

## BOOK REVIEW

*Paying the Hospital*, by William A. Glaser. San Francisco: Jossey-Bass Publishers, 1987.

Last summer I participated in an international health care comparative conference in Europe. I wish that I had read William Glaser's *Paying the Hospital* before doing so. This book compares and analyses the methods of financing hospital services in seven developed countries—Canada, England, France, West Germany, the Netherlands, Switzerland, and the United States—based on seven years of research. As the author notes in his preface, *Paying the Hospital* contains “the only [detailed] information in the English language about hospital finance in France, Germany, Holland, and Switzerland.” And the amount of information is impressive.

The book is not organized country-by-country, but rather by topic, thereby facilitating comparison and analysis of across-country differences on a wide range of hospital finance aspects. The book lists and describes the variables employed in the comparative analysis of the different hospital finance systems, then proceeds to compare, by variable, the seven systems. The variables discussed include units of payment, sources of payment (who pays the bill), methods of rate negotiation, methods of rate regulation, and methods of global governmental budgeting and public grants. Most of this discussion applies to the financing of operating expenses.

Various methods of financing capital investment are then described. Because of my own research interests, I found this chapter to be most valuable. It presents a historical look at both the financing of hospital construction and the existence of health facilities planning. The chapter shows clearly the basic difference between the United States, which relies heavily on the individual to develop its own sources of capital financing, with some public sector help, and other countries (except the Nether-

lands), which employ much higher degrees of public funding and therefore public control over the capital expenditure decision.

Glaser then compares wage setting for hospital employees and arrangements for organizing and paying physicians. Glaser argues convincingly that there is more across-country variability in methods of paying for hospital services than in methods of paying for physician services. This material is followed by a comparison of hospital management in the different countries, including management's responsibilities, objectives (such as the extent to which its efforts are directed toward national priorities or toward the goals of individual organizations), and its power relative to government, hospital owners, and physicians.

*Paying the Hospital* concludes by analyzing the relationship between payment system and hospital performance and the effect this relationship has on costs, efficiency, and patient care. This is followed by a chapter on how hospital financing systems might be improved. These issues are complex, and the author admits having had great difficulty in addressing them. Nonetheless, there is a wealth of ideas here on the advantages and disadvantages of various approaches. The American reader is struck by the fact that our hospital financing system is fundamentally different from those of most other developed countries with regard to most of the characteristics analyzed by Glaser. What is also clear from this book is that the financing system has a lot, but not everything, to do with differences in hospital performance.

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