Regional Purchasing Funds

Country: Austria
Partner Institute: Institute for Advanced Studies (IHS), Vienna
Survey no: (1)2003
Author(s): Maria M. Hofmarcher, Contributor: Gerald Röhrling, Monika Riedel
Health Policy Issues: System Organisation/Integration, Remuneration/Payment

1. Abstract

In the Austrian state of Vorarlberg an idea of creating a state led purchase fund was launched. Through optimizing resources allocation and proper planning and financing at the state level, the idea seeks to narrow the gap between inpatient and outpatient care. It enhances sharing of responsibilities in between state government and sickness funds. It is believed that this re-organization is the result of successful lobbying of People Party state politicians in favour of federalism.

2. Purpose of health policy or idea

To optimise resource utilization via coordinated steering, planning and financing on state (Bundesländer) levels.

Across state boarder cooperation are intended.

3. Characteristics of this policy

<table>
<thead>
<tr>
<th>Degree of Innovation</th>
<th>traditional</th>
<th>innovative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural or Systemic Impact</td>
<td>marginal</td>
<td>fundamental</td>
</tr>
<tr>
<td>Public Visibility</td>
<td>very low</td>
<td>very high</td>
</tr>
</tbody>
</table>

4. Political and economic background

Change based on an overall national health policy statement
5. Purpose and process analysis

| Idea | Pilot | Policy Paper | Legislation | Implementation | Evaluation | Change |

Origins of health policy idea

Already some time ago, the state Vorarlberg has launched the idea to create a state led purchasing fund to improve continuity of care. In Vorarlberg traditionally the people party is strong which won the last national election; in addition, in most of the nine Austrian states the state governor is a member of the people party.

We believe that the chapter in the current government programme dedicated to this re-organization is the result of successful lobbying of state politicians who are major representatives of the people party which is expressively in favour of federalism.

Stakeholder positions

In fact, the local representative in charge for state health issues travelled all over the country to promote this idea and built an alliance with the person in charge in Salzburg, the second promoter of state led regional purchasing funds.

6. Expected outcome

- Already some time ago, the state Vorarlberg has launched the idea to create a state led purchasing fund to improve continuity of care.
- In particular, the aim was to close the gap between inpatient care and outpatient care provided extramurally.
- Salzburg was succeeding the idea but intends to create a purchasing fund in a kind of "big bang" reform, e.g. integrating all funds and purchasing providers on all levels of care.
- As opposed to Salzburg, the approach in Vorarlberg has been project-oriented, e.g. pre- and post hospitalisation management.
- Even though we think that this initiatives deserve attention from both an economic point of view and with respect to the necessary effort to integrate service provision, it remains rather ambiguous how the management boards of those purchasing funds are organized;
- In fact, the idea in Vorarlberg has been to share responsibilities in management boards between the state government and the sickness funds "50:50"; as federalism in the Austrian health sector and in particular in inpatient care has been an obstacle anyway, this even division of responsibilities is likely to enhance it.
- Therefore, the representation of sickness funds according to their financing share (about 70% of total public expenditure on health) seems necessary to ensure that health policy remains a national issue and prevails state led interest.
Author/s and/or contributors to this survey

Maria M. Hofmarcher, Contributor: Gerald Röhrling, Monika Riedel

Suggested citation for this online article

Maria M. Hofmarcher, Contributor: Gerald Röhrling, Monika Riedel: "Regional Purchasing Funds". Health Policy Monitor, May 2003. Available at