

Combining macro-budgetary targets and efficiency programs in the French health care system

Dominique Polton

**Head of Strategy at the Caisse Nationale d'Assurance
Maladie des Travailleurs Salariés (CNAMTS)**



***2nd MEETING OF THE JOINT NETWORK ON FISCAL
SUSTAINABILITY OF HEALTH SYSTEMS - Paris, 25-26 March 2013***

Recent evolutions and future prospects

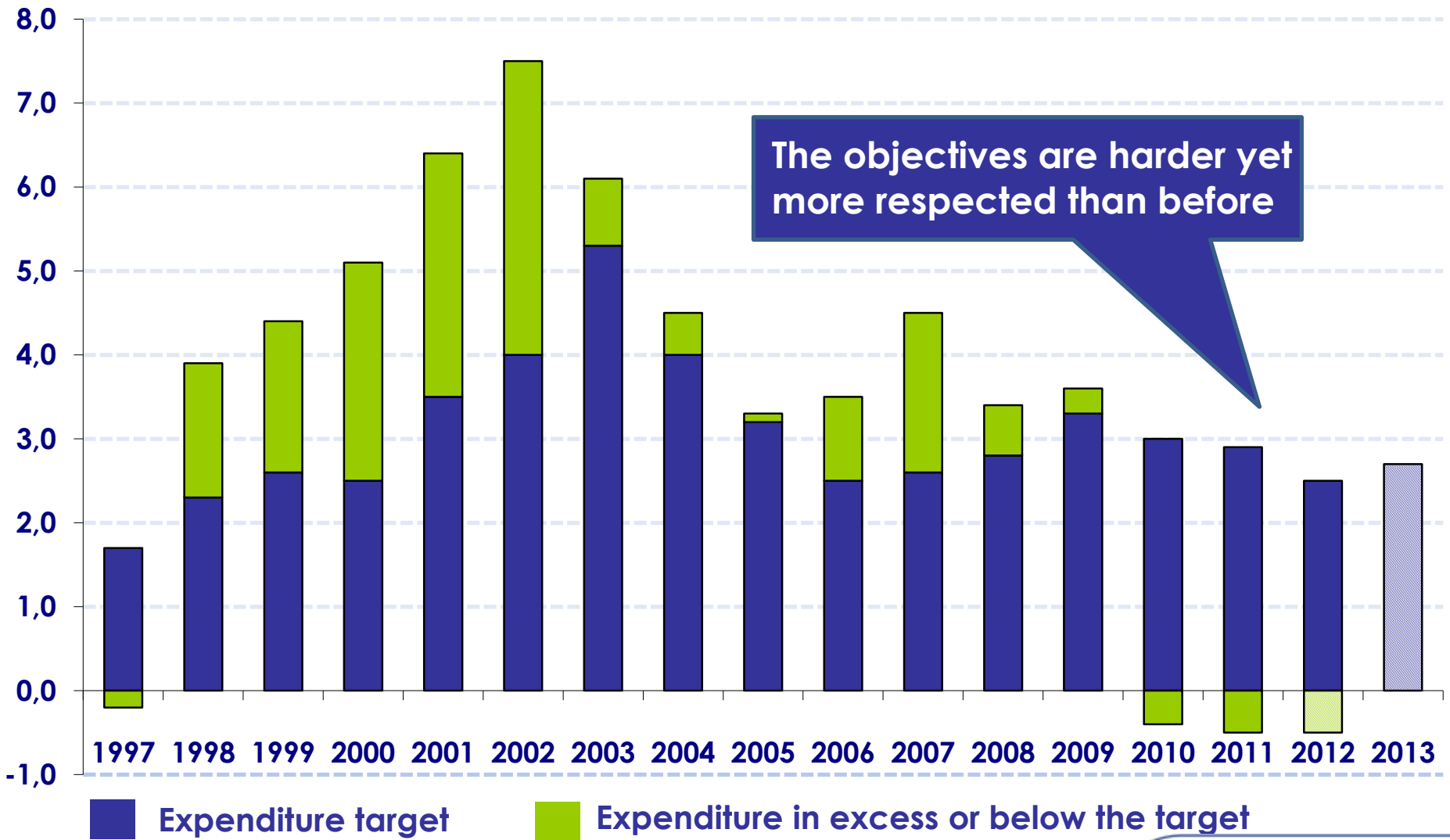
A better control of health care expenditure in the recent years, related to:

- strengthening macro-budgetary targets**
- combined with the development of efficiency programs at a micro-level**

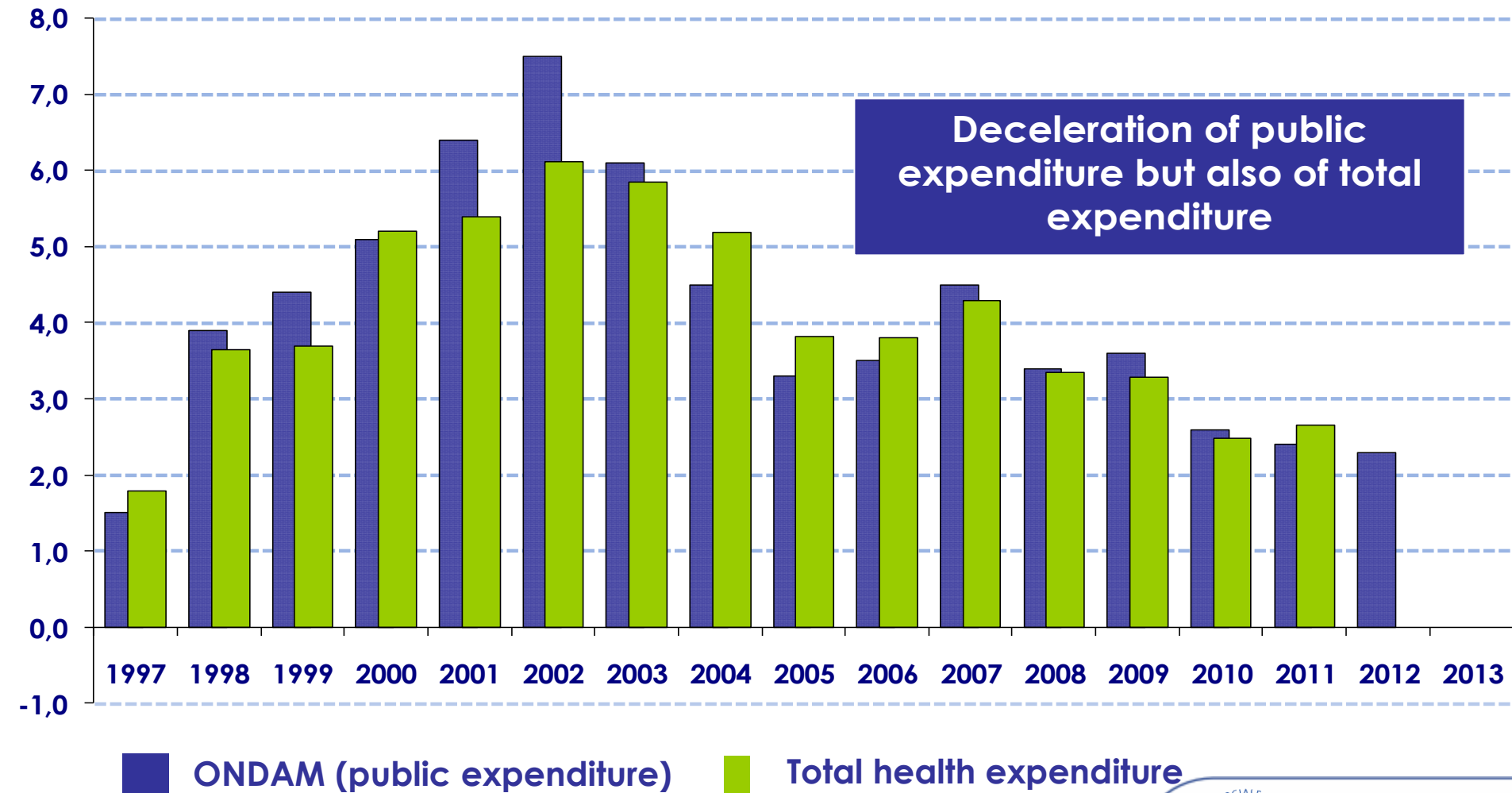
Perspective for the future:

a better link between financial targets and health improvement objectives through an analysis of expenditures by process of care

A better control over health care spending (1/2)



A better control over health care spending (2/2)



Strengthening macro-budgetary targets (1/2)

1996

- **Social Security Financing Act → The Parliament ratifies a National Objective for Healthcare Spending (ONDAM), i.e. a financial target for public spending on health care (annual process)**

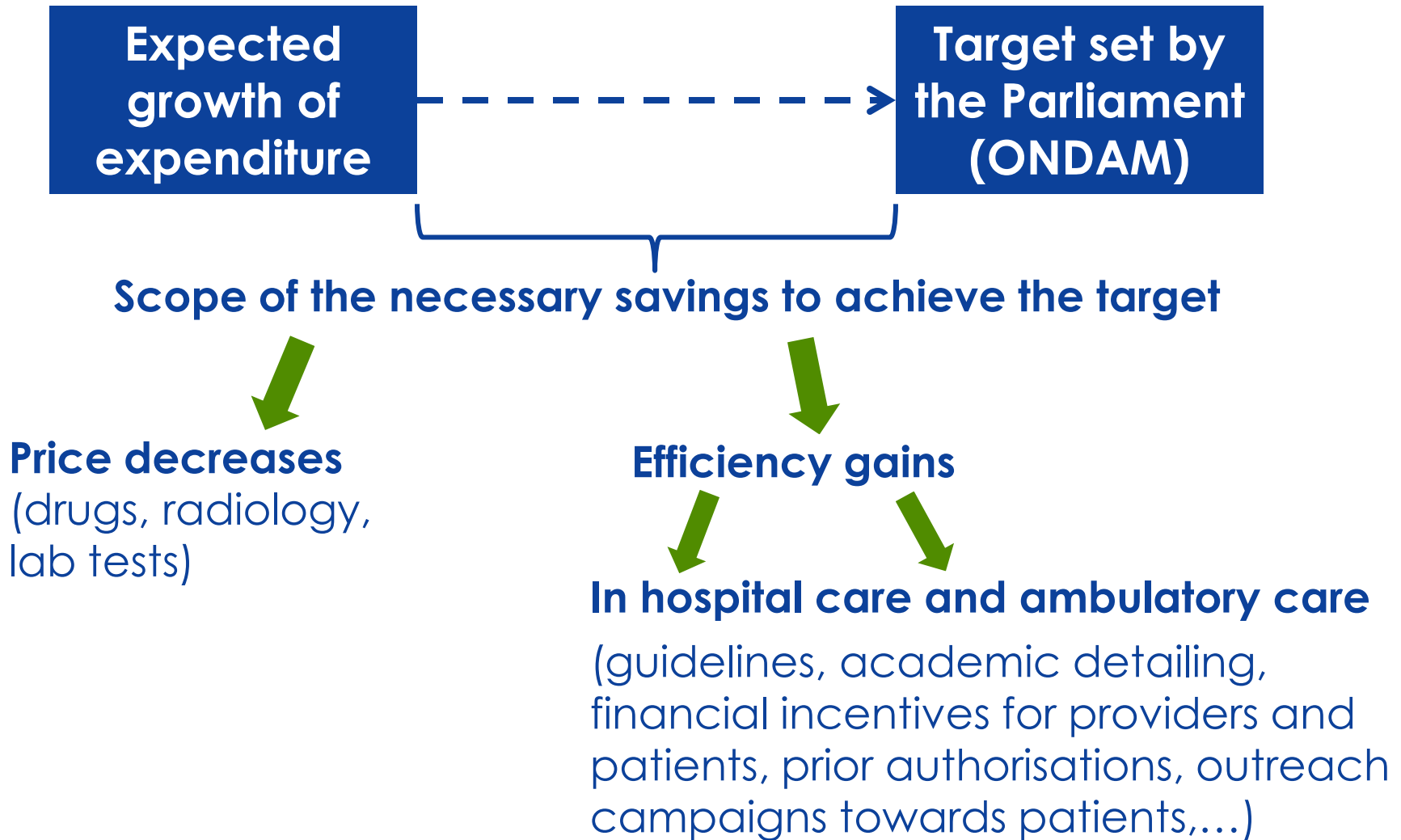
2004

- **Creation of an alert committee giving an independent advice on the forecasts**
- **If the ceiling is expected to be exceeded (>0,75%) NHI has to propose measures to make savings**
- **6 months delay to implement tariffs increases**

**2008 -
2010**

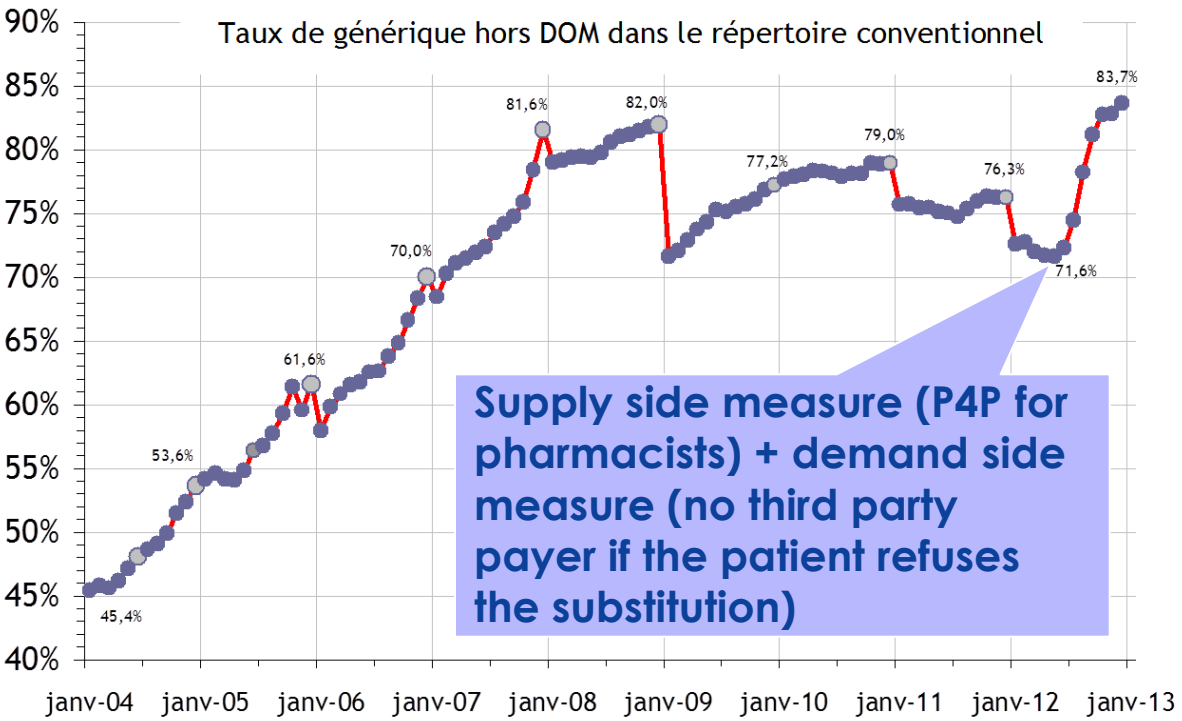
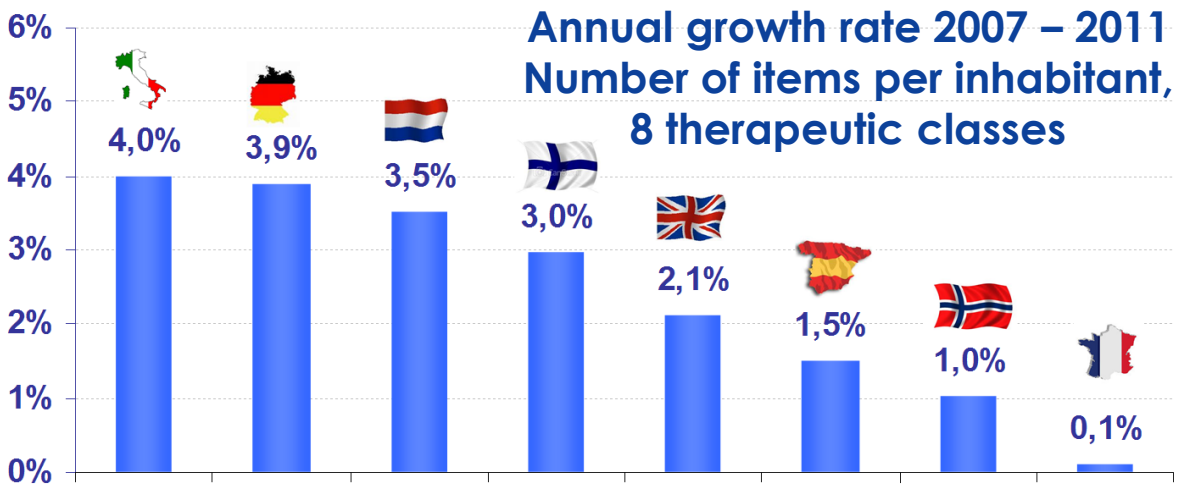
- **New governance, better monitoring, increased intervention of the alert committee**
- **Threshold → 0,5%**
- **New tools : amounts set aside (part of hospital budgets), tariffs increased canceled in case of alert**

Strengthening macro-budgetary targets (2/2)



Efficiency programs at a micro-level

Example 1:
Higher drug consumption
but the gap is gradually
reduced (# of items)



Supply side measure (P4P for pharmacists) + demand side measure (no third party payer if the patient refuses the substitution)

Example 2:
Program on generic substitution



So far no articulation between health objectives and financial constraints



- Development of an analysis of expenditure by disease and process of care**
- Might complete the parliamentary debate**

Future prospects (2/2)

Breakdown of expenditure by disease

Example : costs of diabetes in 2010 (billions Euros)

Cost of primary prevention and management of diabetes

2,5

Cost of treatment of the complications of diabetes

4,2

6,7

Cost indirectly related to diabetes (comorbidities)

3,6

Other costs incurred by diabetic patients (non related to diabetes)

7,4

Projection of costs

Annual growth rate projected 2010-2017

- +7,7% total costs
- +5,6% number of patients