Cour des comptes

SOCIAL SECURITY

Report on the application of social security funding laws

Summary

May 2025

Summary report

Pursuant to the Organic Law of 14 March 2022, the report on the implementation of social security funding laws (Ralfss) must be submitted jointly with the bill approving the 2024 social security accounts, before 1 June following the end of the financial year.

This report strives to:

- present the social security financial situation at the end of 2024 in order to inform Parliament's vote on the law approving the social security accounts;
- analyse six expenditure items the recent changes in which have had a significant impact on social security deficits and make recommendations for their reform;
- examine, through five examples, how to improve the quality and efficiency of public spending on social security.

1 - Social security accounts spiralling out of control

Chapters I and II of this first part analyse the social security accounts and trends in national health insurance expenditure targets (Ondam). Chapter III concerns general reductions in social security contributions.

Social security funding not guaranteed in the long term unless robust recovery measures are taken

According to the initial financing act for 2024, the deficit of the basic compulsory social security schemes and the Old Age Solidarity Fund (FSV) was expected to stabilise in 2024 compared with 2023, following a period of continuous reduction since the end of the health crisis. It ultimately increased by €4.8 billion compared with this forecast, reaching €15.3 billion according to the draft law approving the definitive social security accounts.

The health branch alone accounts for 90 % of this deficit (€13.8 billion). The balance of the pensions branch and the FSV deteriorated by €3 billion to €4.5 billion, as forecast in the financing act, due to the pension revaluation mechanism. The other branches are in surplus, with the autonomy branch benefiting from the allocation of an additional 0.15 percentage point of the general social security contribution (CSG).

The worsening of the deficit compared to the initial forecast is mainly due to lower revenue yield (-€3.7 billion). For VAT (-€2.2 billion), the growth assumptions for consumption and revenue in the financing act were unrealistic, as pointed out by the High Council of Public Finances. The revenue yield from social security contributions was also reduced (-€0.5 billion). The increase in the private sector wage bill was lower than forecast in the initial financing act, but this effect was largely offset by a slowdown in the growth of general social security contribution relief due to faster-than-expected disinflation. The increase in expenditure compared with the financing act (+€1.1 billion) is due to the health branch.

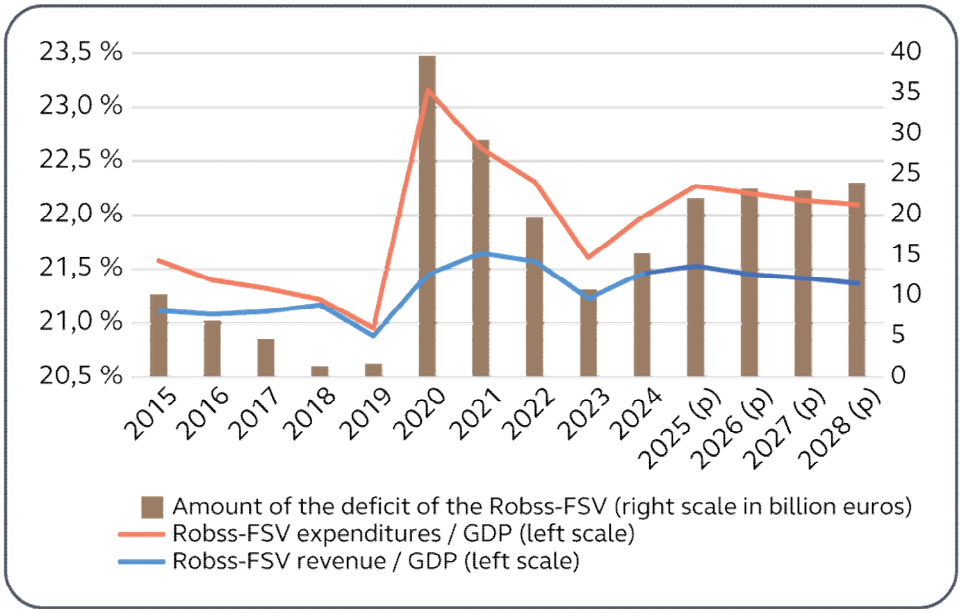
The 2025 Social Security Funding Law (LFSS) forecasts a sharp increase (+€6.8 billion) in the deficit of the compulsory basic social security schemes and the FSV to €22.1 billion in 2025.

The deterioration would affect all branches, with only the family and occupational accidents and illnesses branches remaining in surplus. This forecast is also uncertain, as it is based on optimistic assumptions of GDP growth (0.9 %) and wage bill growth (2.5 %). On the expenditure side, it assumes the implementation of unprecedented savings measures for health insurance (€5.2 billion) and the continued good performance of outpatient care, which are the main factors responsible for the overspending in 2024.

Looking ahead, the 2025 LFSS has once again downgraded the financial projections, with a deficit reaching €24.1 billion in 2028, with no prospect of stabilisation, let alone a return to financial balance.

The trajectory has been improved for the pensions branch: its deficit is expected to stabilise at around €5 billion until 2028 due to a 12-point increase in employer contributions to the hospital and local government civil servants' pension scheme (CNRACL) in order to balance the scheme. However, the trajectory for the health branch has been downgraded accordingly, with a deficit reaching €16.8 billion in 2028. This deterioration is due to the compensation for the increase in hospital contribution rates to the CNRACL, lower revenues and the partial integration of the overspend recorded in 2024. The deficit is also expected to widen for the autonomy branch, where expenditure is growing faster than revenues.

Change in social security revenue and spending relative to GDP and deficits



Sources: social security funding laws and accounts for the 2024 financial year, formatted by the Court of Accounts

In its previous report, the Court noted a tipping point: in 2027, the deficit would exceed the annual funding capacity of the Social Debt Redemption Fund (Cades), leading to continued growth in debt. This situation has now worsened significantly: the tipping point will be reached as early as 2025 and the deficit forecast for 2027 is one-third higher than it was in 2024.

The financing of new social security deficits has not been guaranteed since 2024 by the Cades, whose resources must be used to repay the social debt assigned to it until it ceases operations in 2033. The growing social security debt is now borne by the Central Agency of Social Security Bodies (Acoss), which manages the cash flow of the various branches. Without reforms, this debt will increase rapidly and could reach nearly €115 billion in 2028.

Social security debt projection until 2028 (€ billion)

	2023	2024	2025 (p)	2026 (p)	2027 (p)	2028 (p)
Cades negative net position	**145.2**	**137.9**	**121.7**	**105**	**87**	**69**
Cumulative deficits not included in the general scheme	**11.6**	**11.7**	**31.3**	**53**	**76**	**100**
CNRACL negative net position	**4.9**	**7.9**	**10.3**	**12**	**13**	**13**
Total	**161.7**	**157.5**	**163.3**	**170**	**176**	**182**
of which borne by Acoss	**16.5**	**19.6**	**41.6**	**65**	**89**	**113**
Average annual outstanding balance (Acoss)	**19.1**	**26.6**	**46.0**	**70**	**90**	**115**
Acoss borrowing limit	**45.0**	**45.0**	**65.0**	***90***	***110***	***135***

Note: for 2026-2028, the borrowing ceilings indicated, which do not appear in the approved trajectory, are a mechanical projection based on the expected average outstanding amount.
Source: Court of Accounts based on the 2025 social security funding law (LFSS) and projections by Acoss, Cades and CNRACL

The growing level of debt weighing on Acoss runs counter to the mission of this agency which, like social security as a whole, is not intended to incur debt. Above all, the increase in this debt leads to an increasingly serious risk of a liquidity crisis: the size of the short-term capital market on which Acoss finances itself may not be sufficient to absorb such a large volume of borrowing. This risk could materialise as early as 2027.

One way to avoid default would be to extend the life of the Cades beyond 2033 by means of an organic law, so that it could take over the deficits borne by the Acoss after 2023. However, such a measure would not solve the underlying problem resulting from the continuing deterioration in social security balances, which would expose the system to the rapid build-up of new debt. A prerequisite is the definition of a credible path to return to financial balance, involving cost-saving and expenditure control measures such as those recommended by the Court, including in this report.

Appendix: Opinion on the consistency of the social security balance statements and the statement of assets and liabilities for the 2023 financial year

The Social Security Accounts Approval Bill submits to Parliament for approval a number of tables relating to the last financial year for which the accounts have been closed: balance statements, which are summary profit and loss accounts for the social security schemes and the FSV, and a balance sheet, which is an overall balance sheet for the schemes, the FSV, the Cades and the Pensions Reserve Fund. The Court ensures that the information contained in these tables is consistent with the accounts of the above-mentioned entities, that reciprocal transactions between these entities have been correctly eliminated and the information provided to Parliament is of high quality.

The Court found that it was unable to certify the family branch accounts for the 2024 financial year. In its opinions on the accounts of the other branches of the general social security system, the Court found minor accounting anomalies and insufficient evidence to support the amounts recorded due to the inadequate capacity of internal control systems to prevent or detect errors in the allocation and calculation of social benefits.

Based on these observations, it considers that through its balance statements and its statement of assets and liabilities, the draft law approving the 2025 social security accounts provides a coherent representation of social security revenue, expenditure, and balance, as well as the assets and liabilities of the entities covered by the respective scope of these statements.

Recommendations *(ministry of labour, health and solidarity and families)*

1. *(Reworded recommendation)* Produce the balance statements and the statement of assets and liabilities by 5 April of the year following the financial year in question, by examining an early production of the accounts.
2. (*Reworded recommendation*) Continue strengthening traceability, formalisation, and explanation of adjustments made in producing the balance statements, and review the procedures for preparing these statements.
3. (*Repeated recommendation*) Put an end to the offsetting of income and expenditure in the balance statements, which is not compliant with the regulatory framework established by the organic law on social security funding laws, for the preparation of the accounts of the basic mandatory social security schemes.

Persistent overspending under the Ondam in 2024 highlights the need to restore effective financial management

Expenditure under the national health insurance expenditure target (Ondam) rose sharply from €200 billion in 2019 to €256 billion in 2024, excluding expenditure related to the COVID-19 epidemic, which has become residual. It rose by 3.4 % in 2024, more than one percentage point higher than before the health crisis (+2.3 % from 2010 to 2019).

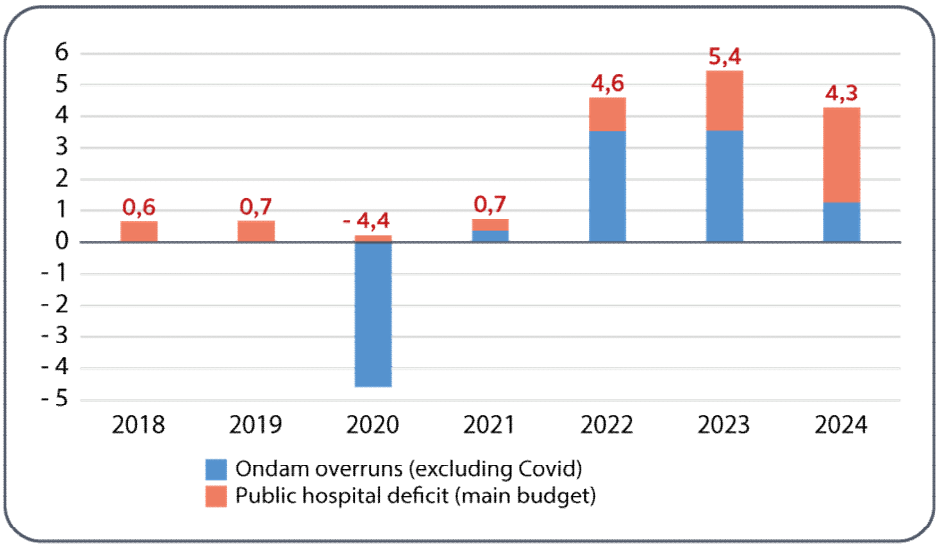
For the fourth consecutive year, the implementation of the Ondam was inadequately controlled. Excluding Covid, expenditure exceeded the forecast by €1.3 billion, even though margins were available and, unlike in previous years, inflation was lower than forecast.

Two-thirds of this overspend is explained by lower-than-expected revenue from cost- offsetting measures on healthcare products (such as contractual discounts and safeguard clauses). Estimating these revenues has become more complex due to their growing scale (€10.7 billion in 2024) and the relaxation of the rules for triggering safeguard clauses under the LFSS for 2024. The remaining overspend is due to the continued upward

trend in the same expenditure items as in previous years: daily sickness benefits (+8 %), fees for physiotherapists (+5.2 %), nurses (+4.9 %) and specialist doctors (+4.6 %).

On top of this, there has been a significant worsening of the public hospital deficit, which rose from €1.9 billion in 2023 to an estimated €2.8 to €3 billion in 2024, despite a recovery in activity. Combined, the Ondam overspend and public hospital deficits amount to €4.3 billion in 2024.

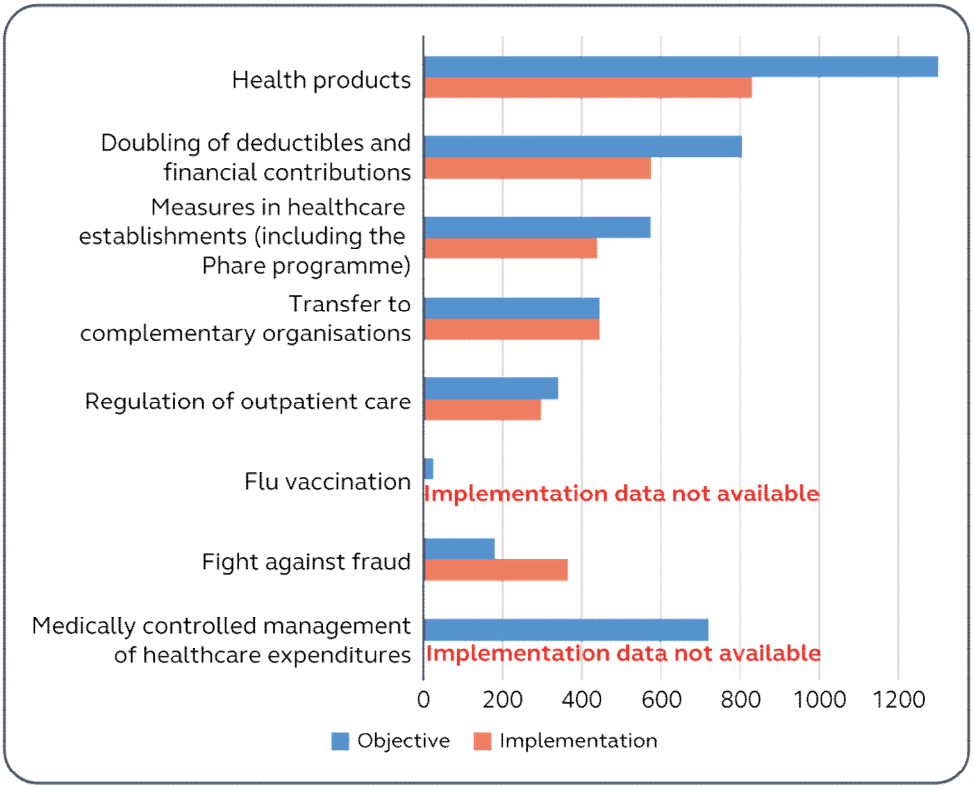
Change in the combined overspend under the Ondam and the public hospital deficit (in € billion)



Note: Public hospitals are funded through Ondam expenditure and, to a lesser extent, by complementary health insurers and patients.
Sources: Court of Accounts based on the LFSS and provisional 2024 data from public hospitals

The implementation of expenditure control measures, which is essential for maintaining Ondam compliance, is insufficiently documented, undermining effective oversight. In 2024, according to partially available information, out of an unprecedented target of €4.4 billion, the unachieved share can be estimated at between €0.7 billion and €1.1 billion. The results for anti-fraud efforts exceeded the targets, but the reductions in the prices of healthcare products fell short of expectations, and the doubling of patient co-payments and charges took effect later than planned. The results of the medically managed expenditure control measures (with €720 million expected) are not yet available.

Monitoring of the implementation of Ondam expenditure control measures in 2024 as set out in the social security financing act (in € billion)



Sources: Court of Accounts based on data from the DSS, DGOS, CEPS, Cnam, Ondam annex to the PLFSS and the Health annex of the PLACSS

The initial 2024 Ondam included a total of €4.6 billion in new measures. These were fully implemented despite *"the risk of a significant overspend"* reported by the Ondam alert committee in July 2024.

During the year, the regulation of Ondam expenditure was undoubtedly tightened: €565 million was cancelled out of the €765 million set aside at the start of the financial year. However, €304 million of cancellations concerned healthcare establishments, which contributed to increasing their deficits by the same amount. Outpatient care, the only sub-target to have overspent, was spared in the absence of a regulation mechanism applying to it (except for laboratories).

The accumulation of overspending creates uncertainty about future compliance: from 2021 to 2024, overspending amounted to €9.3 billion, equivalent to 30 % of the increase in the Ondam over the period. The inclusion of these amounts in the base expenditure year after year, without any review or mitigation of the new measures, will lead to a mechanical increase in expenditure. In this context, managing the implementation of the Ondam in 2025 is expected to be challenging: the high volume of new measures (€6.2 billion) must be offset by unprecedented cost-saving measures (€4.3 billion), in addition to further efforts in medically managed spending and fraud prevention.

Beyond 2025, the trajectory set out in the 2025 Social Security Funding Law foresees a slowdown in Ondam growth from 3.4 % in 2025 to 2.9 % per year by 2028. However, the associated savings are not documented. Such a trajectory would indeed stabilise Ondam's share of GDP, but it would not prevent the worsening of deficits in the three social security branches that fund it.

To meet the Ondam target for 2025 and keep spending on track through to 2028, spending efficiency must be significantly improved. This can be achieved by strengthening

health prevention, reorganising the care provision offered by healthcare and medico-social institutions, and sharing the financial effort across all stakeholders in the health system.

Recommendations *(ministry of labour, health and solidarity and families, ministry of the economy, finance and industrial and digital sovereignty)*

4. To avoid any further overspending under the Ondam, define mid-year measures to control expenditure while preventing negative impacts on the financial results of public hospitals.
5. In preparation for the 2026 social security financing act, develop a multi-year programme of measures to curb the growth of Ondam spending by strengthening health prevention, reorganising the care provision in healthcare and medico-social institutions, and ensuring that the financial effort is fairly shared among all stakeholders in the health system.

Better control needed over the growing trend in general reductions in employer social security contributions

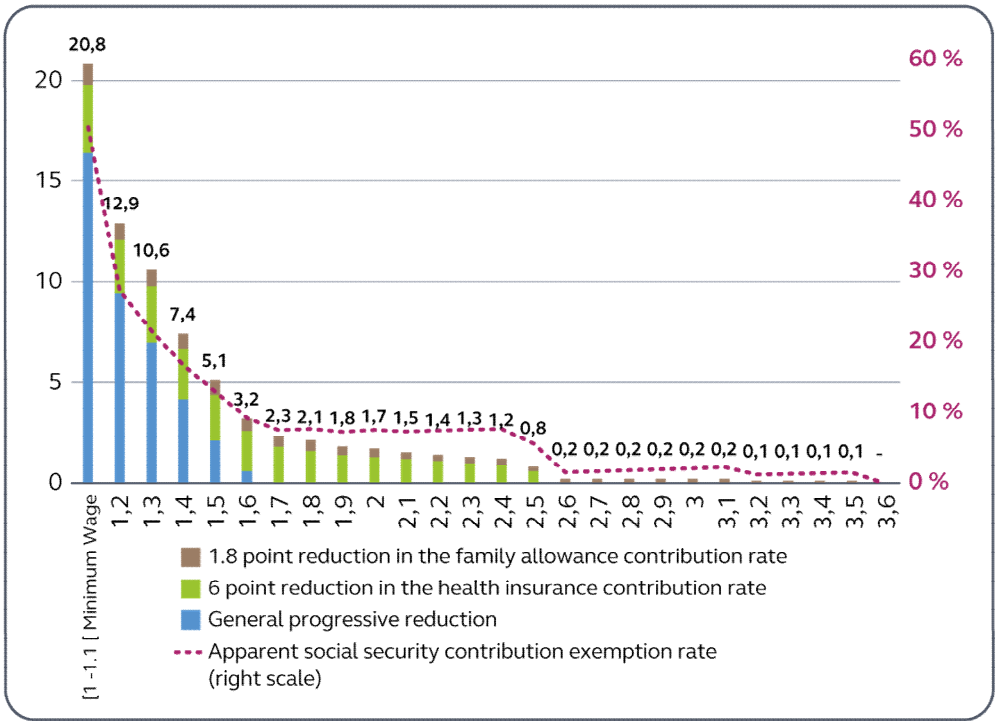
General reductions in employer social security contributions are intended to lower labour costs. Between 2014 and 2024, their total amount almost quadrupled, reaching €77.3 billion, while the objectives pursued have become more varied. Initially focused on low wages in order to promote the employment of the least qualified workers, the reductions were then extended to higher wages in order to improve the competitiveness of exporting companies. 20.8 million employees are affected by at least one general reduction measure.

In addition to the general tapered reduction up to 1.6 times the gross minimum wage, which applies to social security (€26.9 billion), compulsory supplementary pension schemes, and unemployment insurance (€13.6 billion), there are also proportional reductions in health insurance contributions up to 2.5 times the minimum wage (€27 billion) and in family allowance contributions up to 3.5 times the minimum wage (€9.7 billion). As a result, the employer contribution rate has become highly progressive, rising from 4.3 % of gross pay at the minimum wage level to 43.4 % at 3.5 times the minimum wage in 2024.

From 2021 to 2024, the minimum wage increased more rapidly than overall wages, resulting in a mechanical rise in the number of employees earning between 1 and 1.6 times the minimum wage, and in an €18 billion increase in the total amount of general contribution reductions. The social security funding laws for 2024 and 2025 froze and then lowered the eligibility thresholds for health insurance to 2.25 times the minimum wage and for family allowances to 3.3 times the minimum wage, in order to save €2 billion — €1.6 billion for social security and €0.4 billion for the State. In 2026, the three schemes will be merged into a single one, with a cap set at three times the minimum wage.

General reductions are concentrated at the level of the minimum wage and in the wage bands just above it. As a result, the benefit varies significantly by economic sector, depending on each sector's wage distribution, with a peak of 53 % in the accommodation and food services sector.

Distribution of general reductions in employer social security contributions in the private sector, by wage level, in 2023 (in € billion)



Source: data from Acoss and the report to the social services compensation Fund (CCSS) of October 2024, formatted by the Court of Accounts

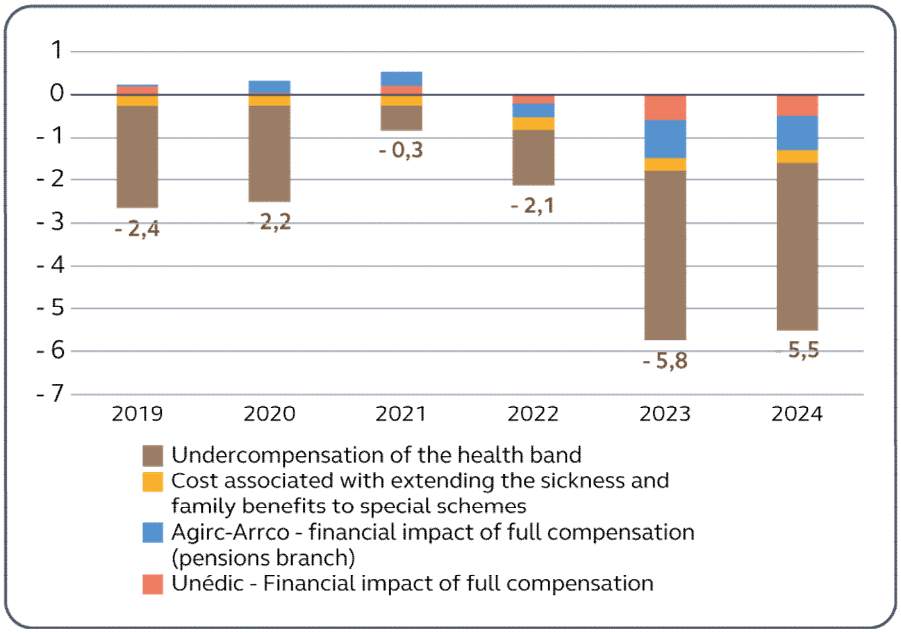
As a result, the cost of labour at the minimum wage relative to the median wage in France is among the lowest in the OECD, at 44 % compared to 51.2 % on average. This does not translate into greater relative poverty: disposable income at the minimum wage level is 71.9 % of the median wage in France, compared with 62.4 % on average in the OECD.

One criticism of the scheme is that it discourages wage increases, as the cost to employers is much higher than the gain perceived by employees. However, there is no evidence of wage concentration at the eligibility thresholds of the three schemes. Furthermore, the share of employees paid the minimum wage, after rising from 14.5 % in 2022 to 17.3 % in 2023 with successive increases in the minimum wage, fell back to 14 % in 2024, once wage negotiations had incorporated and disseminated these increases.

The recent Bozio-Wasmer report (2024) showed that, at constant cost, a less concentrated distribution of aid could encourage job creation at wage levels between 1.2 and 1.6 times the minimum wage, offsetting job losses at the minimum wage level.

In principle, the loss of revenue is compensated by the State, but the terms of this compensation have become unfavourable for social security. In particular, social security must compensate Unédic and Agirc-Arrco down to the last euro for the reductions in unemployment insurance and supplementary pension contributions, whereas it was compensated by the State once and for all through a share of VAT, the growth of which has been less dynamic than that of the contribution reductions. In addition, other factors have contributed to a total under- compensation estimated by the Court at €18.3 billion since 2019, including €5.5 billion in 2024.

Impact on the social security balance of additional general reductions in employer social security contributions since 2019 (in € billion)



Source: Court of Accounts

This accounting approach does not take into account the new revenue generated by the jobs created as a result of these reductions. The fact remains that the framework for financial relations between the State and the social security system should be monitored more transparently.

In the context of the deteriorating financial balance of the social security system, better control over the trend in general reductions in employer social security contributions is necessary, while taking into account the associated economic challenges — such as the need for predictability for businesses and short-term pressures linked to the economic climate (rising energy costs, industrial overcapacity, and aggressive trade policies from partner countries).

There are several possible avenues. Broadening the base for general reductions to include wage supplements linked to financial participation or employee share ownership – beyond the value-sharing bonus already included in the LFSS for 2025 – could generate up to €3 billion. The eligibility threshold — whose effects on employment are considered marginal by evaluation studies and difficult to assess in terms of competitiveness — could be reduced to 2.5 times the minimum wage. This could be offset, in whole or in part, by adjusting production taxes. Finally, depending on how the new tapered general reduction is restructured in 2026, an additional €2 billion in savings could be achieved. However, these estimates are based on unchanged behaviour and do not take into account the potential effects of these measures on employment and competitiveness.

Recommendations *(ministry of labour, health and solidarity and families, ministry of the economy, finance and industrial and digital sovereignty)*

6. Calibrate the eligibility threshold, the calculation basis and the profile of the future general reduction with the aim of contributing to the return to financial balance of the social security system.
7. Have the State directly and fully assume the compensation for the general reductions in employer social security contributions to Agirc-Arrco and Unédic.

2 - Reforms needed to ensure a lasting recovery of social security accounts

The second part of the report analyses areas where recent developments have had a significant impact on social security deficits. For health insurance, savings could be achieved by strengthening the legal and regulatory framework for paramedical temporary staffing (Chapter IV), improving the management of non-clinical staff (Chapter V), and implementing a rotation system for the strategic stockpile of masks (Chapter VI). The conditions for combining employment and retirement could be made less costly (Chapter VII). The resources for combating fraud in pensions paid abroad could be increased (chapter VIII), as could those devoted to detecting and recovering social security overpayments (chapter IX).

Temporary paramedical work in healthcare establishments: a system in need of regulation

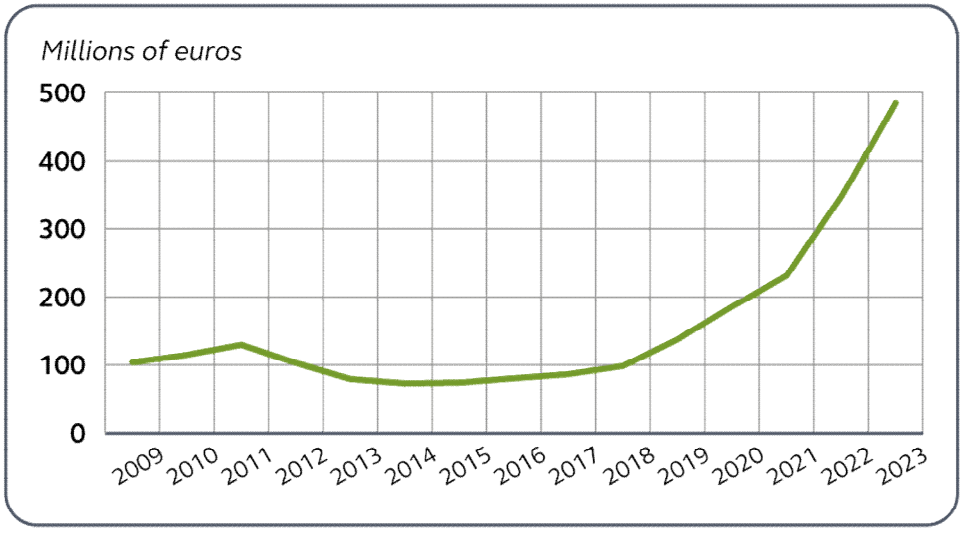
Following its review of medical temporary staffing in 2024, the Court examined the use of paramedical temporary staff (nurses, physiotherapists, care assistants, etc.) in hospitals. In 2023, 60,000 paramedical professionals completed at least one assignment, 45 % of them nurses and 45 % care assistants, with an average duration of 2.3 days. Twenty percent of them accounted for 70 % of total assignment days.

Temporary staffing is normally intended as an exceptional replacement measure. However, in some establishments, there is a recurring use of so-called 'loyal' temporary workers, in some cases for several years, including to ensure the normal functioning of services.

The extent of reliance on temporary staffing is directly linked to shortages of professionals in certain roles (such as specialist nurses, radiology technicians, and medical laboratory technicians), certain specialties (such as geriatrics and psychiatry), or specific working arrangements (such as night shifts or alternating day/night shifts). The impact of absenteeism is less well documented.

The cost of paramedical temporary work more than tripled in public hospitals between 2019 and 2023, reaching €472 million.

Change in spending on temporary paramedical staff in public hospitals (in € million)



Source: Directorate General of Public Finances (account 62114 temporary paramedical staff)

The use of temporary staff is proportionally higher in the private sector. Spending is concentrated in certain regions, particularly in Île-de-France and in areas bordering

Switzerland. The financial conditions for temporary assignments are generally advantageous, even exceptional, and as their hourly cost also includes the temporary staffing agency's margin and VAT, it exceeds that of the establishment's staff by 50 % to 130 %.

The favourable financial conditions often granted to temporary employees, the increased workload involved in welcoming and training them, and their ability to avoid scheduling constraints can cause tensions with permanent staff. The accumulation of jobs in several temporary staffing agencies and hospitals can lead to non-compliance with working time rules.

The Court has shown that 50,000 public paramedical professionals will be working under another contract in 2023, 40 % of them in a private establishment, which is generally prohibited. Although it is easy to monitor these situations, little is done to do so. The Court also noted that staff on standby were being hired as temporary workers, sometimes by their own employer.

The institutions highlight the increased risk of errors or incidents for services that rely heavily on temporary employees, particularly when the replacement staff are unfamiliar with the organisation and practices of the institution.

Other types of contracts are similar to temporary contracts, such as casual contracts, which are concluded directly between hospitals and paramedical professionals. However, these contracts have no legal basis in the hospital civil service. Some intermediary platforms, developed to facilitate networking, allow these tasks to be carried out under self-employed status, which is irregular but has been observed.

To limit abuses, temporary work has recently been banned during the first two years of a career. The law also introduces new control obligations for temporary staffing agencies and a system of financial penalties, which have not yet entered into force due to the lack of an implementing decree. Strategies to circumvent these measures have been observed, in particular through an increase in the number of temporary contracts.

In addition, measures to cap the remuneration of temporary medical staff have been extended to paramedical staff. However, the conditions of this regulation, in particular the maximum amounts, have yet to be specified.

Beyond that, it is important to address the structural causes of the growth of temporary work in the paramedical sector by improving the training of paramedical professionals, regulating competition between institutions to attract new graduates and making hospitals more attractive.

Recommendations *(ministry of labour, health, solidarity and families)*

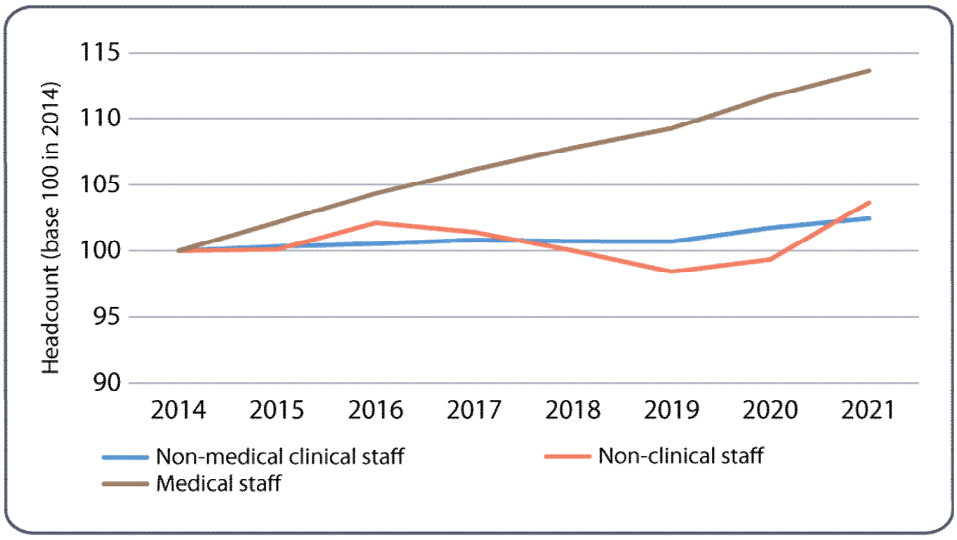
8. Make checks on multiple job holdings in the public hospital sector mandatory, using the pre-employment declaration database as a reference.
9. Clarify without delay the legal regime governing the use of temporary contracts in the hospital civil service.
10. Introduce an overall cap on remuneration for paramedical temporary staff, including management fees.
11. Regulate the use of student grant contracts by explicitly banning the practice of buybacks between institutions and by capping both the compensation amounts and the duration of commitments set under such agreements.
12. Prohibit paramedical staff from working in healthcare facilities under self-employed (micro- entrepreneur) status.

Non-clinical staff in public hospitals: rethinking support functions

Non-clinical staff, including administrative, logistical, or technical personnel, provide support to clinical staff in hospitals. In response to a request from its citizens' platform, the Court of Accounts examined the need for and means of reducing the proportion of support functions in public institutions.

The proportion of non-clinical staff in public hospitals was 27 % in 2023. The workforce, which remained stable until 2020, has increased since then due to the management of the COVID-19 pandemic, which required additional staff to handle logistical operations.

Changes in non-clinical staff, non-medical clinical staff, and medical staff in full-time equivalents (FTE) in public hospitals since 2014[1] (index 100 in 2014)



Source: Court of Accounts based on data from the IT system on public service employees (SIASP)

There is no reliable framework for comparing data with other countries that would allow us to conclude that the proportion of non-clinical staff in public hospitals is too high. The OECD does publish an indicator that puts the figure at 34 % in France and 21 % in Germany. However, the scope of outsourcing varies from country to country and the classification between medical and non-clinical categories is not the same. Medical-technical staff (radiographers) and qualified hospital service staff (bio-cleaning, meal distribution, etc.) are not counted as clinical staff in France, whereas they are in Germany. On an identical basis, the proportion of non-clinical staff is 20 % in France, which is comparable to Germany.

Comparisons with the private sector suffer from the same difficulty in terms of outsourcing. In addition, statistical data on private clinics do not include private practitioners, medical secretaries or support activities attached to head offices.

Non-clinical staff relieve clinical staff of activities ancillary to patient care. The role of medical secretarial staff has grown significantly in order to refocus nurses and nursing assistants on their core tasks in a context of recruitment difficulties. Non-clinical staff also help to meet the growing procedural requirements for codifying and pricing medical activities, and for establishing actions and monitoring indicators of quality and safety of care, as well as social

[1] This chart was compiled using social data from the SIASP database, available up to 2021, rather than from the annual health establishment statistics (SAE), which were subject to bias. Field observations conducted as part of this investigation showed that, once SAE data became a reference for allocating additional funding in 2020, establishments reported the data more exhaustively, thereby distorting the comparison between the periods 2011–2019 and 2020–2023.

and environmental responsibility. Finally, new activities are developing (cyberattack prevention, clinical research studies and projects in university hospitals).

To help transform support functions and make informed decisions about their organisation, hospitals should have access to similar work units, enabling them to compare costs and performance. However, their cost accounting is very inadequate, which makes it impossible to establish with sufficient accuracy and compare standard costs for services such as square metres cleaned, tonnes of laundry washed or meals provided.

Outsourcing has been encouraged by regional health agencies in plans to restore financial balance to loss-making hospitals. However, they are not subject to periodic analysis in hospitals, using a structured approach, in order to be adapted to each specific situation. Their volume and results are not monitored at the national level.

The pooling of support activities between hospitals in healthcare cooperation groups (GCS) has been encouraged since 2009. The creation of territorial hospital groups (GHT) in 2016 was expected to lead to resource pooling, but mandatory integration has been limited to procurement and information systems management. Coordination efforts are therefore proceeding without guidance from central government or the regional health agencies. The impact of these new organisational structures on reducing the wage bill is not evident and is not being monitored.

Administrative processes should be modernised, particularly in the areas of invoicing and debt collection. Since 2019, the Directorate General of Public Finances has been developing an application that produces and sends payment notices to patients by post, but only 30 % of hospitals have rolled it out. Another system, which automates exchanges with complementary organisations to improve third-party payment collection, is rarely used.

Finally, the use of digital tools and artificial intelligence must be expanded in areas such as entering identity and address details, drafting reports, sending correspondence, and updating patient records. Artificial intelligence could also be used to develop predictive management of pharmaceutical and medical stock based on prescription analysis. However, no funding for support functions was provided under the "*Ségur du numérique*" digital health investment programme. Moreover, integrating artificial intelligence requires effective uptake by staff, which in turn depends on expanding training programmes.

Recommendations

13. Make it mandatory for public and private hospitals to use a common method for calculating the unit costs of the main support functions (*ministry of labour, health, solidarity and families*).
14. Monitor the pooling of support functions in order to identify best practices *(ministry of labour, health, solidarity and families).*
15. Accelerate the roll-out of billing and collection applications for supplementary insurance in all public hospitals (*ministry of labour, health, solidarity and families, ministry of economy, finance and industrial and digital sovereignty*).
16. Open calls for projects funded under the digital health programme to applications relating to support functions (*ministry of labour, health, solidarity and families*).

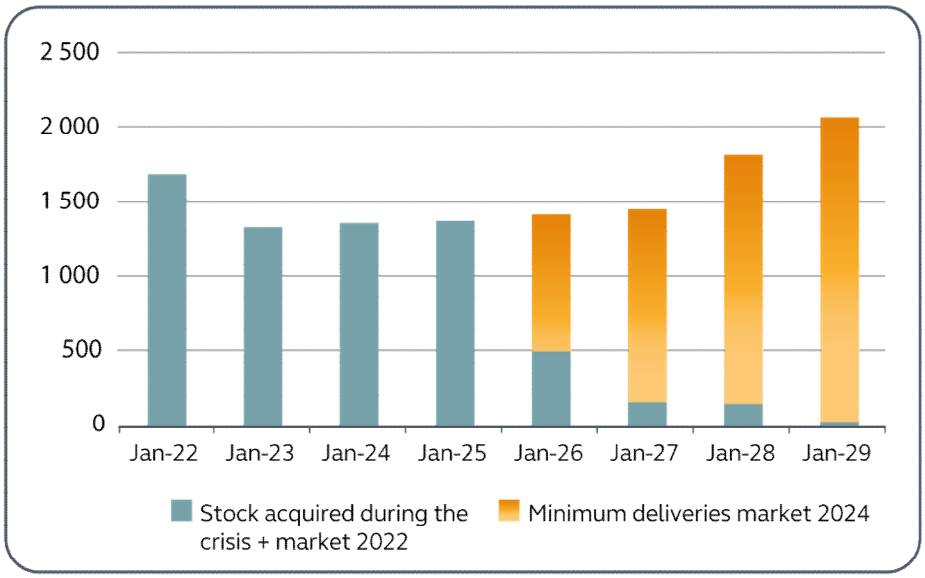
Management of the strategic mask stockpile: progress still insufficient since the health crisis

Five years after the health crisis, the strategic stockpile of masks, acquired by Santé publique France (SpF) under the supervision of the Directorate-General for Health (DGS), remains mixed and ageing. As of January 2024, it consisted of 1.35 billion usable masks, along

with 700 million expired masks purchased more than five years ago. All masks purchased during the health crisis will be in this situation by 2026.

Renewal contracts awarded in 2022 and 2024 should make it possible to stabilise and then increase the number of usable masks to over 2 billion, provided they are delivered within the required timeframes.

Usable stock of sanitary masks held by SpF and projection through to January 2029 (in millions)



Source: Court of Accounts based on data from Santé publique France

Masks acquired since 2022 have been purchased from French companies at prices well below those paid during the health crisis. The cost of building up the health stock in 2020 amounted to €1.2 billion excluding tax for 1.84 billion masks acquired, and the cost of renewing it will be less than €110 million under the terms of the 2022 and 2024 contracts. However, the execution of the 2022 contract proved difficult, with delays and delivery cancellations.

The target for the strategic stockpile, originally set at one billion masks during the health crisis by the Directorate-General for Health (DGS), was revised to two billion following a three-year consultation process involving the High Council for Public Health (HCSP) and interministerial approval. This volume corresponds to seven weeks of crisis-level consumption by healthcare and medico-social facilities and self-employed health professionals, and two weeks of supply for infected individuals and close contacts following quarantine. It does not include the needs of government personnel in contact with the public, nor those of the general population. No decision has been taken to prepare, if necessary, for these additional needs.

SpF has reorganised the distribution of strategic mask stocks across the country to improve their distribution in the event of a new health crisis. However, due to the storage of expired masks, storage space will be full by 2026. In the absence of a new health crisis, it will be necessary either to increase the size of the platforms or to destroy the expired masks, as no study has been conducted to determine after how many years they become unusable.

Dynamic stock management, through the free distribution of masks before their expiry date to healthcare and medico-social establishments, would solve this storage problem. The annual delivery of 400 million masks from the stock would cover approximately half of the current needs of these establishments, for an estimated saving of between €25 and €30 million. It would provide an opportunity to structure and sustain a national and European industrial supply based on stable order prospects from the public authorities. Finally, it would enable SpF

to prepare its IT systems, which are now largely obsolete, for future health crises, and its logistics processes, which are only adapted to distribution to large hospitals and wholesalers- distributors for pharmacies.

This solution has not been implemented to date because it would require prior legal changes, particularly legislative changes, which could not be adopted under normal circumstances.

Recommendations *(ministry of labour, health, solidarity and families and Santé publique France)*

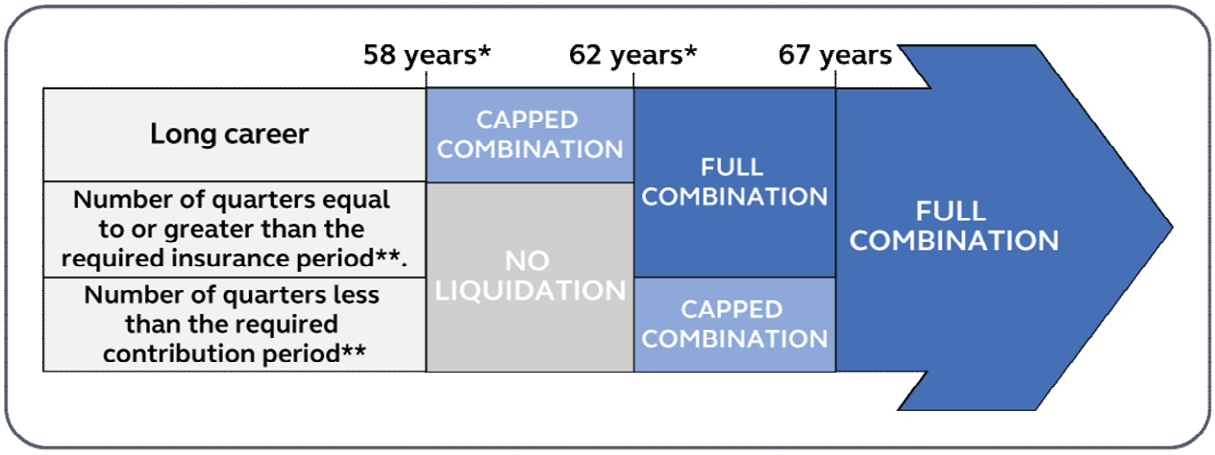
17. Amend the legal framework to allow the free transfer of products from the State inventory held by *Santé publique France (reworded recommendation).*
18. Once the legal framework has been amended, organise the distribution of masks before their expiry date during normal periods, according to the needs of public hospitals.
19. Assess the retention period after which masks become unusable in the event of a health crisis and destroy them accordingly.
20. Extend the distribution network for masks in the event of a health crisis beyond public hospitals and pharmacies.

Combining work and retirement: high cost, coherence still needed

The number of people combining a pension with a professional activity is estimated at over 700,000, excluding military personnel and active categories in special schemes, including 579,000 under the general scheme. In 2020, pensioners in the general scheme combining work and retirement received around €12.6 billion in pensions and €5 billion in employment income.

The rules governing the combination of work and retirement have been gradually relaxed. Since the 2010 pension reform, beneficiaries are either subject to capped combination (limited to their last gross salary or 1.6 times the gross minimum wage, whichever is higher), or to full combination, depending on whether they have met the required contribution period for a full-rate pension and depending on their age.

Type of work-retirement combination by age and based on retirement eligibility conditions under the general scheme



** Under the 2023 pension reform, the minimum legal retirement age (62) is being gradually raised from 1 September 2023, reaching 64 for people born in 1968 and after. The age for automatic entitlement to a full-rate pension remains set at 67.*
*** Required contribution period to qualify for a full-rate pension. This varies depending on the year of birth and will reach 172 quarters for individuals born in 1968 and after.*
Source: Court of Accounts based on legislation in force prior to the 2023 pension reform

The conditions for combining employment and retirement are checked on a self- declaration basis, even though technical solutions would make it possible to automate this process. Compliance with the conditions of the capped work-retirement combination, particularly changes in income, is not monitored, except by certain pension funds for self-employed professionals.

The number of general scheme pensioners combining work and retirement increased by 75 % between 2009 and 2020, three times faster than the number of general scheme pensioners under the age of 75. French law is more accommodating, but also more confusing than that of other European countries. In these countries, the possibility of combining a pension with professional activity without restriction is generally only granted from the age corresponding in France to automatic entitlement to the full pension (67). In most countries that set a ceiling on combined income, this only takes into account income from work and is a flat rate. Returning to work does not generally entitle individuals to additional pension rights, although this was authorised by the pension reform law of 14 April 2023 under complex conditions.

Most pensioners combining work and retirement have either met the required contribution period for a full-rate pension or benefited from early retirement for long careers. Only 8.8 % of pensioners waited until age 67 to claim their pension, and fewer than 10 % are subject to the capped combination. On average, the additional income from employment under the combination is €9,300 gross per year and represents about 40 % of the pension received.

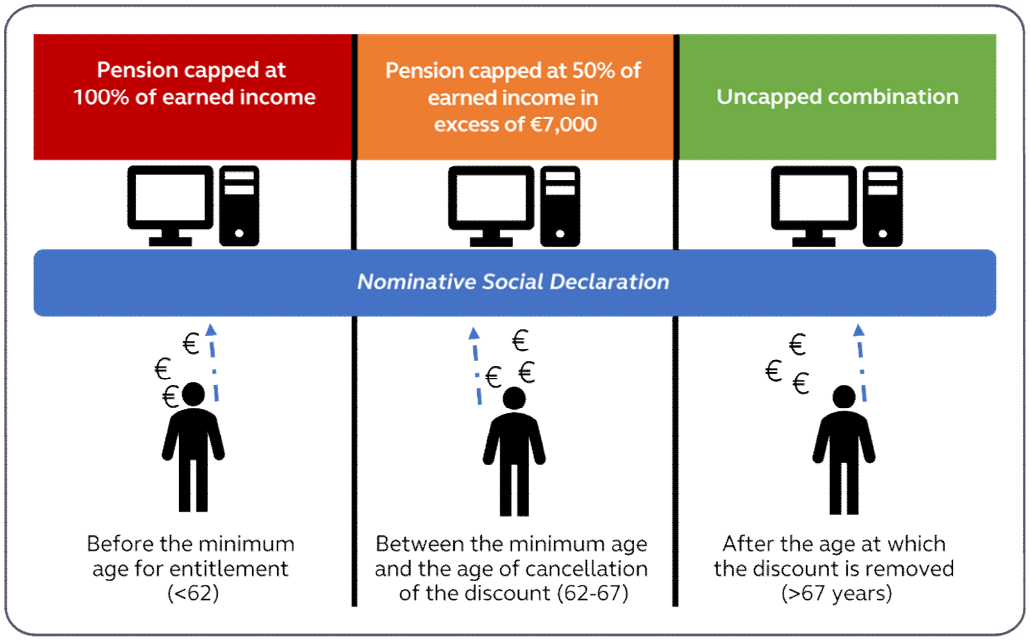
Four typical profiles have been identified. The first group (27 %) consists of managers and professionals. Their pensions and earnings from combining work and retirement are the highest. The second group (27 %) includes individuals who had full careers with average earnings. They supplement their pensions with occasional work. The third group (24 %) is made up of people who started working early with intermediate income levels. Most of them took early retirement for long careers and later resumed full-time work. The fourth group (22 %) mainly comprises women with fragmented careers, whose pensions and supplementary earnings are low.

Enabling low-income pensioners to supplement their pensions through paid work or enabling older pensioners to work if they wish is of social benefit. This is less obvious for people who are better integrated into working life: other schemes allow them to continue working

without losing their full pension (pension increases, progressive retirement), which compete with the combined employment and pension scheme, which is too advantageous in its current form.

The Court therefore proposes simplifying the combined employment and pension scheme and bringing its rules into line with the parameters of the pension system. People who claim their pension before the age of entitlement under the standard schemes (62 in 2023, 64 in 2030) would see their pension capped at the level of their income from work. Beyond this age, only the portion of income from employment exceeding a certain amount, which could be between €7,000 and €10,000 per year, would be subject to pension capping at a rate of 50 %. No pension capping would apply to individuals who continue working beyond the age of 67, or — before that age — in occupations considered to be facing labour shortages.

Operation of the simplified cap on the standard work-retirement combination proposed by the Court



Note: under the 2023 pension reform, the minimum legal retirement age of 62 is being gradually raised, reaching 64 by 2030. The age for automatic entitlement to a full-rate pension remains at 67.
Source: Court of Accounts

The Court estimates that such a reform would save the social security system around €500 million per year. The additional expenditure on benefits resulting from greater use of the surcharge would ultimately represent around one third of this amount.

Recommendations *(ministry of labour, health, solidarity and families)*

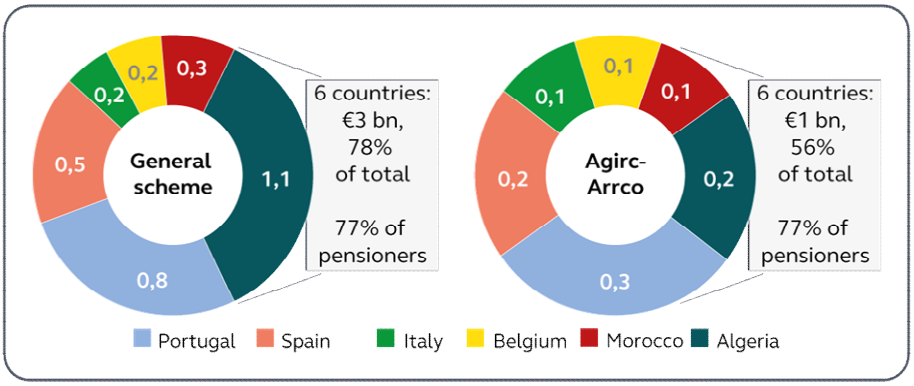
21. Simplify the rules on combining employment and retirement under ordinary law by capping pensions paid by basic schemes at all or part of earned income until the insured person reaches the age at which they are automatically entitled to a full pension.
22. Organise the automatic monitoring of earned income and the capping of pensions paid.

Fraud involving pensions paid abroad: improvements to be pursued to better prevent and reduce it

This chapter, based on a request submitted to the Court of Accounts' citizen platform, analyses the risks of fraud identified in the area of pensions paid abroad: failure to declare the death of a pensioner, identity theft, payment of the solidarity allowance for the elderly (minimum old-age pension) to persons residing outside France.

The investigation focused on the general scheme and the Agirc-Arrco supplementary scheme. It concerns 1.1 million pensioners representing €3.9 billion paid under the general scheme and 0.9 million pensioners representing €2 billion paid under the supplementary scheme. Six countries account for 77 % of pensioners, in order of importance: Algeria, Portugal, Spain, Italy, Morocco and Belgium.

Breakdown of pensions paid abroad in the six main countries of residence in 2022 (€ billion)



Source: Court of Accounts based on data from the schemes

Due to historical reasons, the retired population living abroad is older than it is in France. The percentage of centenarians is slightly higher (0.23 % compared to 0.19 %).

Since the Court's last audit in 2017, progress has been noted. Since 2021, European countries have been developing computerised exchanges of civil status data, shared between the various basic and supplementary pension schemes within the Union Retraite Public Interest Group (GIP). Already operational in seven countries, including Portugal, Spain and Belgium, it covers nearly half of all pensions paid abroad, making proof-of-life checks unnecessary. It is expected to be extended to Italy, Poland and Austria in the near future. Outside the European Union, projects are underway with Israel and the United Kingdom.

Proof-of-life checks, which are mandatory once a year in the absence of electronic data exchange, have also been pooled between the various schemes mentioned above within the Union Retraite Public Interest Group (GIP). If no proof-of-life certificate is received, payment of the various pensions is suspended after two months. Systematic checks using optical recognition are carried out by the public interest group. Between 2019 and 2023, the non- compliance rate for certificates validated in this way fell from 11.9 % in 2019 to 6.5 % in 2023, which is still high.

Outside Europe, pilot programmes carried out between 2020 and 2023 led to the physical summons of 4,000 elderly pensioners in Algeria (1 % of recipients) and 2,500 in Morocco (3 % of recipients) to consulates or partner institutions (such as banks). Undeclared deaths accounted for between 3 % and 22 % of those summoned, with half occurring before the summons was issued in the case of checks carried out in Algeria.

Finally, documentary checks, which have been stepped up since 2022 (Turkey, Algeria, Morocco and soon Tunisia) by agents trained in document fraud, have detected between 2 % and 5 % of undeclared deaths in the samples checked. These checks may be useful for countries with limited consular network resources (Turkey, Tunisia).

However, further action is needed. Undue payments and fraud relating to pensions paid abroad should be subject to specific monitoring and evaluation, which is not currently the case. The National Old-Age Insurance Fund (CNAV) considers the cost of adapting its IT systems to be disproportionate to the challenges involved. The Court estimated the annual cost of fraud at between €40 million and €80 million for Algeria, and around €12 million for Morocco.

In 2021, overpayments wrongly made to individuals residing abroad amounted to €43 million. This represents 28 % of all overpayments in the pensions branch, even though pensions paid abroad account for less than 3 % of total payments by the branch. Of these overpayments, 88 % were recovered, in part through local banks. Increased exchanges between social security bodies and government departments on data on entries into and exits from the country would help to reduce them.

The use of biometric facial recognition, made possible by legislation in 2021, has been technically available since September 2024 to replace the proof-of-life certificates for voluntary pensioners who hold a biometric identity card or passport. By the end of 2024, just under 20,000 certificates had been downloaded, mainly by French (49 %) and Algerian (14 %) nationals under the age of 85.

The pension schemes plan to significantly increase the use of physical proof-of-life checks from 2025 onwards. This development will mainly be entrusted to local partners, whose performance will have to be rigorously monitored. The schemes must prepare for the resulting increase in complaints and appeals.

Recommendations

23. Estimate the extent of fraud involving pension benefits paid abroad and adapt the IT system so that schemes can identify pension benefits paid abroad and related fraud *(ministry of labour, health, solidarity and families, national old age insurance fund, Agirc-Arrco*).

24. Strengthen partnerships between the general scheme and the supplementary scheme to better detect fraud in pension payments abroad and accelerate the development of electronic data exchanges with high-risk countries (*ministry of labour, health, solidarity and families, national old age insurance fund, Agirc-Arrco*).

25. Strengthen anti-fraud checks in countries that do not have automated data exchanges on deaths, prioritising the physical presence of the person being verified (*Union Retraite public interest group, national old age insurance fund, Agirc-Arrco*).

26. Improve the debt management tool to enable tracking of overpayments by year, by country, and by type of benefit, and link it to the fraud management system (*national old age insurance fund, Agirc-Arrco*).

Management of overpayments: improving detection and optimising recovery

Overpayments are amounts wrongly reimbursed or paid by social security funds to insured persons, healthcare professionals or hospitals. They are the result of errors, omissions or fraud.

The amount detected in 2023 reached €10.3 billion for benefits paid by the family, pensions, health and work-related accident and occupational disease branches of the general social security system. Added to this are undetected overpayments, given the limitations of internal control and IT systems, which are statistically estimated at €8.6 billion based on a sample analysis. The total (€18.9 billion) represents nearly 5 % of benefits.

Overpayments detected but not recovered amounted to €1.3 billion for the 2023 financial year and total €3.9 billion in the accounts. Fraudulent overpayments, which are more difficult to recover, account for 30 % of these amounts. Furthermore, they are not properly taken into account in the statistical estimate. Other methods estimate them at between €8.2 billion and €8.9 billion, of which €700 million was detected in 2023 and €400 million recovered.

Difference between estimated fraudulent overpayments* and those recovered in 2023 (in billion euros)

Branche	Estimated amount	Amount detected (losses incurred)	Amount recovered (flow)	Outstanding amounts to be recovered (stock)
Health	3.8 to 4.5***	0.3	0.2	0.7
Family	4.2	0.4	0.2**	0.4
Pensions	0.2 (in 2022)	0.03	0.03	0.1
TOTAL	**8.2 to 8.9**	**0.7**	**0.4**	**1.3**

** Overpayments due to error are included in fraudulent overpayments.*
*** Amount recalculated by the Court.*
**** The CNAM's estimate of fraud is partial and concerns 30 % of health branch expenditure. The amount corresponds to the Court's application of a rule of three to the amounts already estimated.*
Source: Data from national funds and the report on the application of social security funding laws of May 2023, Chapter VII, and from national funds

The legislation allows the social security funds to grant debt forgiveness in cases of debtor hardship. However, the criteria used to assess such hardship vary between branches and are sometimes applied inconsistently. A standardised scale would reduce the need for the current amicable appeals committees, which are costly and time-consuming. Decision-making authority could instead be delegated to the fund directors and financial and accounting directors, who would report to the board of directors.

The statute of limitations extinguishes overpayments resulting from inaction by the fund after a defined period, which varies depending on the nature of the overpayment. The rules on suspension and interruption of this period are complex and not well understood by the funds. Information systems do not automatically detect when legal time limits have been reached, leading to the wrongful recovery of time-barred debts. In the health and family branches, the failure to retain supporting data or documents in the information system results in the detection and recovery of fraudulent overpayments over shorter periods than those legally permitted.

To reduce the volume of overpayments, social security funds should, after better identifying and analysing their causes, develop preventive actions targeting both insured persons and healthcare professionals, including taking income into account, performing checks before payment, sharing information between funds, and improving communication.

The identification of fraudulent overpayments could be improved by increasing the use of mass data analysis and artificial intelligence.

Improving recovery requires an overhaul of debt management tools, the development of partnerships, and greater mobilisation of the social security funds.

Flat-rate co-payments and deductibles, which apply to certain medical or paramedical procedures or the purchase of medication, are not considered overpayments: they are debts owed to the primary health insurance funds by insured persons whose healthcare costs are covered via third-party payment and who do not receive reimbursements. The national fund suspended their recovery in March 2020 and only partially resumed it in September 2023. Full recovery could generate between €500 million and €1 billion annually for the health branch, depending on the level of cancellations and write-downs of these debts.

Recommendations

27. Provide each branch with an integrated management tool enabling the identification of overpayments throughout the statutory limitation period and their recovery at all stages of the procedure (*ministry of labour, health, solidarity and families, national health insurance funds, old-age insurance funds and family allowance funds*).
28. Set more ambitious targets for each branch for the detection and recovery of overpayments (*ministry of labour, health, solidarity and families, national health insurance funds, old-age insurance funds and family allowance funds*).
29. Overhaul the debt relief system to create a single legal framework, including a common scale for all branches, and place this mechanism under the responsibility of the directors and accounting and financial directors of the funds (*ministry of labour, health, solidarity and families*).
30. Collect all contributions and deductibles owed by health insurance policyholders (*ministry of labour, health, solidarity and families, national health insurance fund*).

3 - Social security-funded services: improving quality and efficiency

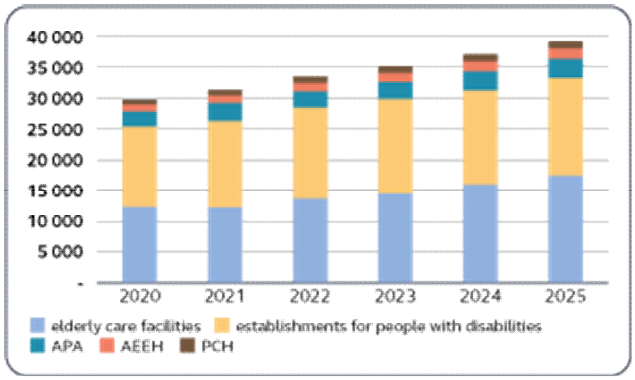
The quality and efficiency of social security-funded services must be improved. This applies to the autonomy branch, which should be equipped with the tools to address the consequences of population ageing (Chapter X); the regulation of the community pharmacy model, which has been weakened by structural changes (Chapter XI); the management of the public child maintenance service, which has been rapidly scaled up and must better meet the needs of beneficiaries (Chapter XII); the criteria for assessing disability and combining a disability pension with employment (Chapter XIII); and the mandatory pension scheme for self- employed artists and authors, whose ongoing restructuring should be completed (Chapter XIV).

Lessons to be learned from the creation of the autonomy branch: insufficient levers to address crucial challenges

The autonomy branch, created in 2020, is managed by the National Solidarity Fund for Autonomy (CNSA). Without a local network, this fund has no contact with the end beneficiaries of its funding, medical and social establishments and services for the elderly (€17.6 billion) and people with disabilities (€15.7 billion), or with the beneficiaries of benefits (€7.7 billion).

The management of allocations to establishments is the responsibility of the regional health agencies (ARS) and the departments. The latter manage the allocation of most individual benefits, in particular the Personalised Autonomy Allowance (APA) for people who have lost their independence at home or in nursing homes (Ehpad), and the Disability Compensation Benefit (PCH). They receive support from the CNSA for this purpose. Finally, the branch finances the Disabled Child Education Allowance (AEEH), which is distributed by the family allowance funds.

Main expenditure of the autonomy branch (€ million, current prices)



Source: Court of Accounts based on accounts for 2020 to 2024 and the 2025 LFSS

The integration of the CNSA into the social security system was supposed to result in improved planning, use of resources and service to users. Despite strong growth in expenditure (3.8 % per year excluding inflation between 2020 and 2025), the results appear limited due to the limited levers at its disposal.

The authorisation, funding, and oversight of nursing homes (Ehpad) are fragmented among the regional health agencies (ARS), departmental councils, and the CNSA, leading to a lack of coordination and visibility for operators. Territorial disparities in the availability of places remain significant and show little change. €1 billion in delegated funding for transforming the care offer in 2022 and 2023 could not be executed and was used at the end of the financial year by the regional health agencies (ARS), notably to support the cash flow of struggling nursing homes (Ehpad). The multi-year performance and funding agreements signed with the ARS have had a structuring effect in the disability sector, but a more limited impact in elderly care, due to growing financial constraints.

The financial contributions from the CNSA to the departments, too numerous, have become difficult to understand and no longer serve as an effective tool for local coordination. The average APA and PCH expenditure per beneficiary varies greatly between departments – by as much as twofold for the APA – depending on how loss of autonomy is recognised and funded.

The CNSA's internal controls and anti-fraud efforts relating to the funds it allocates are insufficient. The CNSA relies on a large number of information systems to gather data on needs and available services from its partners, and to measure the effectiveness of the actions carried out. Projects aimed at harmonising these information systems have struggled to materialise due to the CNSA lacking a mandate to create a national information system. The CNSA must prioritise improving the reliability of the data it collects and using it to assess the efficiency of the funding it provides.

People born in 1945, at the start of the *baby boom*, will be 80 years old in 2025. This means that the 75-85 age group will grow by 2 million between 2020 and 2025, reaching 6.1 million. Those still alive between 2030 and 2040 will be aged between 85 and 95 and, for the most part, will have lost their independence. It would therefore be necessary to have reliable projections for this period in order to plan requirements and investments in real estate and staff training. These projections should take into account the increasing overlap between the fields of old age and disability, while the implementation of measures in the sector remains compartmentalised.

The Government has only defined a budgetary trajectory up to 2028. It is based on an ambitious assumption of a shift towards home care, which, if not fully achieved, would lead to additional funding requirements.

Finally, efforts could be made to simplify the responsibilities of the various stakeholders and ensure greater equality in the benefits paid throughout the country.

With regard to the financing of nursing homes, the social security funding laws for 2024 and 2025 have provided, in line with the Court's recommendations, for the transfer of responsibility for autonomy payments to nursing homes in 23 pilot departments to the branch in 2025, in return for a reduction in subsidies for benefits and a recovery of tax revenues, with the departments remaining responsible for financing social assistance for accommodation for residents in institutions. The additional cost for the branch is estimated at €234 million per year, and a nationwide rollout of this reform is currently under consideration.

At the same time, consideration could be given to distinguishing, among the services currently covered by the APA (such as hours of assistance), those that could form a basic package funded by the CNSA as part of national solidarity. This basic package would become a social security benefit, based on a national scale determined according to the degree of loss of autonomy.

It would be funded through the existing financial contribution from the CNSA to the departments. The responsibility for awarding the benefit and determining individuals' level of dependency would remain with the departments, as would the organisation of home care services. In addition, the departments would fund a social assistance benefit, the amount and features of which they would define.

Recommendations *(ministry of labour, health, solidarity and families and national solidarity fund for autonomy)*

31. Based on demographic projections and care scenarios involving the departments, specify the needs related to old age after 2030; use this to determine a funding trajectory.
32. Develop an IT governance framework for the sector (mapping, collection strategy, etc.) to ensure that data is reported and shared between the operators concerned as part of the future agreement on objectives and management.
33. Strengthen the role of regional health agencies in regulating residential care facilities for dependent elderly people and allocating additional funding (funds available at the end of the financial year and support funds).
34. Allocate the current amount of funding provided by the national solidarity fund for autonomy (CNSA) to the departments for the personalised autonomy allowance to finance a defined basic package of home-based support services.

Community pharmacies: a model in transition

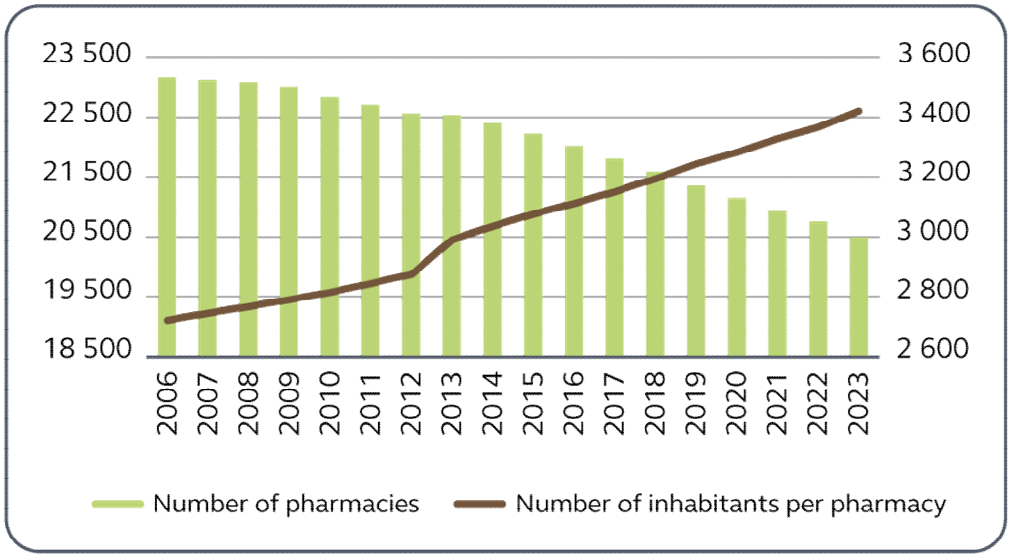
In France, pharmacies have a monopoly on the retail sale of health products (medicines and medical devices) to individuals. The opening of a pharmacy, which must be owned by a qualified pharmacist, is subject to administrative authorisation, granted based on a municipal population threshold. The majority of pharmacy revenue comes from the reimbursement by the national health insurance system for health products dispensed to customers. These principles define the distinctive features of the French community pharmacy model.

On 1 January 2024, France had 20,502 pharmacies, owned by 25,301 pharmacists who were either sole proprietors or co-owners, and employing 92,000 people. Their revenues amounted to €45 billion in 2023.

The community pharmacy model in France has become increasingly fragile in three respects: the density of the national network, the way pharmacies are remunerated in light of their expanding responsibilities, and the independence of pharmacists, as the sector faces growing risks linked to the financialisation of healthcare provision.

Although the number of pharmacies in France is still in line with the EU average, it has declined by 10 % since 2006 due to mergers and closures with no successors, and this trend is accelerating.

Number of pharmacies and inhabitants per pharmacy (2006–2023)



Source: Court of Accounts, based on data from the National Council of the Order of Pharmacists

The territorial coverage, though still relatively balanced, is weakening in rural areas. While it remained stable from 2016 to 2019, the average travel time for insured persons to reach a pharmacy increased by nearly 7 % between 2020 and 2023. The municipal population criterion appears to be unsuitable, with some states favouring criteria such as the distance between customers and the pharmacy and the number of patients per pharmacy.

To prevent the emergence of ‘pharmaceutical deserts’, financial assistance and easier access to opening pharmacies have been planned from 2024 in areas designated as vulnerable. This measure was introduced late and is complex to implement. It would be more appropriate to target vulnerable and essential pharmacies directly and to coordinate the various measures (tax and social security exemptions, assistance from local authorities).

In addition, since 2020, the opening of pharmacy branches has been trialled in municipalities with fewer than 2,500 inhabitants where the last pharmacy closed without a buyer. However, the scope of the scheme is limited: one branch was set up in Corsica in 2024 and two are planned in other regions. More varied solutions could be considered (pharmacy buses, home delivery).

The regulated margin for pharmacies on the sale of reimbursed medicines is not proportional to revenues. It deteriorated between 2015 and 2020, despite an increase in revenues, and again in 2023 after the COVID-19 pandemic. However, the overall economic performance of the sector remains satisfactory, even if there are significant disparities between urban and rural pharmacies.

Pharmacists' remuneration has evolved to take account of the new tasks they perform, in particular in response to the reduced availability of doctors (information and advice when dispensing health products, vaccination, screening, assistance with teleconsultation, etc.). These tasks now account for 4 % of pharmacists' remuneration.

The role played by pharmacies in the fight against the COVID-19 pandemic (testing, vaccinations, prescription renewals) helped to overcome some reservations. Since 2024,

pharmacists have been able to dispense antibiotics directly for bacterial tonsillitis and cystitis, after carrying out a rapid diagnostic test.

Accelerating the evaluation of the ‘orientation in the healthcare system’ (Osys) trial would make it possible to expand the range of conditions that could be treated. The role of pharmacists could also be strengthened in the early detection and monitoring of chronic diseases and cancers. The widespread use of shared medication reviews for elderly and polymedicated patients would help to better regulate the use of medicines. The scope of pharmacists' role in access to care and follow-up could be further expanded with regard to the duration of treatment renewals and the conditions for adjusting dosages.

However, such changes would require a change in the way pharmacists are remunerated, which continues to be based on the quantity of medicines sold. Pharmacists' remuneration should be more focused on the added value of dispensing and on the value of their new tasks.

Finally, the conditions under which the profession is practised have changed. Pharmacies are mostly owned in the form of a liberal professional company (SEL), in three out of four cases, and ownership is restricted to qualified pharmacists. The status of assistant pharmacists (limits on capital ownership and caps on their number) could be relaxed. The growing involvement of private investment funds in the capital of these SELs, as part of the increasing financialisation of healthcare provision, may undermine pharmacists' independence by steering their business strategy toward the most profitable segments.

The public authorities have insufficient means of regulation, particularly with regard to the conditions for acquiring pharmacies, online sales of medicines, relations between pharmacies and laboratories and wholesalers who supply them with health products (amount and conditions of commercial discounts and back margins), or coordination with doctors and other health professions (midwives, nurses, physiotherapists, etc.) in terms of the conditions for organising the delegation of tasks.

Recommendations

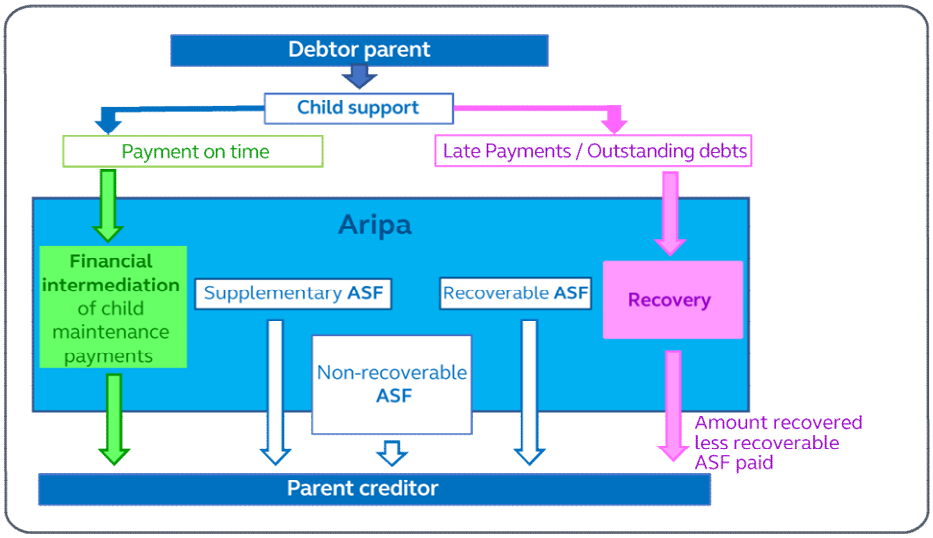
35. Replace the concept of ‘underserved areas’ with the identification of at-risk pharmacies that are essential for access to medicines (*ministry of labour, health, solidarity and families*).
36. Evaluate the “Osys” trial of pharmacy-based care for minor ailments, within a timeframe compatible with its possible roll-out from January 2026 (*ministry of labour, health, solidarity and families*).
37. Base pharmacists' remuneration for dispensing medicines on the act of dispensing to the patient, regardless of the number of boxes sold (*national health insurance fund*).
38. Include all discounts on medicines granted by suppliers, as well as margins on medical devices, in the remuneration model for pharmacies (*ministry of labour, health, solidarity and families; national health insurance fund*).
39. Revise the status of assistant pharmacists with regard to shareholding rights and the minimum number required per pharmacy (*ministry of labour, health, solidarity and families, national council of the order of pharmacists*).
40. Require prior approval by the order of pharmacists for the legal validity of contracts relating to pharmacy ownership or set-up (*ministry of labour, health, solidarity and families, national council of the order of pharmacists*).

The public child maintenance service: rapid scale-up, but service quality falls short of expectations

Child maintenance is paid in the event of a couple's separation involving one or more children, either by court order or mutual agreement between the parents. Given the difficulties — most often faced by mothers — in receiving these payments, the government created a public service in 2017, which has since been gradually extended to cover all separation scenarios. It is managed by the Child Maintenance Recovery and Mediation Agency (Aripa).

This agency recovers unpaid maintenance and facilitates the intermediation and payment of child maintenance, even when no payments are overdue, unless both parents object. It operates through the network of Family Allowance Funds (CAF) and the Agricultural Social Mutual Fund (MSA). In 2024, it recovered €300 million in unpaid child support on behalf of 140,000 receiving parents and handled the intermediation of €300 million in child support payments, which were transferred to 130,000 parents. The CAF and MSA networks also ensure the payment of family support allowance (ASF) to parents who do not receive maintenance payments, amounting to €3.25 billion in 2024.

Main tasks of the Aripa



Source: Court of Accounts

The data needed to manage this public service (such as the annual number of separations, the number and total amount of unpaid maintenance payments, and the number of parents who have declined intermediation) is incomplete. Coordination among stakeholders also needs improvement: it is problematic that the scale provided to judges for contentious cases, to help them set maintenance amounts, is more favourable to paying parents than the Aripa simulator used for amicable settlements.

No monitoring is in place for the system's administrative costs. The Court estimated them at €46 million in 2024, or 5 % of the amounts managed by Aripa. The funds responsible are facing difficulties in recruiting and training staff, and the development of IT systems, often undertaken on an urgent basis, has not been completed.

Finally, the quality of the service provided is improving but remains below users' expectations. The collection rate increased from 64 % in 2018 to 80 % in 2024, but falls to 38 % (2023) if unpaid contributions for which the agency is unable to initiate amicable or enforced recovery proceedings against the debtor parent are taken into account. The error rate in intermediation requests has declined but remains at 26 %. Processing times, including

approval of requests, payment of maintenance, and recovery of arrears, are still too long, and response times to users' phone calls remain inadequate.

The poor quality of the service provided to users means that 15 % of parents give up financial intermediation after applying for it.

Recommendations

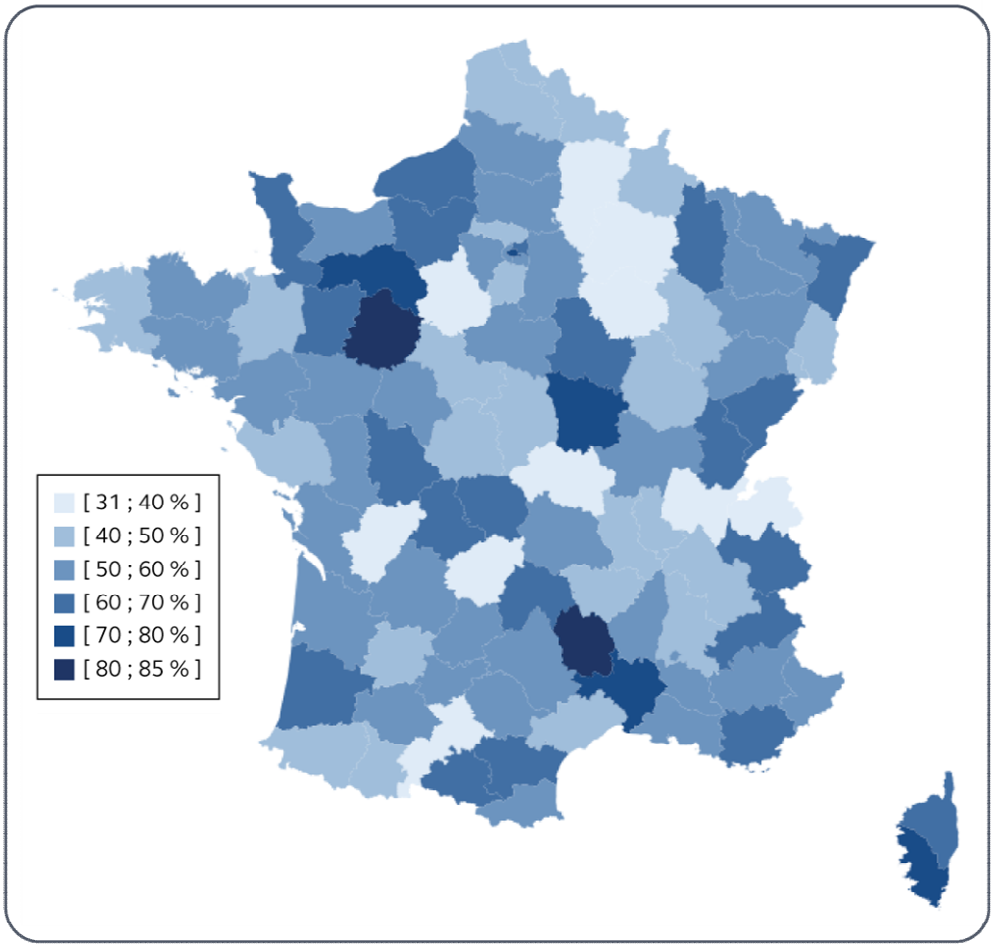
41. Entrust the Aripa, with the support of the Insee, to conduct surveys and collect data on separations and maintenance payments, in particular for the purpose of assessing the rates and amounts of arrears, with a view to setting up an observatory managed by the CNAF (*ministry of labour, health, solidarity and family, ministry of justice, ministry of economy, finance and industrial and digital sovereignty, national family allowance fund*).
42. Make it compulsory to transmit to the Aripa data on the number of extrajudicial separations recorded by notaries, specifying the existence of dependent children and the amount of any maintenance payments (*ministry of labour, health, solidarity and family, ministry of justice, ministry of the economy, finance and industrial and digital sovereignty, national family allowance fund*).
43. Task the CNAF and the CCMSA with identifying and monitoring the costs of managing the public child maintenance service and include those provided by the ministry of justice and the ministry for Europe and foreign affairs (*ministry of labour, health, solidarity and family, ministry of justice, ministry for Europe and foreign affairs, national family allowance fund, central fund of the agricultural social insurance scheme).*
44. Improve the information available to users and keep them informed in real time of developments in their situation in order to reduce the volume of calls received by the maintenance payment collection and mediation Agency (*national family allowance fund, central fund of the agricultural social insurance scheme).*

Disability pensions: necessary changes and support for return to work

Disability pensions are paid to insured persons whose ability to work under normal conditions has been significantly reduced as a result of a non-work-related accident or illness. In 2023, 830,000 insured persons received a pension for various reasons (depression, breast cancer, low back pain, cerebrovascular accident, etc.), at a cost of €7.8 billion to social security, rising to €10 billion when medical and retirement benefits are included.

The growth in these expenditures has slowed since 2019, but their high level justifies the implementation of active risk management by the health insurance system. The rate of disability among the working population varies from 1.3 % to 4.8 % depending on the metropolitan department, which can only be partially explained by structural differences (age, state of health, etc.). The proportion of cases accepted out of the total number of applications varies from 31 % to 85 % depending on the department.

Disability pension award rate as a proportion of applications submitted directly by insured persons in 2023 (in %)



Source: Court of Accounts based on CNAM data

The rules for combining disability benefits with employment were made more favourable in 2022. As a result, 69 % of employees classified as category 1 (those deemed able to work) were engaged in professional activity in November 2024. However, 21 % of those in category 2, who are officially considered unfit for work, were also working, as were 6.4 % of those in category 3, who additionally require assistance from a third party for daily living activities. These percentages have been rising since 2018.

Medical advisors assess the state of health of insured persons but are ill-equipped to assess their ability to hold a job, which may require job adaptation or redeployment. More importantly, they carry out very few disability reassessments (only 2.9 % of pensions were reviewed in 2023), a situation the National Health Insurance Fund attributes to an insufficient number of staff. However, some of their tasks could be delegated to nurses.

Savings could be made by the social security system if more people with category 1 disability returned to suitable employment enabling them to leave the disability system, or if people with category 2 disability who were in employment were reclassified as category 1.

To encourage a return to work, more active support from employers is also essential to organise the conditions for returning to work after a period of sick leave, as is the case in Belgium and the Netherlands. Coordination between health insurance and occupational health and safety services should be improved to reduce the risk of people becoming permanently excluded from the labour market. Disability, which currently occurs after a long period of sick

leave (up to three years), should be anticipated as soon as the insured person's state of health stabilises.

Recommendations

45. (*Reworded recommendation*) Limit the payment of category 1 disability pensions to a defined, renewable period, based on the age and health status of the insured (*ministry of labour, health, solidarity and families*).

46. Increase the frequency of disability pension reassessments by introducing a trigger when the insured reports resuming work, and by making greater use of medical service nurses (*national health insurance fund*).

47. Organise the transmission to the health insurance fund, by nurses and other occupational health and safety staff, of information on the working and employment conditions of insured persons, so that the health insurance fund can better assess their employability (*ministry of labour, health, solidarity and families, national health insurance fund*).

48. Make it compulsory for employees who have been absent for more than 30 days for medical reasons to attend a pre-return visit; to this end, provide for the transmission of the necessary information by their employer to the occupational health service (*ministry of labour, health, solidarity and families*).

Artists' and authors' pensions: an essential restructuring of management

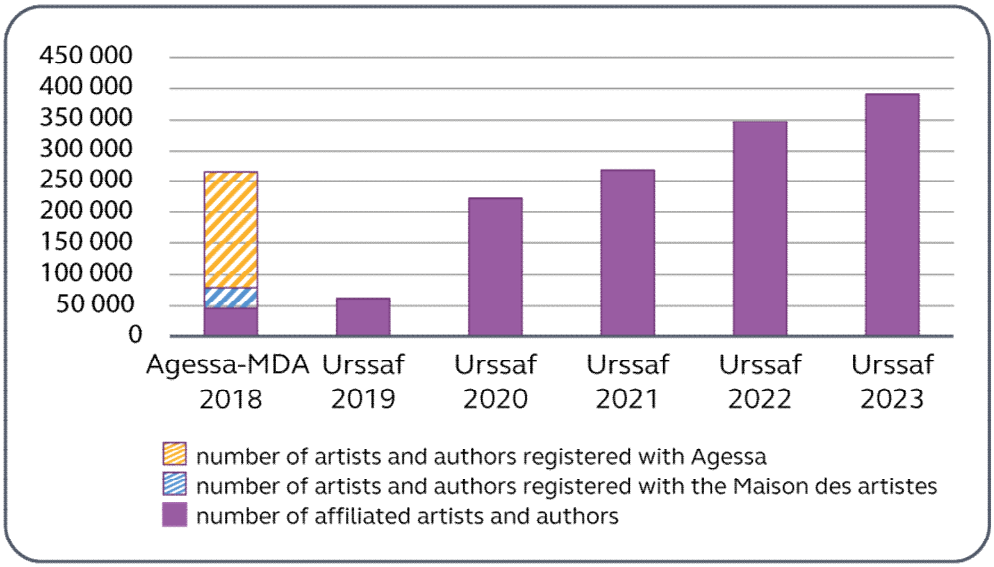
The 400,000 artists and authors form a diverse group (writers, graphic designers, filmmakers, composers, etc.) with highly variable incomes, deriving all or part of their earnings from the exploitation of original works. In 2023, pension contributions from this group totalled €620 million, three-quarters of which went to the basic state pension scheme. Given the diversity and specific circumstances of artists and authors, their pension system is complex, with differing parameters across the three supplementary pension schemes they may belong to.

Since 2020, artists and authors whose income from creative work exceeds the social security ceiling no longer pay uncapped old-age contributions into the basic pension scheme, resulting in a lack of solidarity with lower-earning artists and authors. The associated annual loss of revenue has been estimated at nearly €40 million compared to self-employed workers.

One of the two approved associations that managed the basic pension encountered serious difficulties in providing services to users: for several decades, it did not collect old-age contributions from artists and authors whose artistic income declared during the year was less than 900 times the hourly minimum wage, i.e. the vast majority of them. The corresponding pension rights were not granted to them.

The 2018 social security financing act ultimately transferred the collection of contributions to Urssaf Limousin in 2019, starting from the first euro of artistic income. This made it possible to gradually stabilise the situation following an initially chaotic implementation phase during the health crisis.

Number of artists and authors recorded by the Association for the management of social security for authors (Agessa), the *Maison des artistes*, and then Urssaf Limousin as of 31 December



Source: Court of Accounts, based on data from Agessa, the Maison des artistes and Urssaf Limousin

The 2019 restructuring improved the quality of service provided to artists and authors and the reliability of contribution collection, except for the verification of artistic income, which remains insufficient. It must be completed by transferring membership, social welfare management and information for insured persons to the body responsible for collection, with a view to simplifying and improving the quality of service and control. A national representative body for artists and authors could serve as the point of contact with the relevant ministries for matters related to basic social protection and could handle only the most complex cases concerning affiliation and social support.

Recommendations

49. In accordance with the principles of solidarity and fairness that underpin the general social security system, increase the old-age contribution rate on income exceeding the social security ceiling, beyond the portion currently covered by the State (*ministry of labour, health, solidarity and families; ministry of culture*).

50. Immediately implement controls on the contribution base declared by artists and authors, to ensure the accuracy and completeness of reported income (*central agency of social security bodies*).

51. Transfer to Urssaf Limousin the responsibilities currently held by the Artists' Social Security system (affiliation, social support management, and information services), and assign a national representative body for artists and authors to handle only the most complex cases related to affiliation and social support (*ministry of labour, health, solidarity and families; ministry of culture; artists' social security system; central agency of social security bodies*).