insolvent**
- **charity logic**, main pillar
- organisation almost entirely based on **volunteering** (2 profiles: doctors and nuns -> nurses)
- **non-market compromise**, compromis non-marchand

(vs at the same times: outpatient medicine/private medicine already in a **competitive logic**)

# Historical description and evolution

End of 19th century, precursors to what we have today:

- hospital accompanies French state **non-market policies** as far as health is concerned
- Law adopted in 1893 - **Assistance médicale gratuite**

« Tout Français malade, privé de ressources, reçoit gratuitement de la commune, du département ou de l'État suivant son domicile de secours, l'assistance médicale à domicile, ou s'il y a impossibilité de le soigner utilement à domicile, dans un lieu hospitalier.

Les femmes en couche sont assimilées à des malades.

Les étrangers malades, privés de ressources, seront assimilés aux Français toutes les fois que le Gouvernement aura passé un traité d'assistance réciproque avec leur nation d'origine. »

# Historical description and evolution

End of 19th century, precursors to what we have today:

- hospital accompanies French state **non-market policies** as far as health is concerned
- Law adopted in 1893 - **Assistance médicale gratuite**

« Any sick French citizen, deprived of resources, receives - free of charge - from the municipality, department or State according to his emergency residence, **medical assistance at home**, or if it is impossible to treat him usefully at home, in a hospital.

**Women in childbirth** are likened to the sick.

**Sick foreigners**, deprived of resources, **will be assimilated** to the French whenever the Government has concluded a **treaty of reciprocal assistance** with their nation of origin. »

# Historical description and evolution

20th century:

- After WW2, new economy, adopted by many countries: **keynesianism** (John Maynard Keynes, 1883 – 1946, UK economist)

State intervention needed for economy to reach  
an **optimum state**

- Social expenditure and health expenditure to cause and support an **economic growth** → **public grants ++**  
(Relance économique/plans de relance ; budgets publics)  
(Economic recovery/recovery plans; public budgets)



# Historical description and evolution

20th century:

- ~1960: national hospital renovation

(1.8 billions Francs – 2.5 billions EUR in 1960 (high inflation))

Strong state statement

- Establishments reconstruction and modernization
- Building of new equipment  
↑ accomodation (no hospitalization) and hospitalization space  
35% in 1920 vs 80% in 1970
- ↑ technology (from beds to biotech.)

# Historical description and evolution

20th-21st centuries:

- 1974

- 1976 - 1980 :

**Drastic public grants** ↓ when hospital healthcare is involved, because of...

... its proportion in  
Consommation de soins et de biens médicaux (CSBM)

- 52% in 1982 vs 48.3% in 2021

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# HOSPITAL THEORITICAL PRINCIPLES

## « Hospital-company »

- Hôpital-entreprise, hôpital comme une firme
- Transposition largely adopted for public structures **evaluation** - for economy, research purposes - more specifically when **analyzing hospitals operations**
- So?
  - Hospital healthcare demand
  - Hospital healthcare supply
  - **Production**
  - Financing... but the transposition has its limits

# Hospital healthcare demand

- Random demand: probability of
  - disease apparition
  - disease actually severe enough to be causing accomodation/hospitalization  
(... COVID-19: apparition AND severity)
- Establishment-dependant (circuit de santé), patient's free choice
- Information appropriation (asymétrie d'information)  
difficulty for the patients to understand this specific need/demand

(Lecture 3! )

## Hospital healthcare supply

- Major role/influence of **technical progress** (COVID-19 tests/shots)
- Difficulty to pinpoint the **proper product (treatment or health management)**. True for general healthcare supply, and more specifically for hospital healthcare supply
- Supply providers (medical teams)
  - Efficiency – true for any company
  - **Biggest source of expenditure**

## Hospital-company and production

- **Indivisible** production:  
for a given patient, **shared** healthcare expenditure  
(vs production cost for a single unit in general industry)

Example: forfait hospitalier and real cost of the hospitalization?



## Hospital-company and financing

- Principles

Collective service (public grants, taxes)

vs **market resources** (selling products, investing money)

- Risk and evolution

CSBM and health expenditure

# Hospital-company and financing (risk and evolution)

## Consommation de soins et de biens médicaux

En millions d'euros

	2011	2016	2017	2018	2019	2020	Évolution 2019/2020 (en %)
<b>Soins hospitaliers</b>	<b>82 317</b>	<b>92 048</b>	<b>93 602</b>	<b>94 909</b>	<b>96 921</b>	<b>100 536</b>	<b>3,7</b>
Secteur public	63 144	70 965	72 191	73 037	74 505	78 664	5,6
Secteur privé	19 173	21 082	21 411	21 872	22 416	21 872	-2,4
<b>Soins ambulatoires</b>	<b>96 996</b>	<b>105 970</b>	<b>107 662</b>	<b>109 315</b>	<b>111 451</b>	<b>108 691</b>	<b>-2,5</b>
– Soins de ville*	47 644	53 949	55 309	56 463	58 093	57 212	-1,5
Soins de médecins et de sages-femmes	19 366	21 232	21 707	22 181	22 673	21 589	-4,8
Soins d'auxiliaires médicaux	13 019	16 718	17 293	17 866	18 551	18 360	-1,0
Soins de dentistes	10 612	11 215	11 467	11 619	11 958	10 892	-8,9
Laboratoires d'analyses	4 320	4 378	4 429	4 386	4 513	6 203	37,4
Cures thermales	326	405	413	410	398	169	-57,7
– Médicaments	32 950	31 898	31 771	31 477	31 257	30 201	-3,4
– Autres biens médicaux**	12 556	15 321	15 595	16 277	17 043	16 694	-2,0
– Transports sanitaires	3 845	4 803	4 986	5 098	5 058	4 584	-9,4
<b>Ensemble</b>	<b>179 313</b>	<b>198 018</b>	<b>201 264</b>	<b>204 224</b>	<b>208 372</b>	<b>209 228</b>	<b>0,4</b>
CSBM (en % du PIB)	8,7	8,9	8,8	8,6	8,5	9,1	

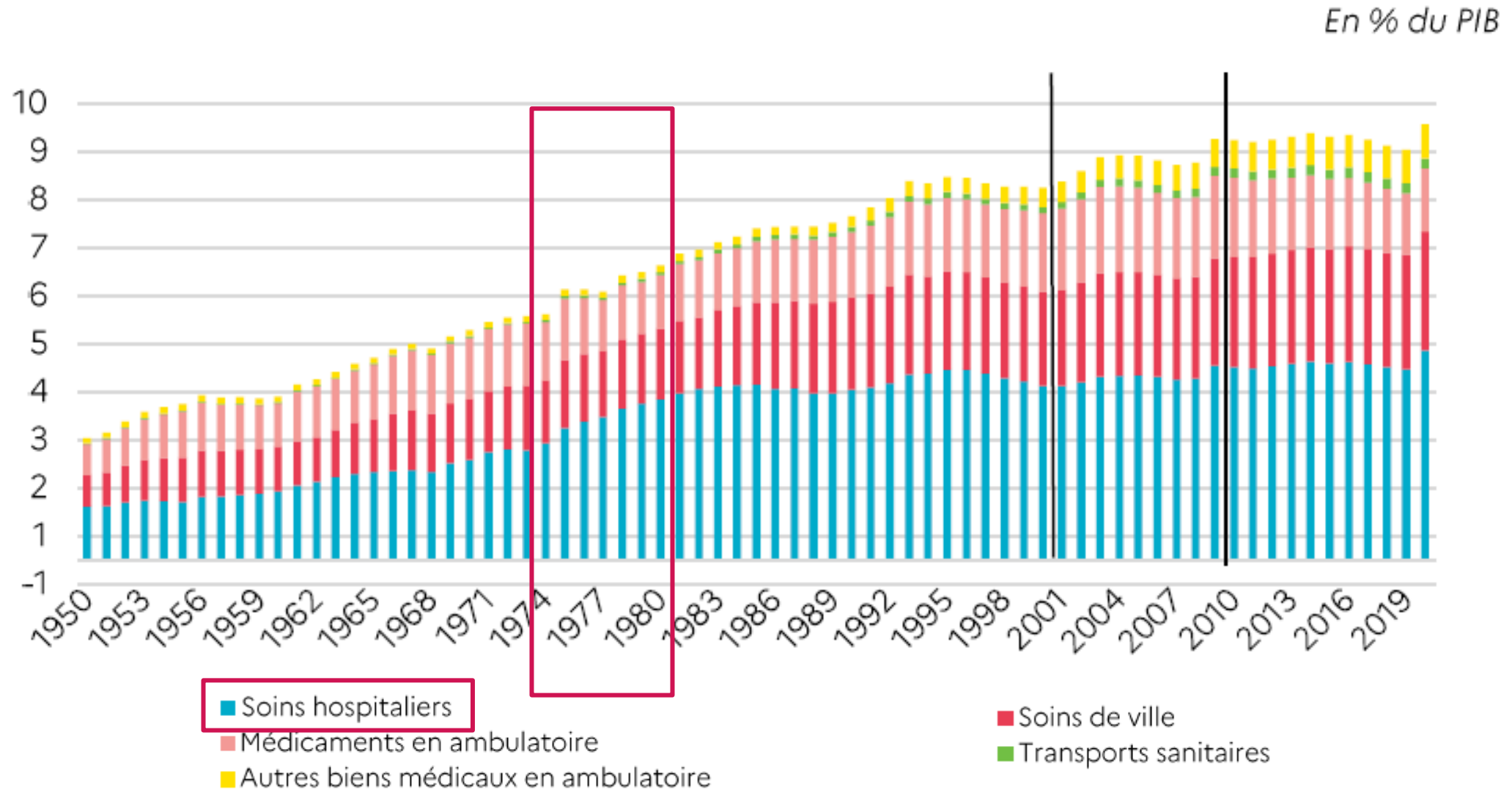
Impact of COVID-19

↑ hospitalizations

↑ staff salaries

# Hospital-company and financing (risk and evolution)

Graphique 5 La CSBM et ses principaux postes en pourcentage du PIB depuis 1950



## Hospital-company and financing (risk and evolution)

- Many policies
- LFSS
- Clear risks, evolution known and unchanged for 50 years



# Q & A ?

Hospital healthcare supply.

November 9th, 2022



COMING UP NEXT

**QUIZ**

November 10th, 2022

**#7**

**HEALTH INEQUITIES**

November 23rd, 2022

# References

Slide 18 Figure: Source DREES Direction de la recherche, des études, de l'évaluation et des statistiques, 2022

Slide 19 Figure: Source DREES Direction de la recherche, des études, de l'évaluation et des statistiques, 2022