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Ten years of evolution in healthcare systems and healthcare insurance in Europe: steep changes and lessons for healthcare reform in France

The Cour des comptes has analysed the healthcare systems and healthcare payment systems in eight European countries[5].

These systems were severely affected by the 2008-2009 economic recession. In the longer term, they must contend with structural changes that affect their sustainability: the ageing of the population, the spreading of chronic pathologies and the cost of therapeutic innovation.

France has responded to these challenges with approaches that generally differ from those of other countries: It has maintained the socialised portion of healthcare expenditures at a high level, but it has made fewer reforms to the organisation of the healthcare system itself that generates these expenditures.

Financial recovery measures

The countries affected by the sovereign debt crisis made harsh adjustments to healthcare expenditures and their socialised portion. The required patient contributions to the cost of treatment rose significantly. The covered benefits in the healthcare basket have shrunk. There were reductions in the size and earnings of the medical professional workforce. Investments were scaled back.

In all countries, including those less impacted by the crisis, special pressure was exerted on drug spending (which stands for an average of 1.5% of the GDP of European Union member countries), through various means, such as overall spending caps, promoting the use and lowering the cost of generic drugs, introducing competition amongst suppliers and disseminating medico-economic analysis methods to set drug prices.

In all countries, the savings measures exerted downward pressure on healthcare expenditures. There was a marked slowdown in their growth (whose average rate was +2.4% per year from 2009 to 2014, as compared to +7.9% between 2007 and 2009). The deceleration in expenditures funded by healthcare insurance was even steeper (from +7.9% per year to +2.1%). As a result, the socialised portion of healthcare expenditures feel from 74.1% in 2007 to 73% in 2014.

This, however, is an average which conceals diverging trends. Indeed, public health spending per capita (in constant purchasing power parity and constant currency) fell in Portugal, Ireland, Spain and Italy, where efforts to reign in public spending weighed especially heavily on healthcare expenditures.

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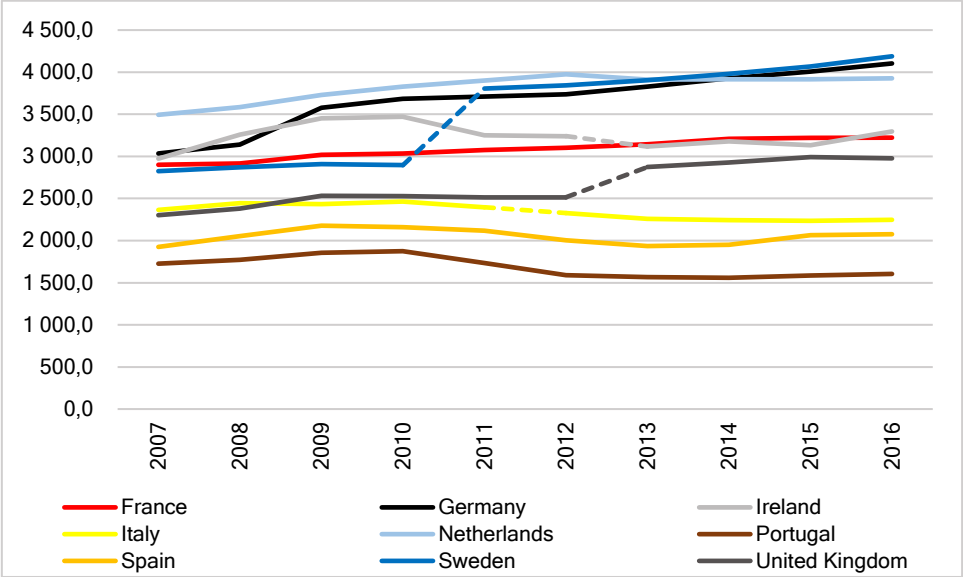
[5] Germany, Ireland, Italy, the Netherlands, Portugal, Spain, Sweden and the United Kingdom.

Change in public healthcare spending per capita in nine European countries, in constant purchasing power parity, in constant USD, 2010 OECD base (2007-2016)



Note: breaks in the series for Sweden in 2011, Italy in 2012, and the United Kingdom and Ireland in 2013.
Source: OECD health database.

It is still difficult to assess the impacts of the crisis on public health due to lack of long-term perspective. In any event, the savings on healthcare spending has led in many countries to longer wait times for patients and enhanced inequalities in access to healthcare.

Reforms aiming to improve the efficiency of healthcare systems

The European countries implemented structural reforms – many of which were large scale – with the goal of improving the value of the services provided by the healthcare system relatively to its funding.

In several countries, the ways healthcare providers get paid were reformed to lessen their reliance on the volume of treatment delivered (flat fee per patient and consideration of public health priorities for physicians in the United Kingdom, remuneration per patient for kidney failure in Portugal) and to enhance coordination among actors (experimental 'grouped payments' for chronic diseases in Italy).

In addition, funding mechanisms were fine-tuned so that the allocation of healthcare insurance funding at the local level does a better job of accounting for the needs of the population and not just the existing offer.

Most countries reduced hospital capacity (from 12 beds for 1,000 inhabitants in 1991 to 2.4 in 2015 in Sweden) and transferred a portion of treatment to ambulatory care. In some countries, hospitals were reorganised to create a graduated system of patient care levels depending on their medical status.

Several countries (Sweden, the United Kingdom, the Netherlands) assign an essential role to medical auxiliaries (nurses) in primary care.

Finally, digitised prescriptions by physicians and patient medical files have become general practises in several countries.

France preserved its level of socialised health expense coverage, but with fewer reforms to the organisation of healthcare

Compared to the European countries most affected by the crisis, France has maintained the socialised portion of healthcare expenses (78.9% of current health expenditure in 2015, versus 78.7% in 2007, due in large part to the rise in expenses pertaining to chronic diseases), broad access to treatment and the size and pay of the medical professional workforce.

Despite better control of the overall rise in expenses than in the 2000s, these choices were accompanied by a continuously high deficit of healthcare insurance, both before and after the 2009 recession. Furthermore, deficit reduction was mostly achieved through increased taxation, as attempts at greater control over spending came more recently (since 2011). Moreover, the measures put in place to slow down the rise in costs are running out of steam, especially in hospitals.

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[5] Germany, Ireland, Italy, the Netherlands, Portugal, Spain, Sweden and the United Kingdom.

Compared to the other European countries, France has carried out reforms that are more limited. A certain inertia has prevailed. There is less regulation of general practitioners in France. The use of generic drugs is more limited because they are not prescribed enough by doctors. Hospitals have undergone less restructuring: France had 6 beds for 1,000 inhabitants in 2015 and the territorial hospital groups set up in 2016 do not have the authority to reorganise its member hospitals as their Swedish and Irish counterparts do. Digitised prescription is still at the experimental stage and the expansion of digital medical files is barely under way.

Thus, it appears that France's trajectory will be difficult to sustain, which weakens its ability to maintain its healthcare coverage system in the long run. This situation calls for structural reforms to reclaim some room for manoeuvre in the management and adjustment of our healthcare system. The considerable gains in efficiency that they would yield call for such action.

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[5] Germany, Ireland, Italy, the Netherlands, Portugal, Spain, Sweden and the United Kingdom.