

# **Social health insurance systems in western Europe – commonalities and variations**

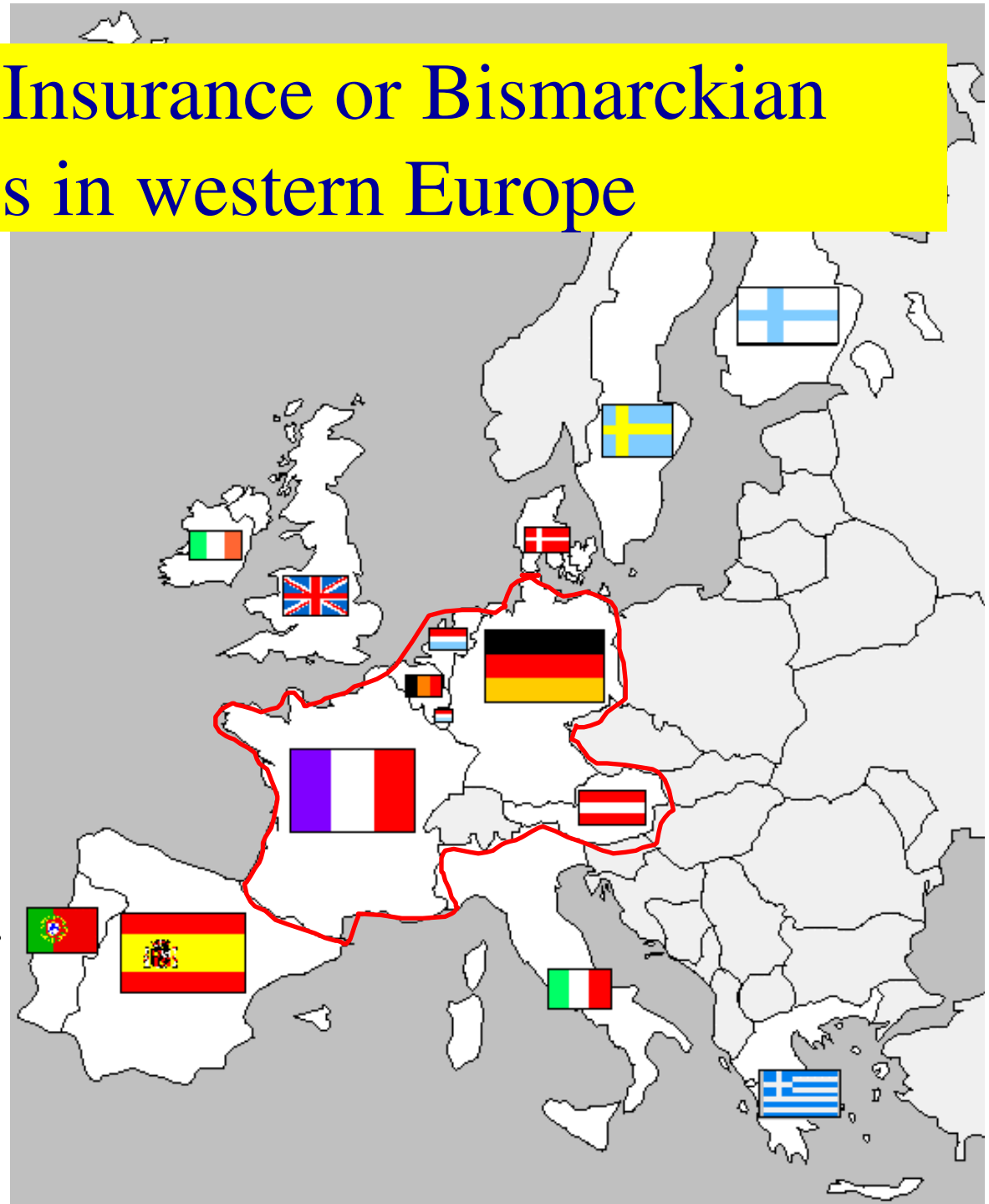
**Reinhard Busse, Prof. Dr. med. MPH**

**Professor of Health Care Management,  
Technische Universität Berlin**

**Associate Research Director,  
European Observatory on Health Care Systems**

# Social Health Insurance or Bismarckian countries in western Europe

- SHI definition
- Commonalities and variations between countries
- Analysis regarding impact on health status, efficiency, equity, satisfaction ...
- Future dynamics and challenges



# What makes a health system a SHI system?

**Contribution collector**

Not (health) risk-, but usually wage-related contribution

Choice of fund

**Third-party payer**

= sickness funds

bipartite self-government

Limited government control

Contracts

Free access

**Population**

Mandatory insurance

**Providers**

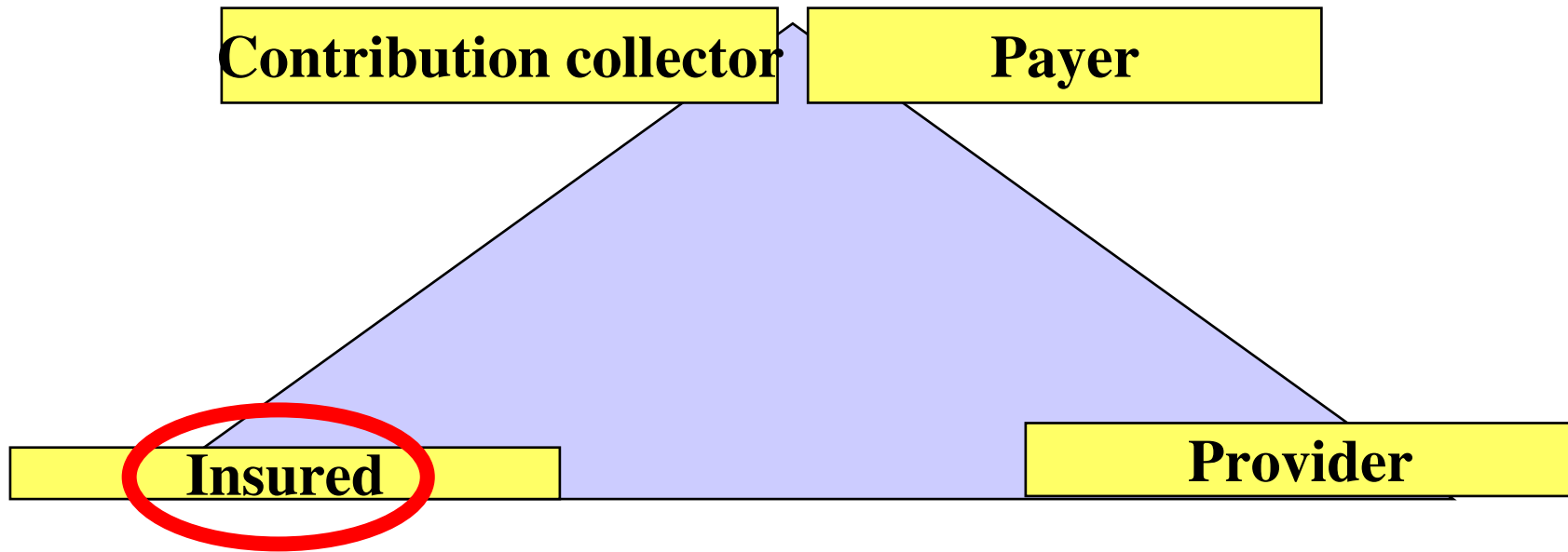
Public-private mix



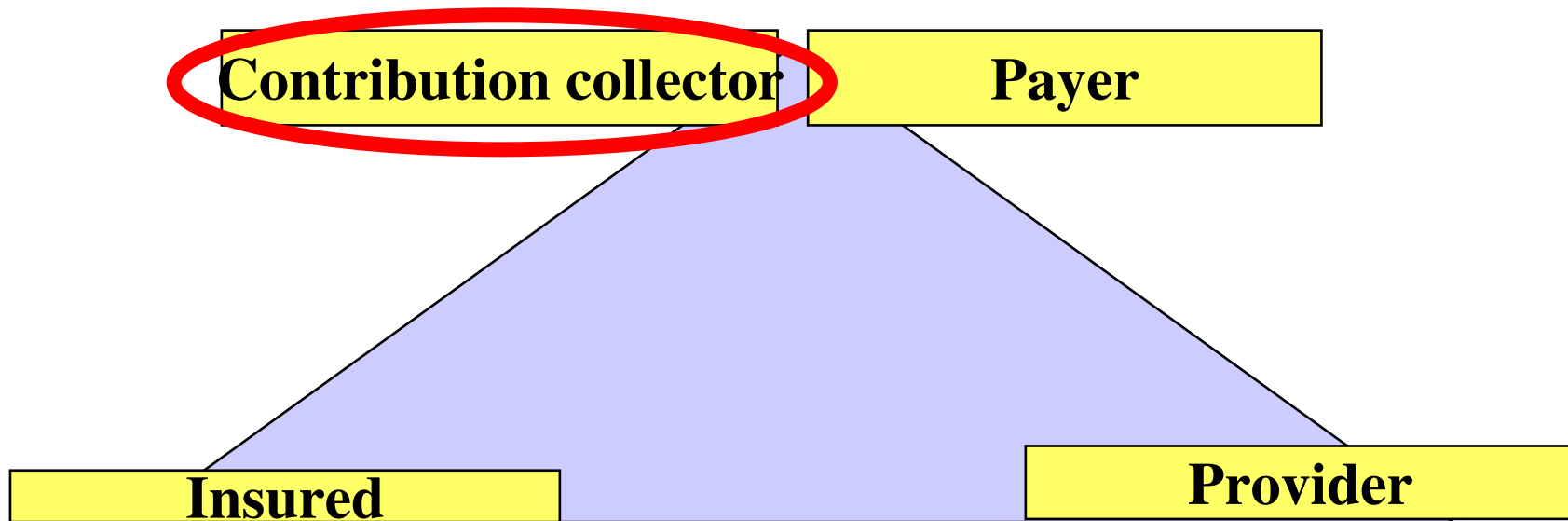
# Other SHI system characteristics

- ***Solidarity***: set of four cross-subsidies on the funding side (healthy to sick, well-off to less-well-off, young to old, and individuals to families) that provide equal benefits on the entitlements side.
- ***Pluralism***: a complex mix of different public, quasi-public, not-for-profit, and sometimes for-profit actors.
- ***Participation***: shared governance among these actors, sometimes described as “self-regulation”.
- ***Choice***: insurees’ ability to select among contracted providers and, in some countries, among different sickness funds.

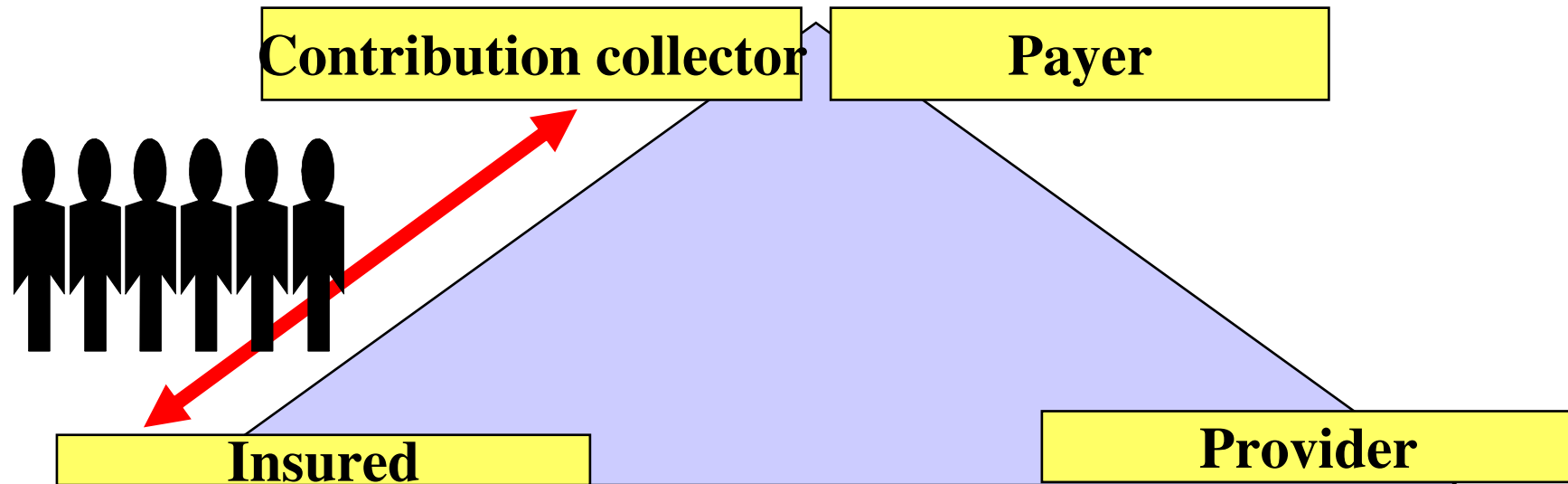




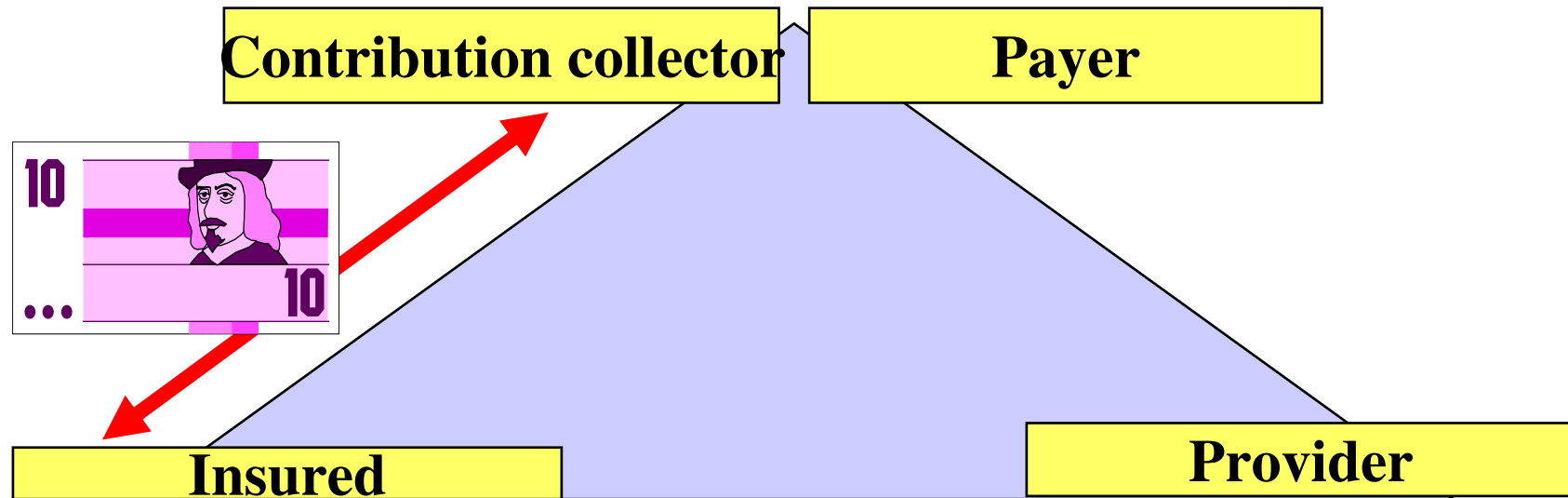
- 100% population coverage in Austria, Belgium, France, Luxembourg, Switzerland (since 1996!)
- 75% mandatory and 13% voluntary coverage in Germany (choice between SHI and PHI)
- 65% coverage in Netherlands (no choice!)



- Government (Belgium, France, Netherlands)
- Union of sickness funds (Luxembourg)
- Individual sickness funds (Austria, Germany, Switzerland)

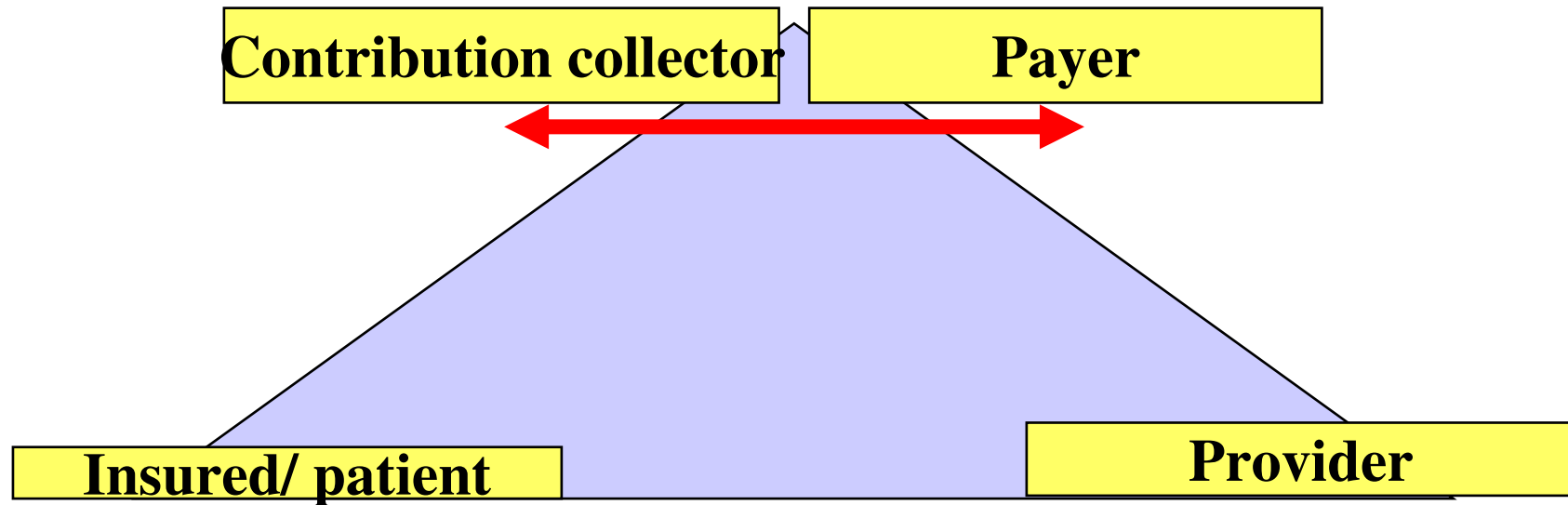


- Pre-determined membership in Austria, France, Germany (until 1995) and Luxembourg
- Free choice of fund in Belgium, Netherlands (1993-), Germany (1996-) and Switzerland

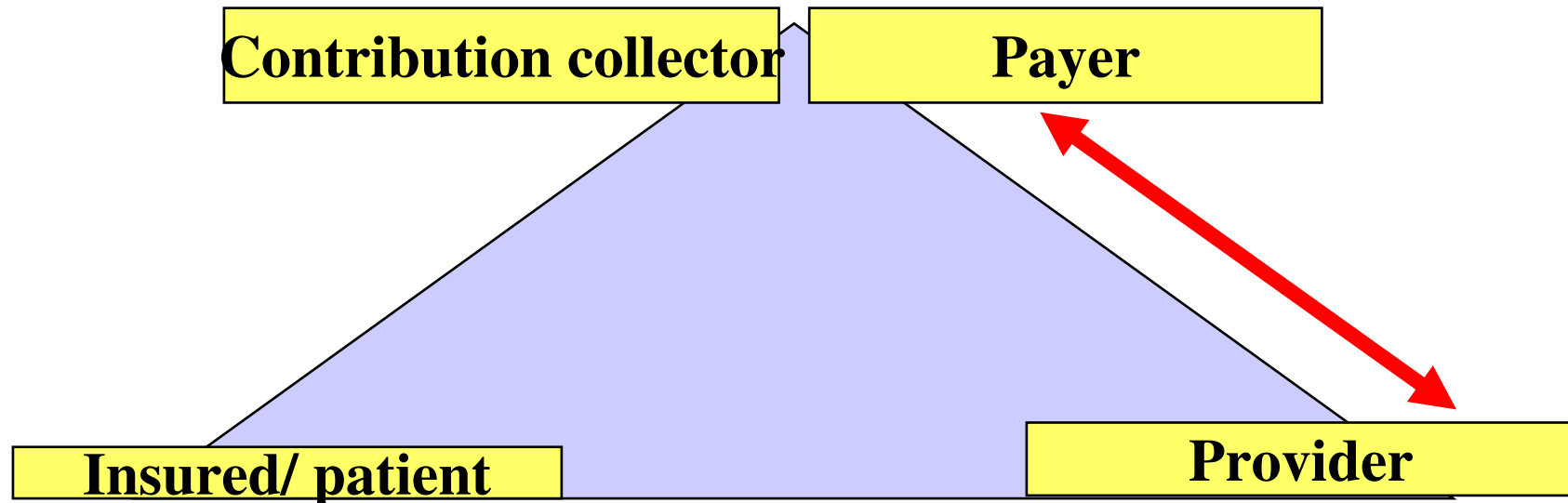


- Uniform rate in Austria, Belgium, France, Luxembourg and Netherlands (+ differing per-capita premium); differing rate in Germany; per-capita premium in Switzerland.
- Contribution cap in Austria and Germany but **not** in Belgium and France.
- France: in 1999 change from income-related contribution (8.9%) to tax on total income (8,25%)
- In the Netherlands, privately insured subsidise SHI, in Germany not.

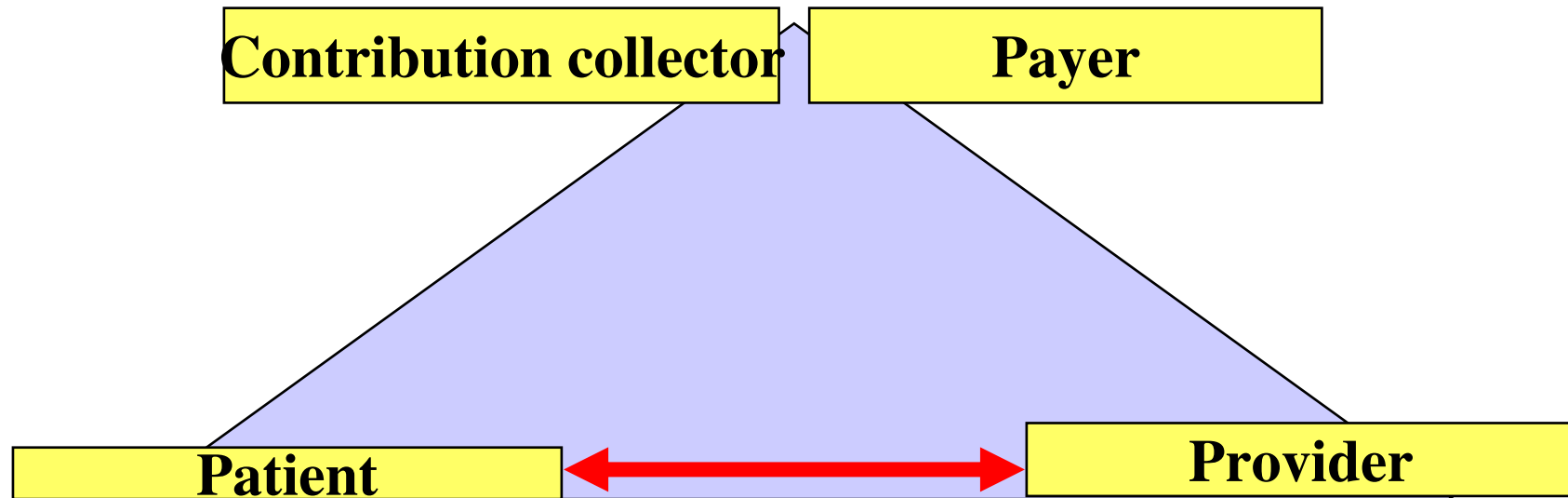




- allocation (Belgium, Netherlands) or re-allocation (Germany, Switzerland)
- area of allocation: nation vs. region (Switzerland), degree of retrospective compensation (not in Germany and Switzerland), differing factors in the formulas (e.g. region in NL), different types of expenditure included, use of high-risk pool



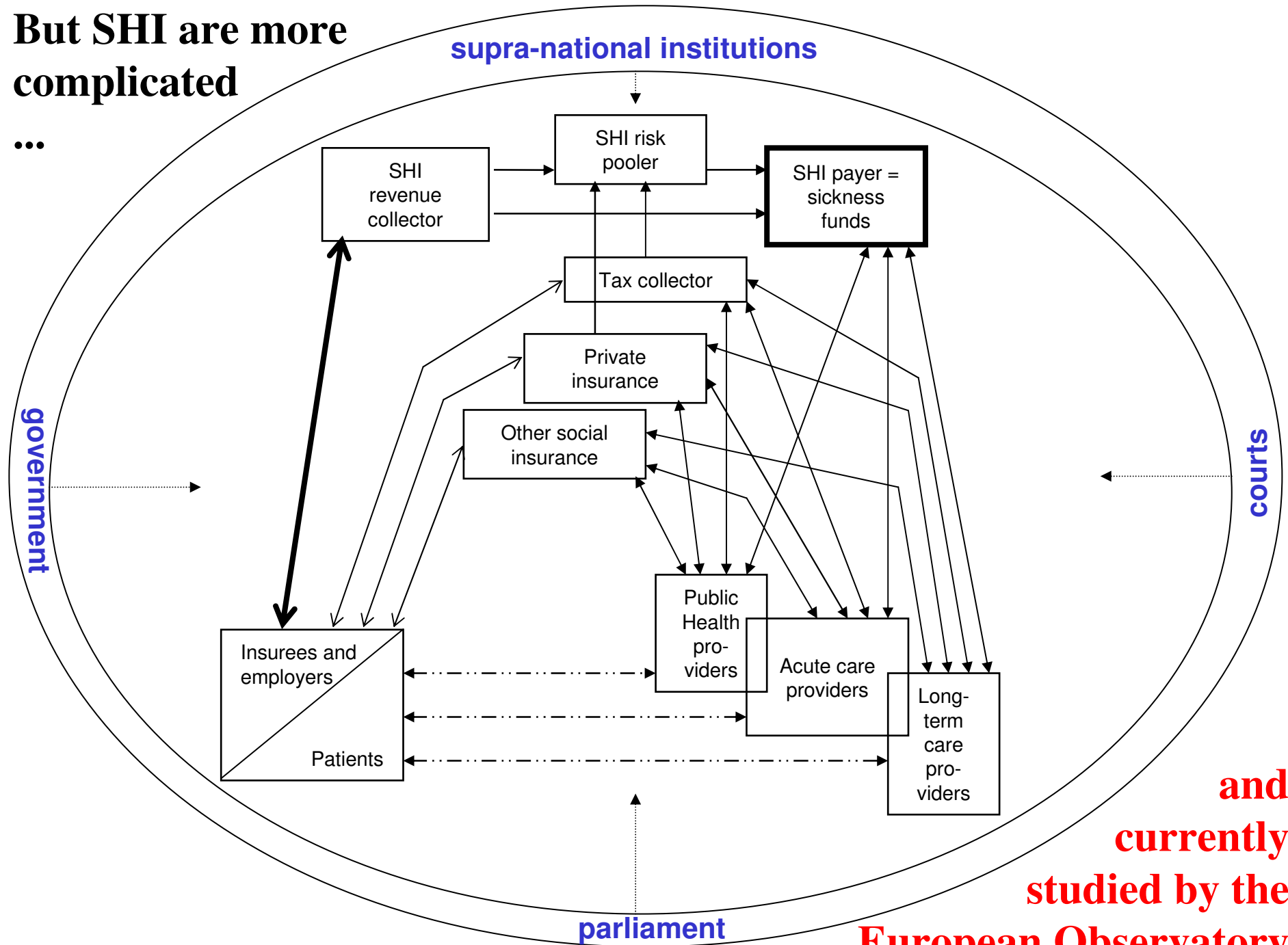
- all SHI systems are traditionally multi-payer systems – problem: weak cost-control
- solutions: budgets – via state (Austria, France) or collective contracts  
(problem: contradict competition between funds)
- Netherlands: collective contracts will be illegal – but: funds hardly use selective contracts and reimbursement at lower than maximum rates



- Free access = feature of SHI systems (except NL): Gatekeeping = more effective, cheaper, but less popular?
- Attempts in the Netherlands to separate “core” benefits from others (to be paid for privately) has failed: dental care was partly re-introduced; not covered services make up only 3% of expenditure

**But SHI are more complicated**

...



**and currently studied by the European Observatory**