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CPB Netherlands Bureau for Economic Policy Analysis

Early experiences with the Dutch Health Care System

Rudy Douven

Dutch health care system

Madrid,
OECD,
31 October
2007

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!!

TBM

You nerd!!



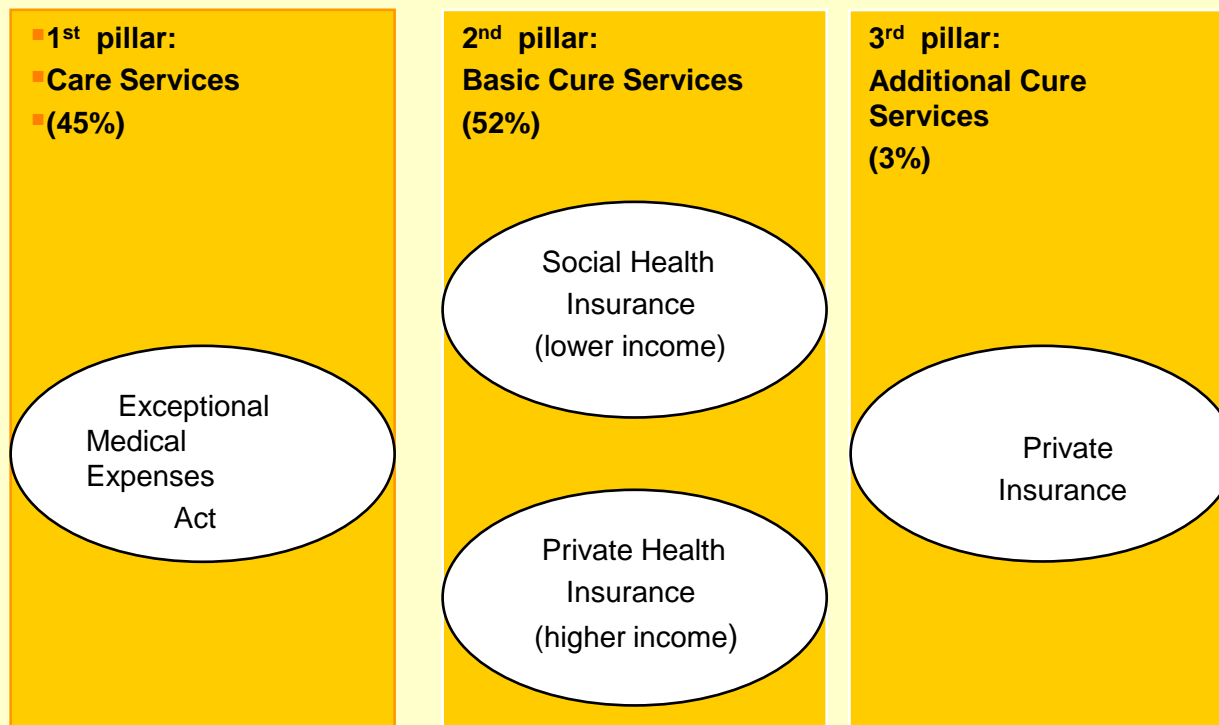
- Dutch health care reform in 2006
- Why a reform?
- Efficiency and equity
- First evaluations

Dutch Health Care Reform 2006

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Dutch health care system

Before 2006

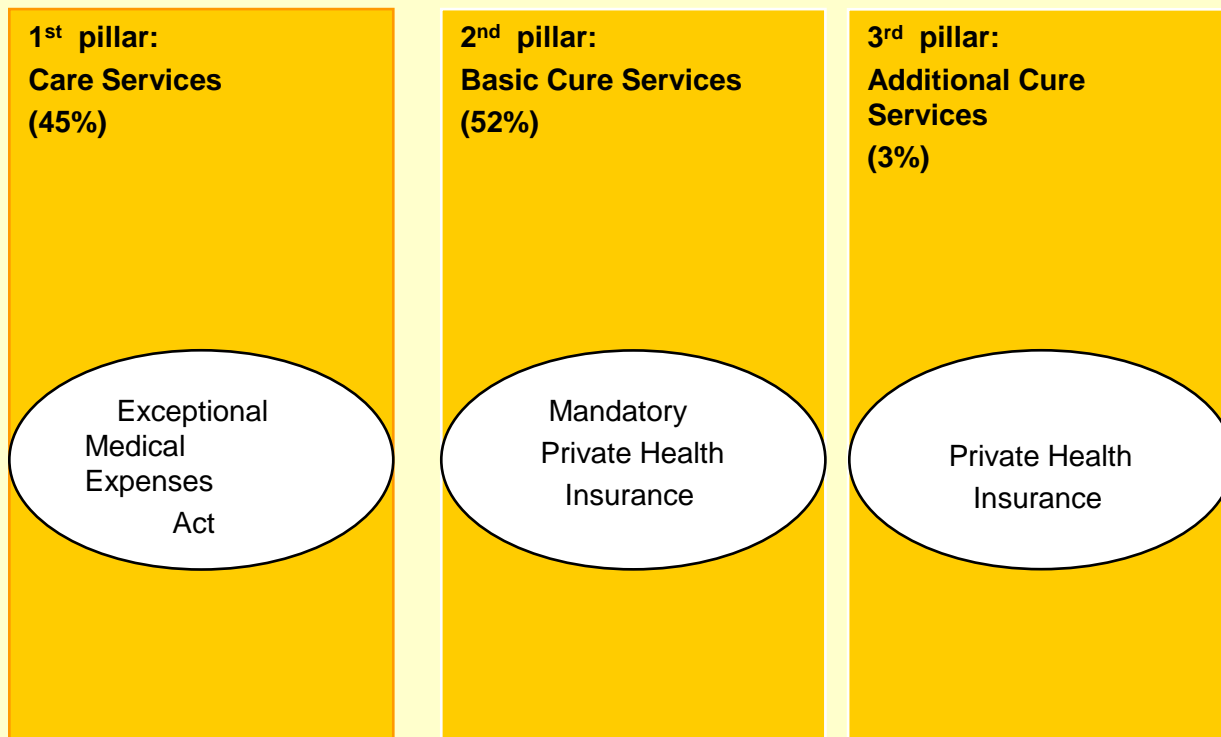


Dutch Health Care Reform 2006

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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

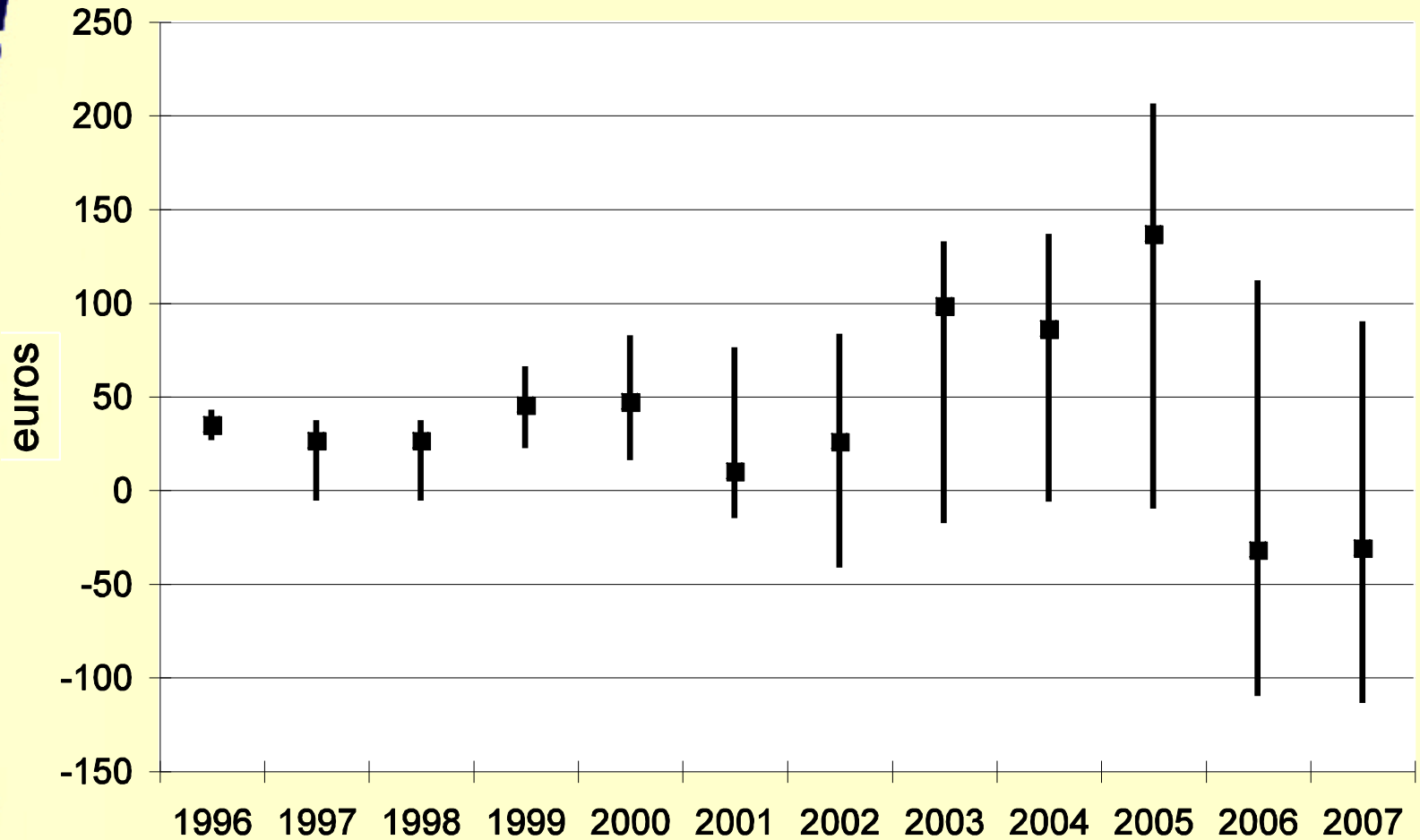
- A lot of transparency
 - ▶ Health insurers
 - Transparent payment system
 - Monitoring of premiums, solvability etc.
 - Publication of service aspects insurers
 - ▶ Consumer choice
 - Monitoring choice (price\quality elasticities)
 - Active Patients and Consumer organisation
 - ▶ Publication of annual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

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Example: 2006 and 2007

Insurers started a premium war



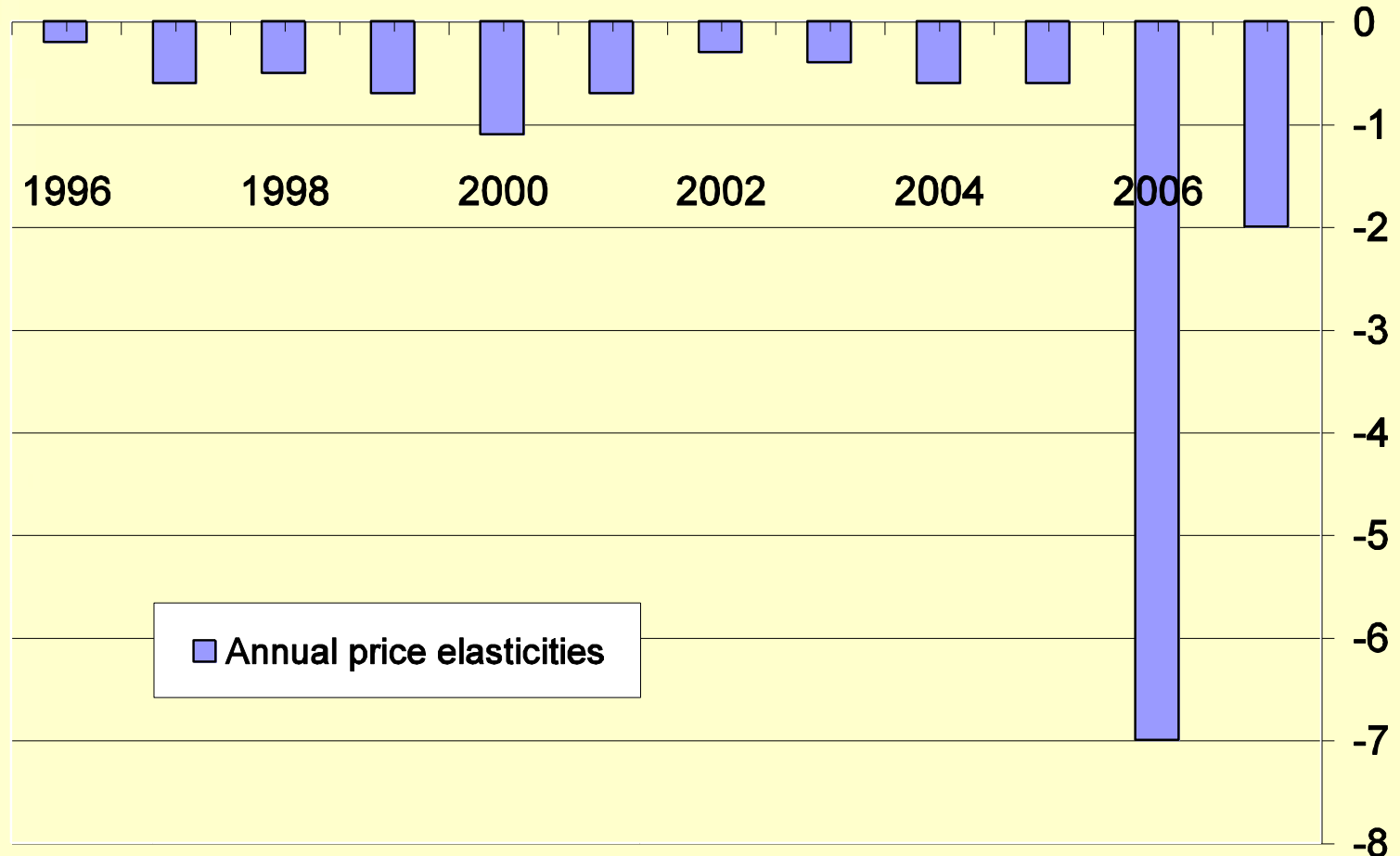
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Example: 2006 and 2007

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

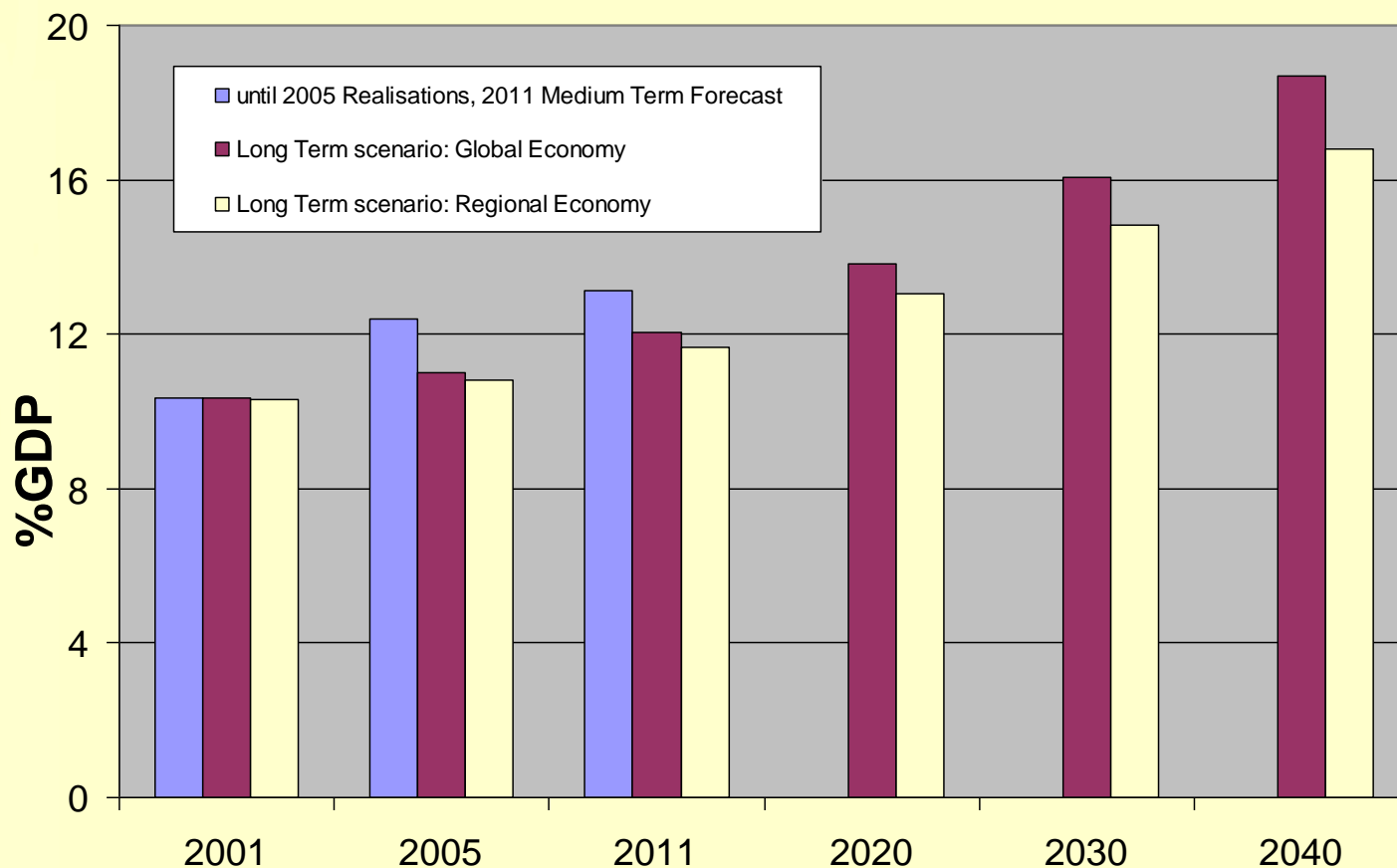
- Different role for government
- Cost containment mechanisms
 - ▶ Reduction basic benefit package
(use of cost effectiveness analysis)
 - ▶ Use of cost sharing mechanisms
 - ▶ Still use “old” cost containment measures
 - use of price ceilings
 - imposing ex-ante budgets

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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