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CPB Netherlands Bureau for Economic Policy Analysis

Early experiences with the Dutch Health Care System

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Dutch health care system

Madrid,
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CPB Netherlands Bureau for Economic Policy Analysis

- Independent policy analyses relevant for economic policy

- Customers:
 - ▶ Government, ministries
 - ▶ Parliament, political parties
 - ▶ Trade unions, employers' associations
 - ▶ Public debate (media, "the taxpayer")

Cartoon in newspaper

Why don't you play along nicely!!

You nerd!!

TBM



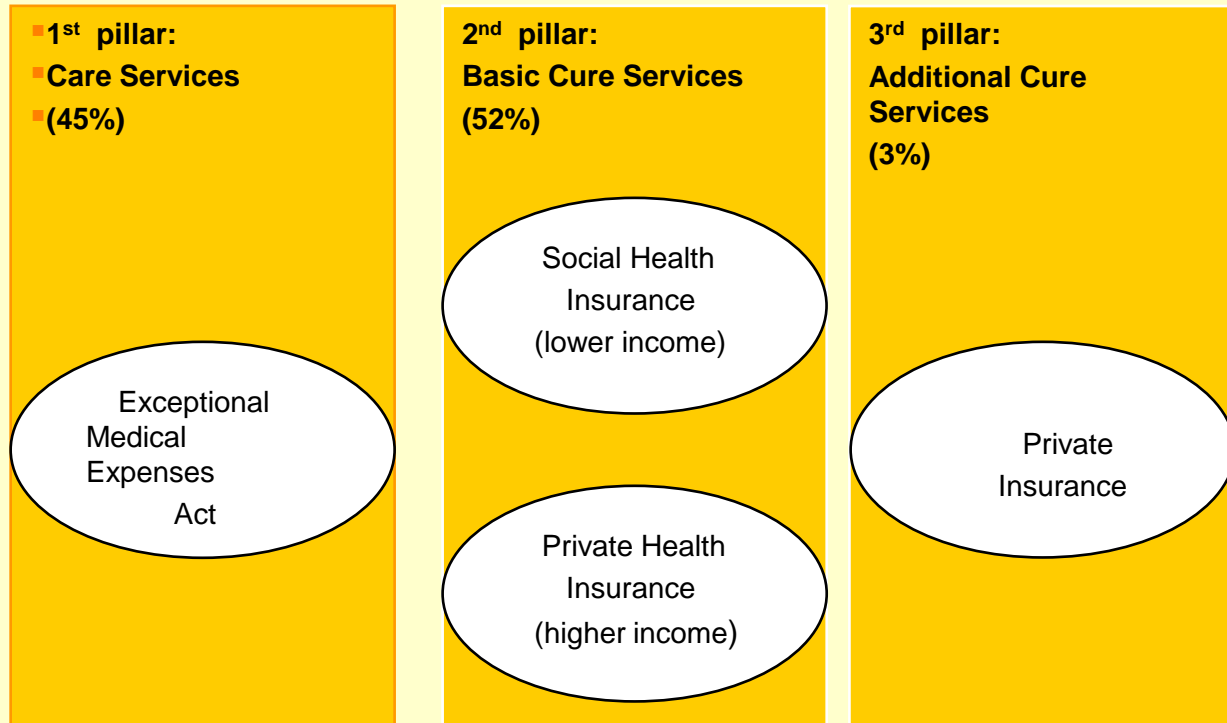
- Dutch health care reform in 2006
- Why a reform?
- Efficiency and equity
- First evaluations

Dutch Health Care Reform 2006

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Dutch health care system

Before 2006

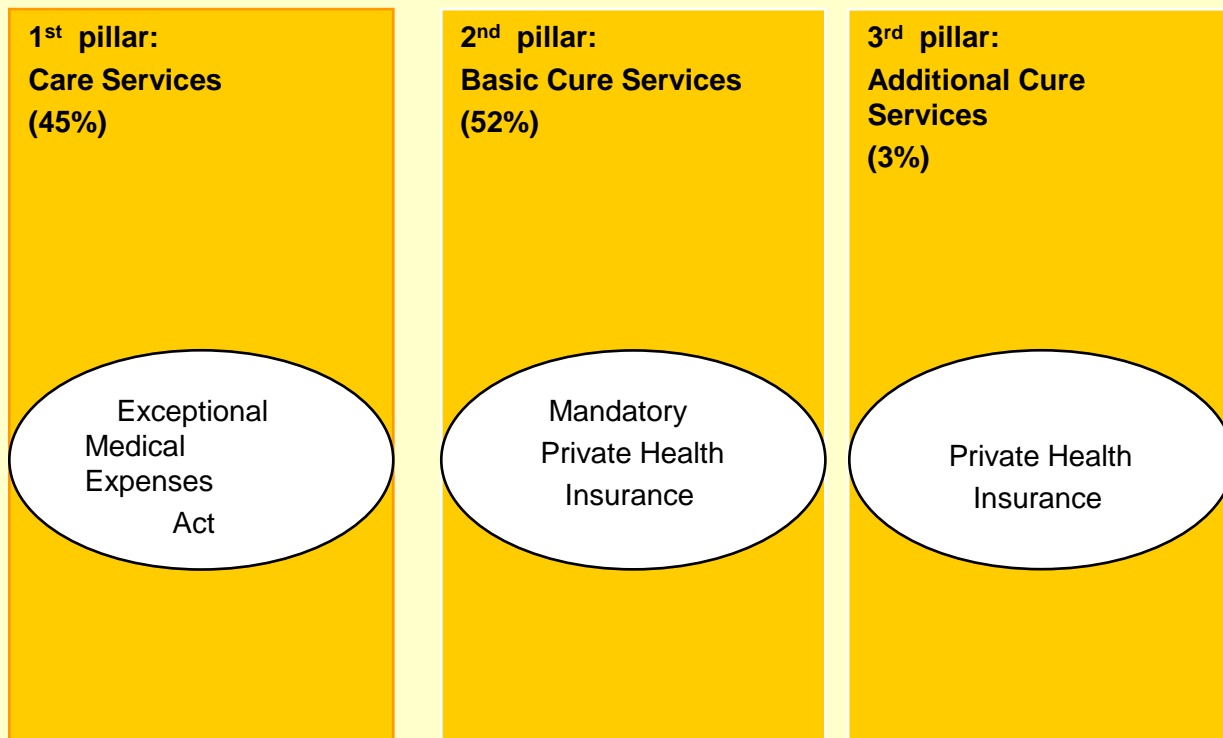


Dutch Health Care Reform 2006

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Dutch health care system

As of 2006



Why a reform?

- Long waiting lists/low quality
- Solidarity problems with private insurance
- Inefficient provision of health care
- Rising health care expenditures

Efficiency and Equity

- Efficiency: Regulated competition
 - in private health insurance market
 - in provider market
 - Establishment of regulator (Health care Authority) and Competition Authority

- Equity: maintaining solidarity by
 - Large standard benefit package for total population
 - Open enrollment/compulsory insurance
 - Community rating per insurer (risk adjustment)

First evaluation: Health insurance market

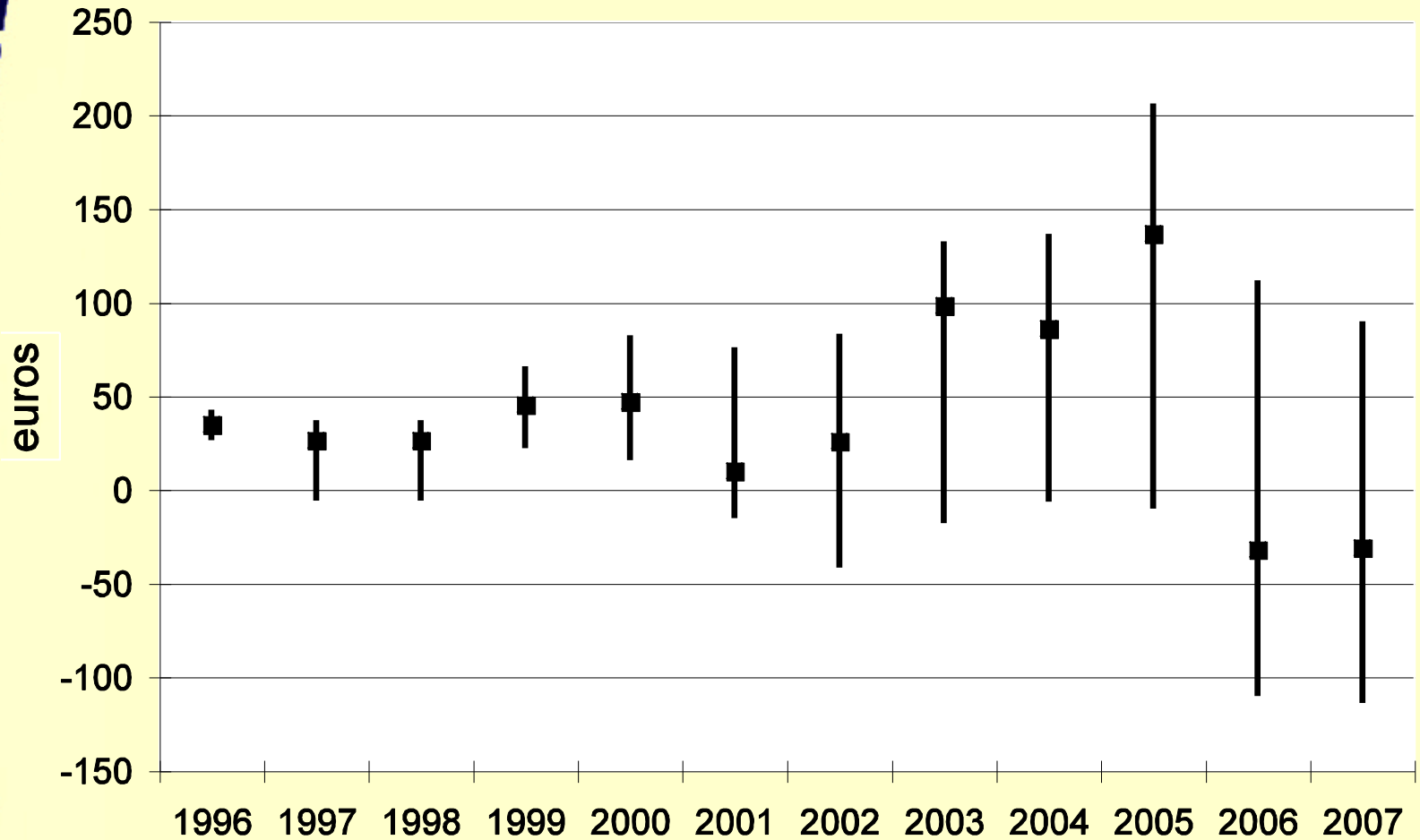
- A lot of transparency
 - ▶ Health insurers
 - Transparent payment system
 - Monitoring of premiums, solvability etc.
 - Publication of service aspects insurers
 - ▶ Consumer choice
 - Monitoring choice (price\quality elasticities)
 - Active Patients and Consumer organisation
 - ▶ Publication of annual monitor by Regulator

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Example: 2006 and 2007

Insurers started a premium war



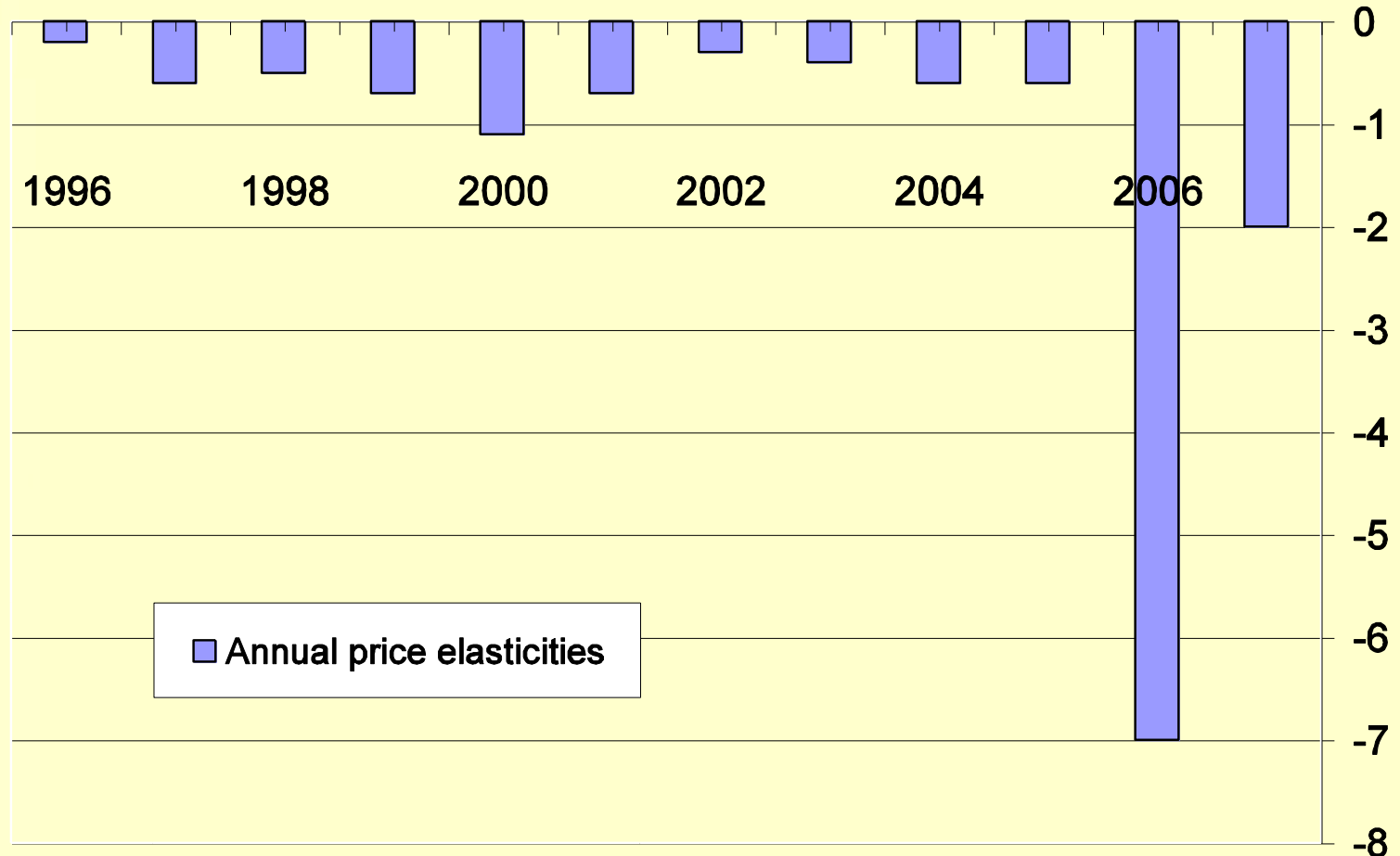
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Example: 2006 and 2007

Consumers switched on price

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First evaluation: Health provider market

- More transparency needed
 - ▶ Health care provider
 - Complex/intransparent payment system
 - No good quality indicators of health provision
 - Volume and price developments lack transparency
 - ▶ Health insurers
 - Still few incentives for bargaining with hospitals
 - Difficult to steer consumers to preferred providers

First evaluation:

From a government perspective

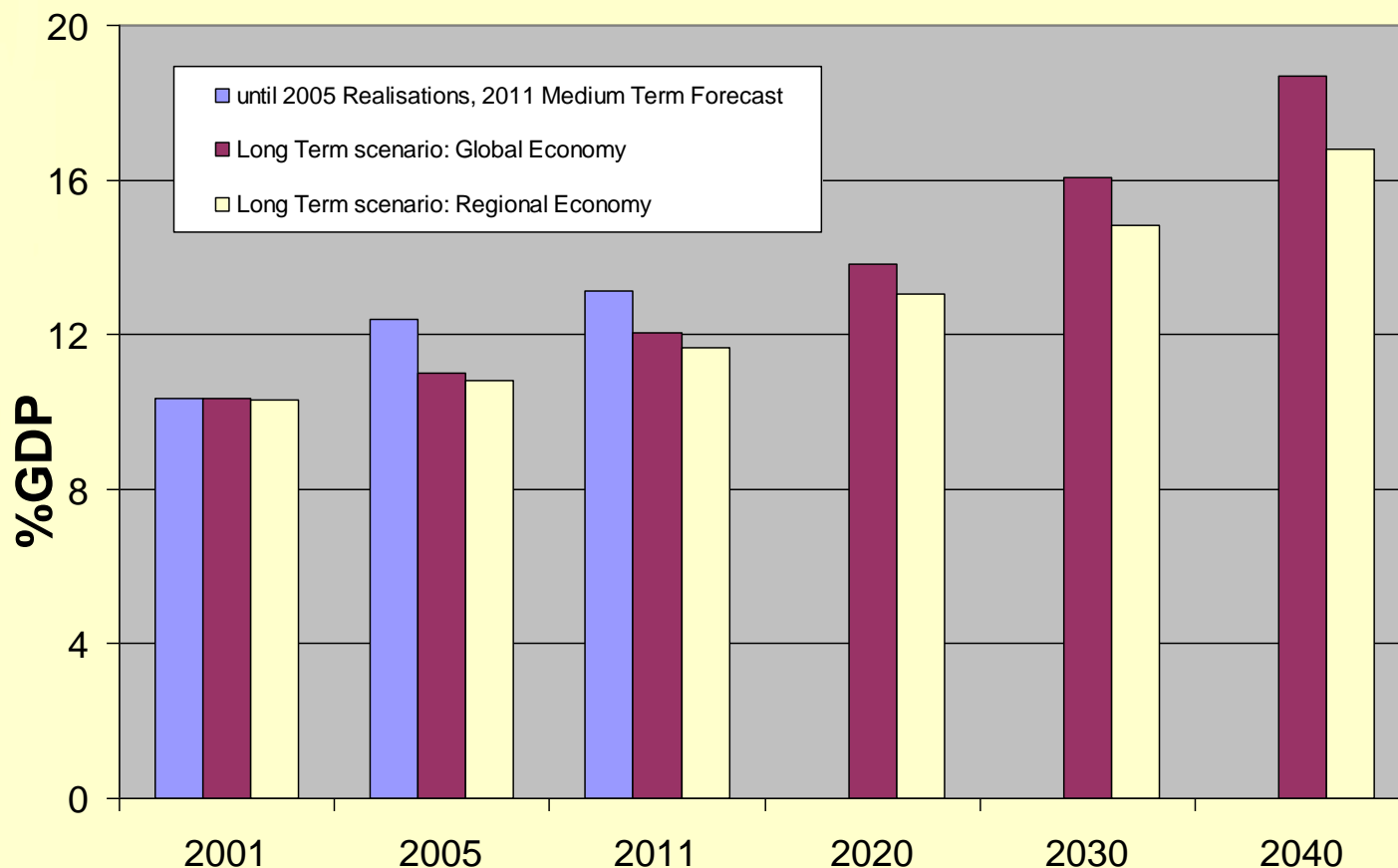
- Different role for government
- Cost containment mechanisms
 - ▶ Reduction basic benefit package
(use of cost effectiveness analysis)
 - ▶ Use of cost sharing mechanisms
 - ▶ Still use “old” cost containment measures
 - use of price ceilings
 - imposing ex-ante budgets

What did the reform solve?

Evaluation possible after two years?

- Less waiting lists/more emphasis on quality
- Less solidarity problems
- Provision of health care is still inefficient
 - ▶ but....a lot of market initiatives
- Rising health care expenditures

CPB scenarios: Total health care expenditures



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Thank you for your attention

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