Early experiences with the Dutch Health Care System

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- 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!!
Dutch health care reform in 2006
Why a reform?
Efficiency and equity
First evaluations
Dutch Health Care Reform 2006

Before 2006

1st pillar: Care Services (45%)

2nd pillar: Basic Cure Services (52%)
- Social Health Insurance (lower income)
- Private Health Insurance (higher income)

3rd pillar: Additional Cure Services (3%)
- Private Insurance

Exceptional Medical Expenses Act
Dutch Health Care Reform 2006

As of 2006

1st pillar: Care Services (45%)

- Exceptional Medical Expenses Act

2nd pillar: Basic Cure Services (52%)

- Mandatory Private Health Insurance

3rd pillar: Additional Cure Services (3%)

- Private Health Insurance
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
Example: 2006 and 2007

Insurers started a premium war
Example: 2006 and 2007
Consumers switched on price

Dutch health care system

Madrid,
OECD,
31 October
2007
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

- until 2005 Realisations, 2011 Medium Term Forecast
- Long Term scenario: Global Economy
- Long Term scenario: Regional Economy

Dutch health care system

Madrid, OECD, 31 October 2007
Thank you for your attention