

## Abstract

It has been over six years since the national health insurance ( NHI ) was implemented in 1995. Though most people are satisfied with NHI, however, bureau of National Health Insurance has to face the financial crisis. In order to solve the financial problems, many payment reforms had been adopted, like the co-payment for prescription, the reasonable outpatient volume control, reduction of reimbursement in drug and global budget for outpatient services. Under the turbulent environment, strategic alliance is a good way to integrate the services either horizontally or vertically.

This study survey all regional hospitals and local teaching hospitals. It try to answer how beneficial from the past strategic alliance for medium-sized hospitals, to understand the importance of partner among different levels of hospitals, to verify the relationship of management and ownership between the alliance hospitals and to evaluate what type of hospitals to be allied. This sample included all 111 medium-sized hospitals, totally 51 valid questionnaires were obtained. The response rate is 46 %, including 32 regional hospitals and 19 local teaching hospitals.

The study found local teaching hospitals operated not as well as regional hospitals. Medical centers were the first choice to be allied for the medium-sized hospitals, and next were the regional hospitals. Although the medium-sized hospitals were glad to join the strategic alliance, they also insisted to hold on their ownership. Medium-sized hospitals were still conservative when dealing with ownership issues, but open to outsourcing supporting systems and cooperation, for example, in the department of emergency oncology respiratory therapy, they are very

cooperative. Generally speaking, medical centers were the first choice as alliance partner for medium-sized hospitals. Except in the area of purchasing and health insurance payment claims, regional hospitals were the first choice.

Though smaller hospitals were more willing to join the strategic alliance, however, they were less often selected by medium-sized hospitals as partner for strategic alliance.

The study also suggested the government should deregulate as soon as possible, so the private hospitals can be managed by the corporation or the non-profit organization to foster strategic alliance among hospitals.

**Key Words : Strategic Alliance, Value Chain Activities , Health Care Industry, Inter-hospital Cooperation**