



## PRESS RELEASE

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### FINANCES AND PUBLIC ACCOUNTS

## SOCIAL SECURITY

**The Cour des comptes hereby publishes its annual report on the implementation of the Social Security Finance Acts.**

**The social security deficit and social security debt continued to decline in 2017.**

**The national health insurance spending target (*objectif national de dépenses d'assurance maladie*, or Ondam) was reached for the eighth year in a row.**

**The balance improved at all branches, with the notable exception of health insurance, which accounts for almost all of the deficit.**

**As the improvement observed in 2017 was entirely cyclical, the return to balance of social security expected in 2019 needs to be strengthened through structural measures, in particular with respect to health insurance expenditure.**

### **Ensuring social security's sustained return to financial balance**

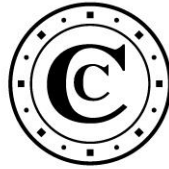
The deficit in the compulsory basic social security schemes and in the *Fonds de solidarité vieillesse* (pensions solidarity fund, or FSV) fell from €7bn in 2016 to €4.8bn in 2017, due to the sharp increase in total payroll associated with the improvement in the economic situation. Social security debt decreased from €135.8bn to €120.8bn. But the structural deficit, independent of business cycle effects on revenues, remained high.

Ondam was reached once again in 2017, even though the provisional allocation for ambulatory care was significantly exceeded. This overrun was offset by an unexpected slowdown in hospital activity, which led to a near doubling of the overall deficit of public hospitals. Greater rigour is needed when establishing the expenditure and savings forecasts within Ondam. Furthermore, all of the care provision sectors, including ambulatory care, should contribute to the implementation of the overall target in the course of the year.

According to the 2019 finance act, the social security deficit is expected to be limited to €1bn in 2018. In 2019, social security is projected to be in balance (+€0.7bn) for the first time since 2001. Firm control over the financial trajectory of social security will be needed to ensure the simultaneous achievement, across cyclical ups and downs, of the three financial targets set out in the 2019 finance act: a sustainable social security balance, a rebalancing of its financial relations with the central government so as to benefit the latter, and the paying off of the social security debt held by the Agence Centrale des Organismes de Sécurité Sociale by 2024 (€23.4bn expected at end-2018).

### **Ten years of change in the systems for providing care and covering healthcare expenditure in Europe**

The European systems for providing care and covering healthcare expenditure responded differently to the 2008-2009 economic crisis. France made fewer reforms to its healthcare system than most neighbouring countries and overall preserved its social security coverage, but at the cost of high and persistent deficits. Local general practitioners are subject to less



regulation here. The restructuring of hospitals is only partially underway. Generic drugs are not sufficiently prescribed. The use of digital healthcare data is in its early stages.

Reforms to improve the efficiency of France's healthcare system are critical to maintaining a high level of coverage of healthcare expenses by health insurance. What is needed is stronger prevention of avoidable diseases, a restructuring of care based on quality and safety criteria, more efficient primary care, and an end to overcharging.

### **The healthcare system's ambulatory care shift: additional transformations to be launched in both ambulatory and hospital care**

When medically justified, ambulatory care can improve patients' recovery and well-being while reducing the amounts spent on healthcare. However, the shift towards ambulatory care for some patients treated in hospital is hindered by the lack of local general practitioner organisation and the still limited tasks provided by paramedical professionals in primary care. Outpatient treatment at hospitals has increased for surgery, but still has room for growth. In contrast, it is flat for hospital medicine. Growth in this area should be promoted through price incentives, while taking care not to create long-term windfall effects.

### **The fight against cardio-neurovascular diseases: priority should be given to prevention and to the quality of care**

Cardio-neurovascular diseases are the second-leading cause of death in France. They affect 4.5 million patients with chronic diseases and their treatment costs €16.7bn per year. These diseases are, however, caused primarily by tobacco, alcohol, excess weight due to poor nutrition and sedentary lifestyles, all of which are preventable. Like the initial results obtained after tobacco prices were raised in March 2018, strong action through the use of taxation is needed to reduce the consumption of alcohol and sugary drinks.

To improve the quality and safety of institutional care, operating licences should be standardised and activity thresholds should be systematically implemented at levels that are appropriate and actually enforced.

The Cour des comptes has also identified instances of overcharging: the pricing grids applicable to healthcare institutions for treatment related to cardio-neurovascular diseases encompass obvious inconsistencies and have windfall effects with respect to costs.

### **Eye care: restructuring needed**

Eye care represents an expenditure of €9.6bn per year, including lenses. Unlike other countries, primary care is provided by ophthalmologists, and other professionals in the eye care sector – orthoptists and opticians – play a limited role. Due to the unequal distribution of ophthalmologists across the country and their practice of charging additional fees, the needs of the population are unevenly covered.

The difficulties in accessing care, which are already being experienced in a number of areas, will only increase if the organisation of primary care remains unchanged, due to the steady decline in the number of ophthalmologists until 2030. Orthoptists and opticians should be allowed, subject to enhanced training, to provide primary care without being supervised by an ophthalmologist and to be the initial prescribers of lenses, respectively.



## **Pricing of workplace accidents and occupational illnesses: administratively cumbersome, incentives to be strengthened**

While the rules for calculating workplace accident and occupational illness contribution rates are complicated and administratively cumbersome, they do not sufficiently incentivise employers to prevent occupational risks and the resulting expenditures.

In order for contribution rates to incentivise prevention, they should be set at the company and no longer at the facility level, the rates of companies whose claim experience is abnormally high in their own business sector (*malus*) should be significantly increased, companies that use temporary workers and onsite subcontractors should be held more accountable, and the cost of late-emerging occupational illnesses should be pooled at the level of each business sector, and no longer within the national interprofessional framework.

## **The “*Déclaration Sociale Nominative*” (individual social security declaration, or DSN): a successful first step, fresh impetus needed**

The monthly DSN radically simplifies companies' reporting requirements and paves the way for new services for companies and employees. After a generally smooth rollout to all companies between 2015 and 2017, it should be expanded to the three civil service sectors (the French state, local councils and public hospitals).

Social security institutions should also now make widespread use of employees' individual data to verify companies' social security contribution filings and the rightful payment of social benefits and public assistance, which are either means-tested or based on wages.

## **The social security institutions in Guadeloupe, French Guyana and Martinique: turnaround is imperative**

In Guadeloupe, French Guyana and Martinique, social security is organised in a specific way that differs from the organisation in mainland France, with general social security funds (*caisses générales de sécurité sociale*) and family benefit funds (*caisses d'allocations familiales*). There are serious shortcomings in their operation. Despite significant administrative resources, delays are sometimes excessive and there are frequent errors in the social security benefits paid. Moreover, there are significant deficiencies in the collection of social security contributions. The Cour des comptes recommends corrective measures.

## **Recommendations**

The Cour des comptes has made 43 recommendations which are designed to:

- ensure social security's sustained return to financial balance;
- prevent diseases, ensure access to care and control healthcare expenditure;
- reduce occupational risks;
- enhance the efficiency of the social security entities in implementing their missions.

**[Read the report](#)**

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