

European Healthcare Systems: Need for Substantial Change

Principal Overview: Situation in the Netherlands

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Content Today:

- 1 What is the issue with healthcare?
 - The Insurance System
 - The Role of the Government
- 2 How does the Dutch healthcare system operate in this respect? => Cost Control
- 3 Reasons for Reform
- 4 The Dutch Reform Act (implementation: 2006)

1 What's the Issue with Healthcare: Insurance System

- Public and private elements: 'Mixed Economy'
- No 'integrated care' : Prevention, cure and social care as separate entities
- 1st compartment: AWBZ compulsory national insurance
- 2nd compartment: 'sickness funds' and private insurance based on income (wage ceiling)
- 3rd compartment: private supplementary care

Sickness Funds & Private Insurance

- Wage Ceiling: 32.600 for employees, 20.800 for self-employed
- Obligatory VS Voluntary
- Income dependent contributions VS nominal premiums
- General duty of acceptance VS risk selection (therefore: varying premiums)
- 'In kind' system VS 'restitution system'

1 What's the Issue with Healthcare: The role of the Government

- European Trend:

Increasing State Involvement:

- Public arrangements for health insurance
- From self-regulation to state involvement
- Extending material and personal scope
- Values: solidarity (risk, income)

2 Cost Containment policies: the Major Issue

- Charges and Co-Payments
- Restrictions (on what is reimbursed by the insurer)
- Budget Setting
- Controls

3 Reasons for Reform

- Unequal Division of Charges
- Limited Choice
- A lack of efficiency in the allocation of resources and little incentive to innovate
- Lack of Information and lack of transparency
- Trends (universal):
 - Demographic trends
 - Demanding health consumers
 - Technological innovation

The Dutch Reform Act: 'healthy competition'

- Participation in health insurance is mandatory
- Distinction between social health funds and private insurance is to be abolished
- General Duty of Acceptance
- Nominal premium (~1100 euro) + compulsory deductible + income-dependent (4,4 %) employer contribution
- Lower income groups compensated for by new health fund
- "Competition": health insurers negotiate about the price (and supposedly also quality) of health service

The 'grand idea': Competition

- Low entry barriers for new providers and insurers
- Transparency with regard to price and quality of healthcare
- No competition-restricting behaviour
 - THE SOLUTION?? (will be continued tomorrow)

Statement:

A cost containment policy that acts on prices and budgets alone can have serious implications in terms of welfare! Patient choice and patients' financial responsibility should replace 'One size fits all regulations'.

