Technische Universität Berlin

European Healthcare Reforms: Any Relevance for the Rest of the World?

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&
European Observatory on Health Systems and Policies

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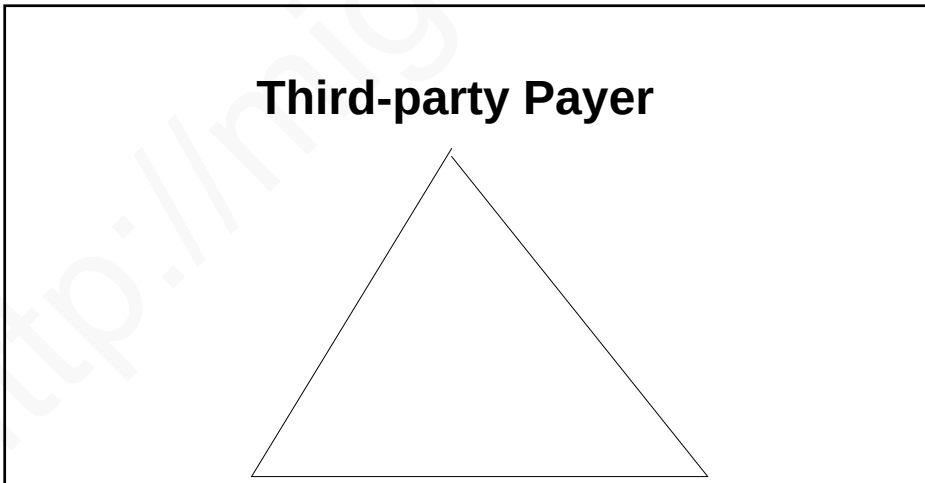
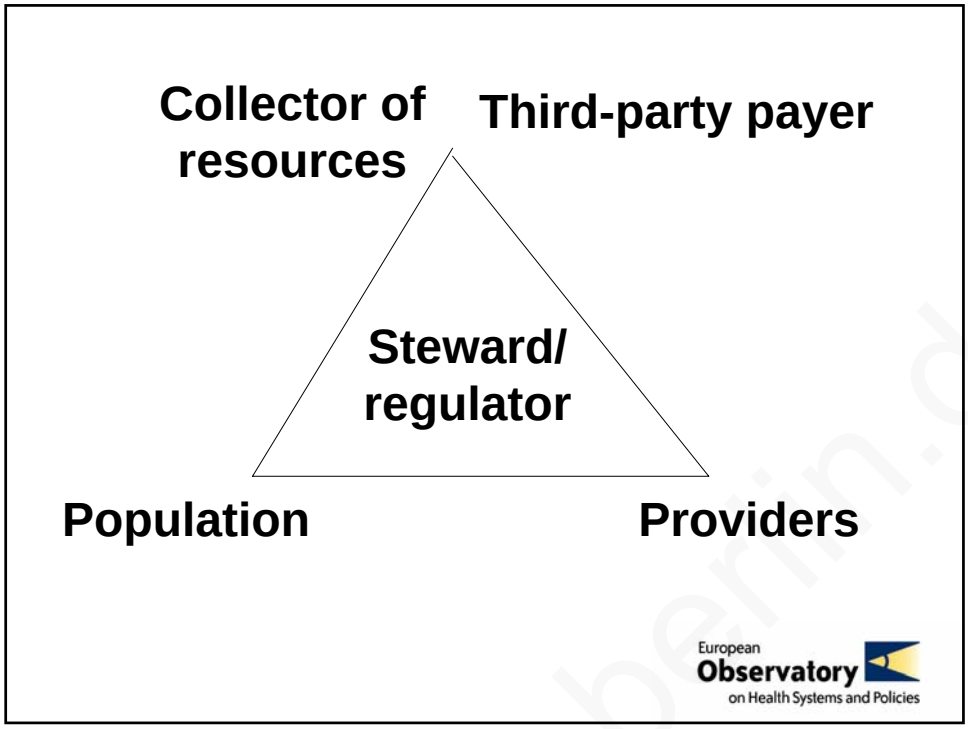
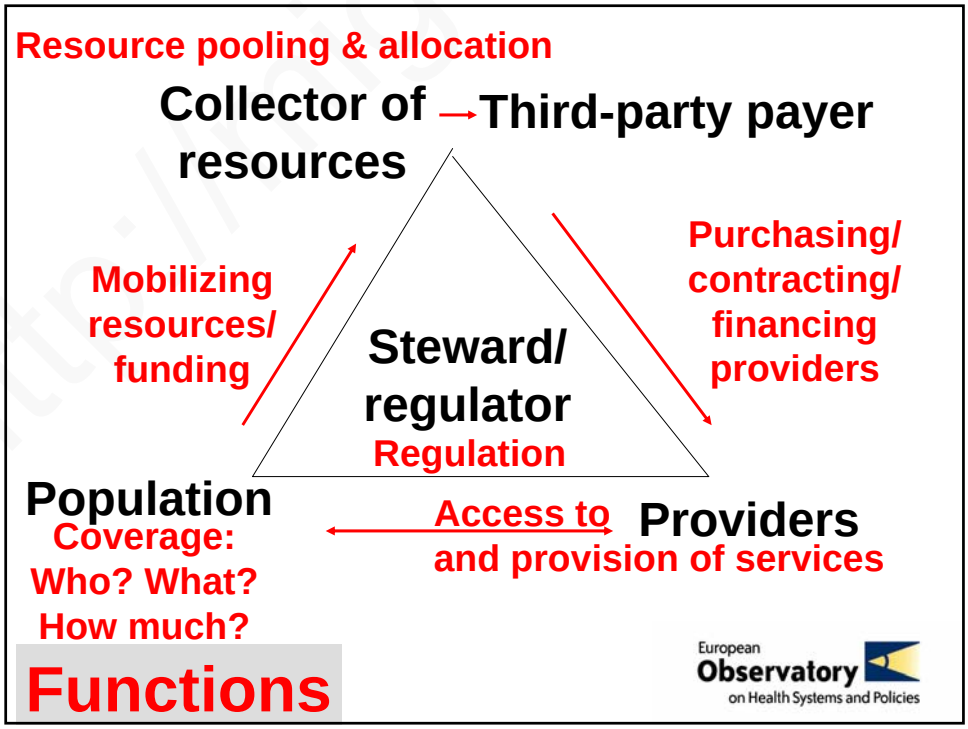
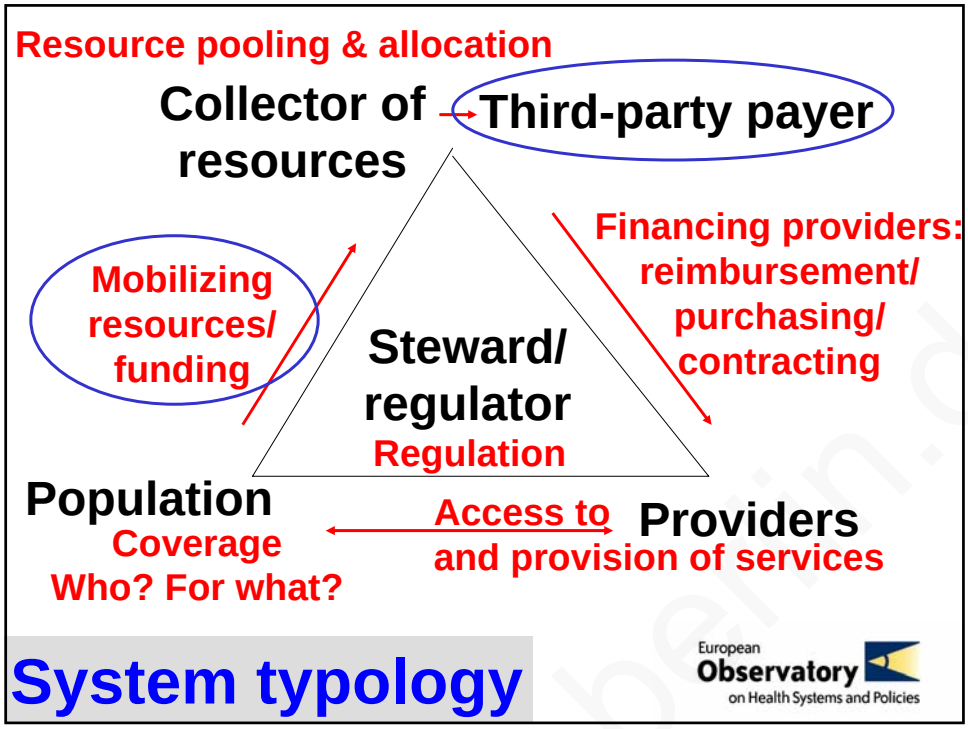
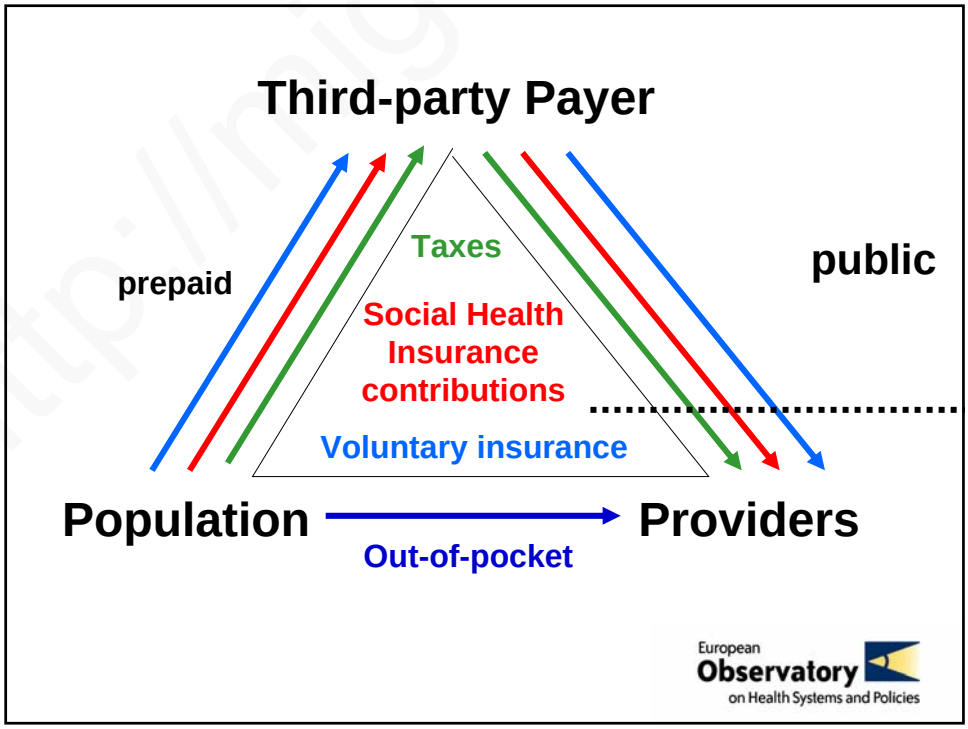


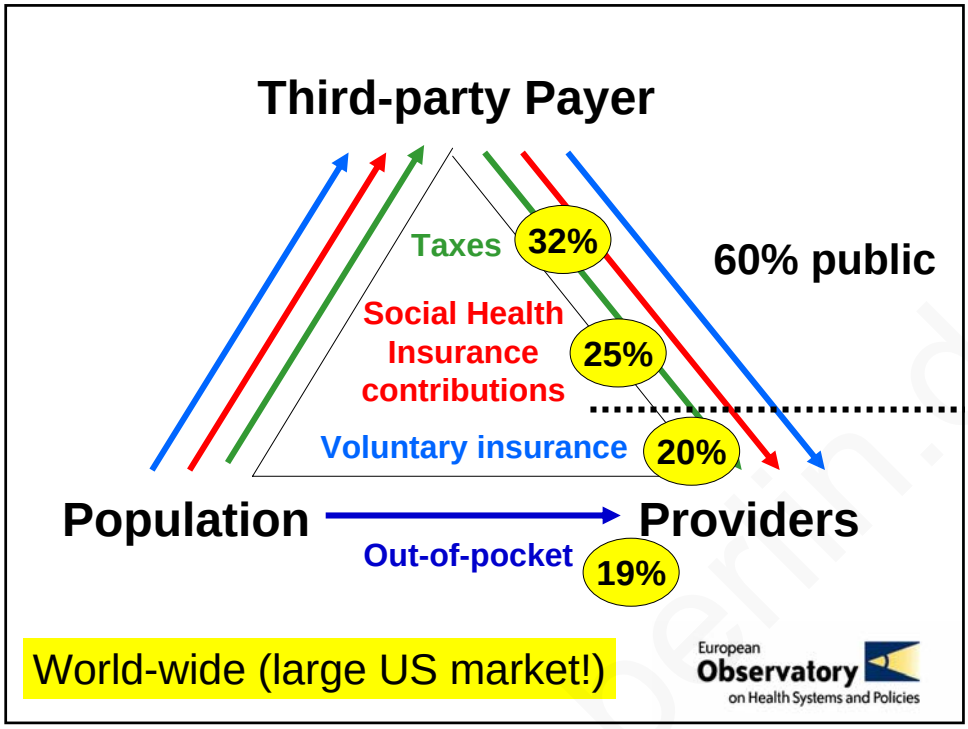
European Observatory on Health Systems and Policies

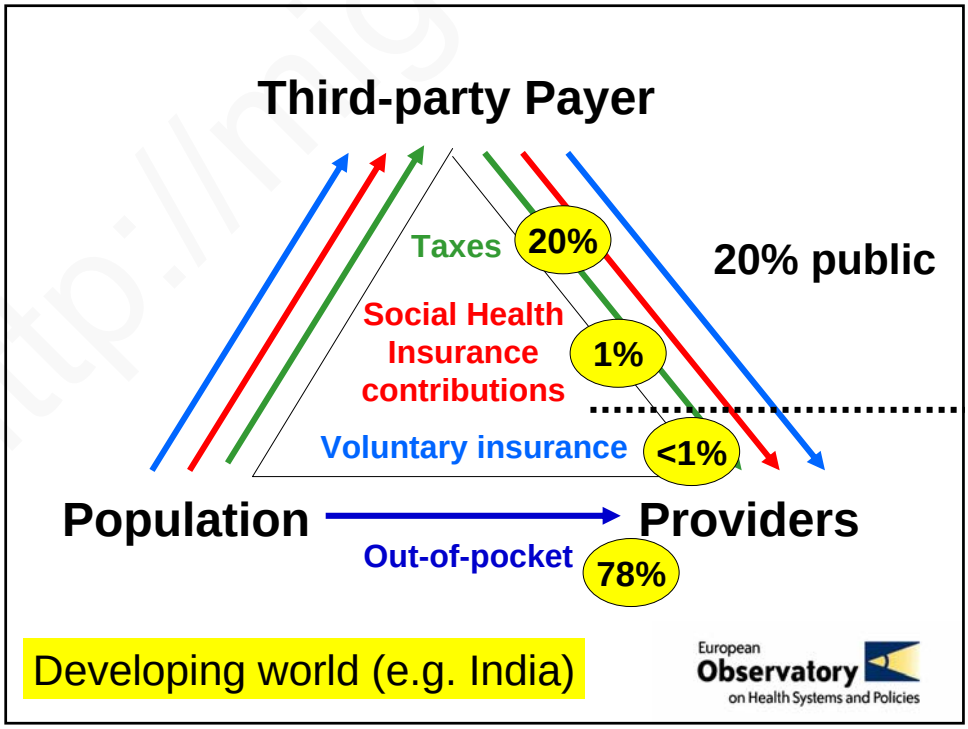


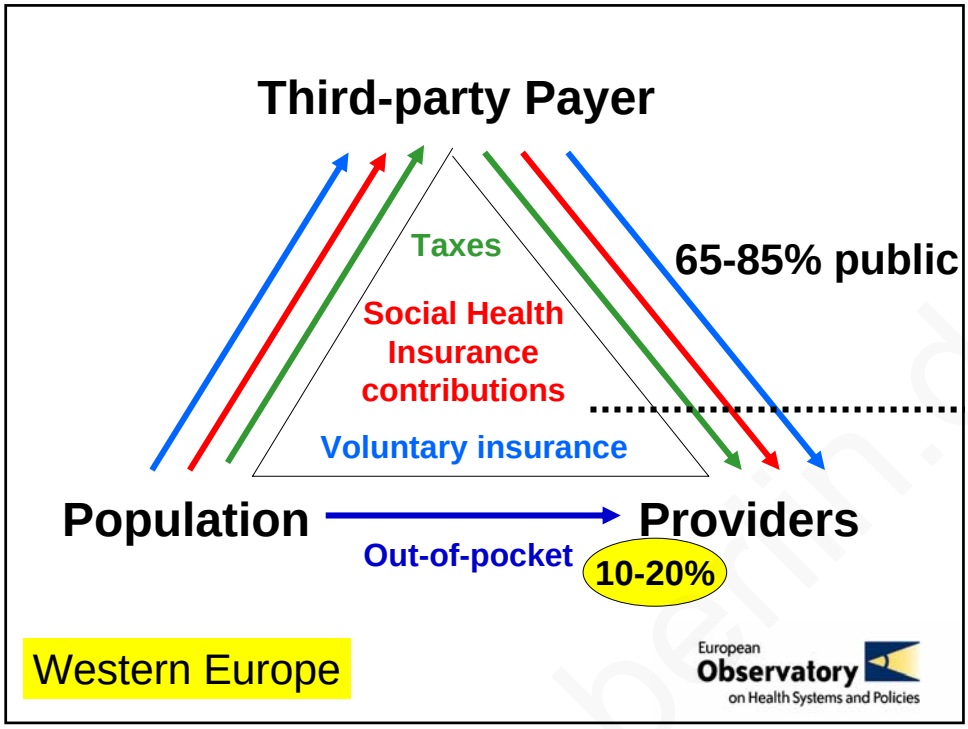


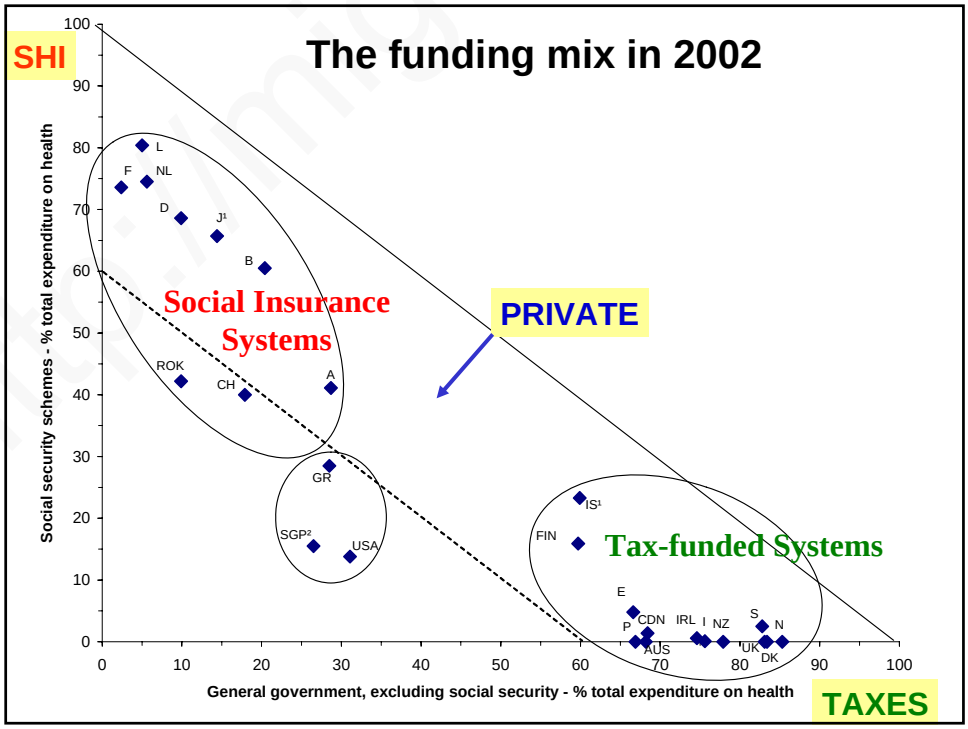








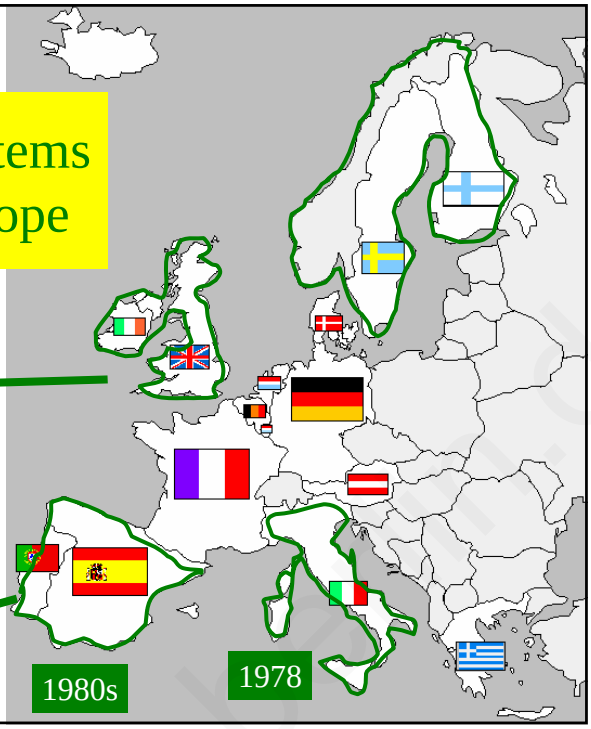




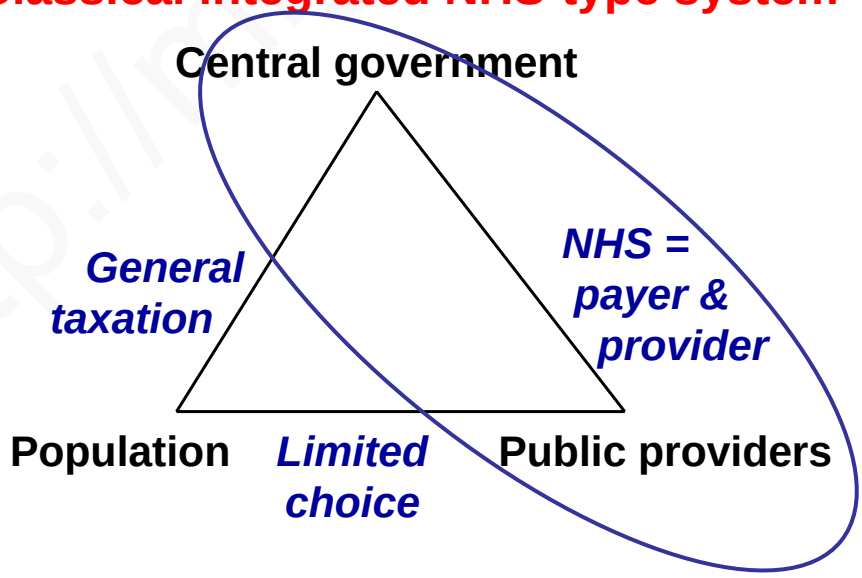
Tax-funded systems in western Europe

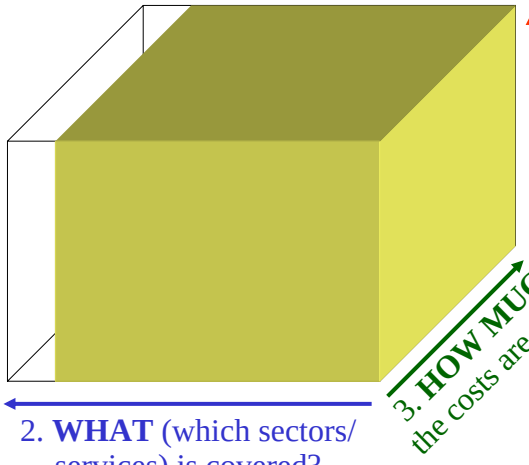
Canada
Australia
New Zealand
Middle East
India …
anglophone Africa …

(South America)



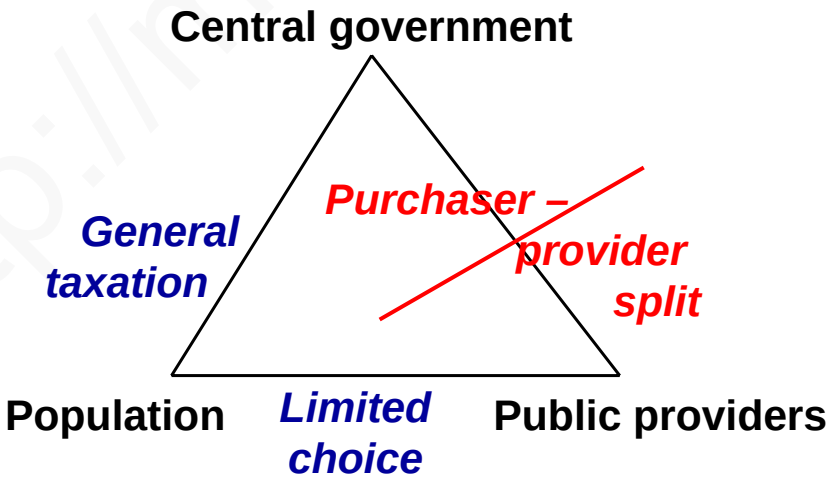
Classical integrated NHS-type system





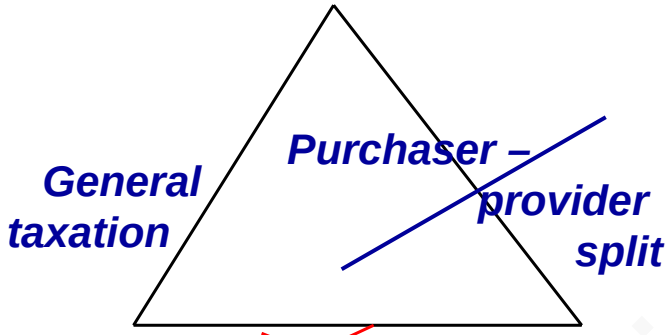
NHS-principles: „Universal, comprehensive, free at the point of service“

Development 1



Development 2

Regional governments



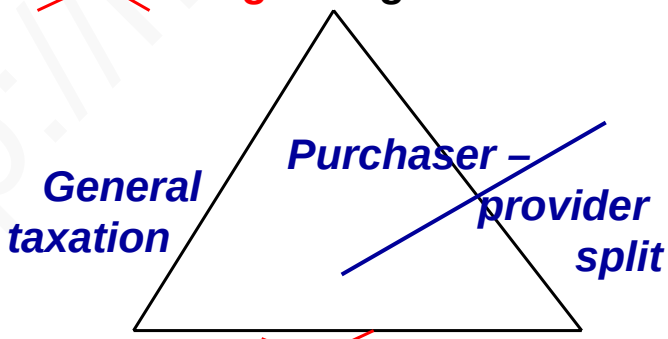
Population ~~*Limited*~~ **Public providers**

more choice

(money follows patient)

Development 3

~~Central~~ **Regional governments**



Population ~~*Limited*~~ **Public providers**

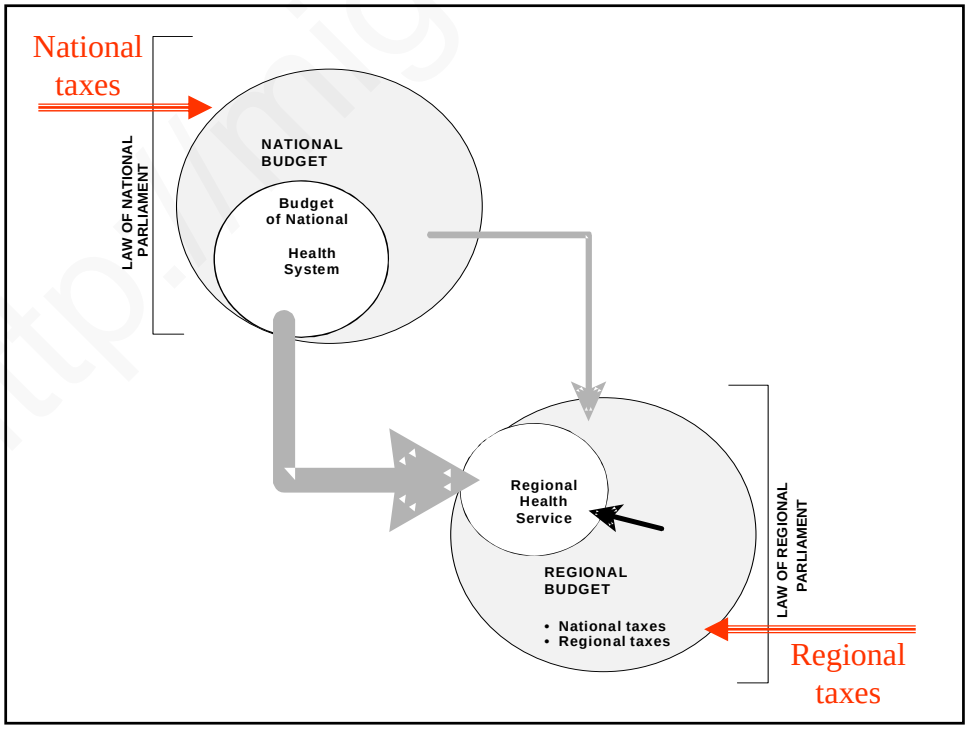
more choice

Development 3

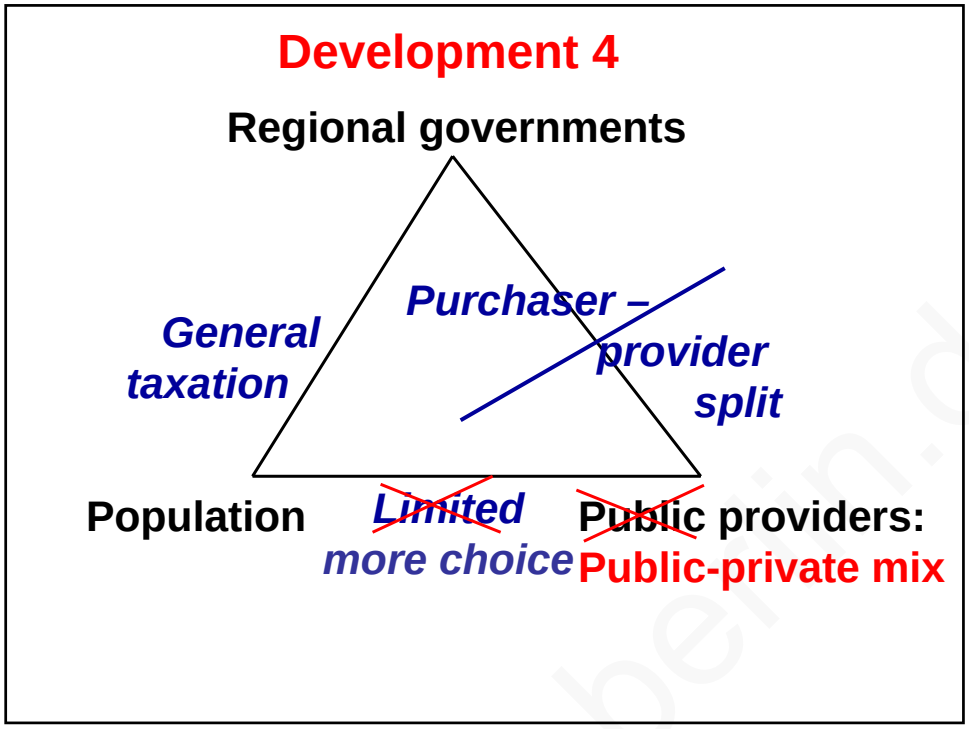
~~Central~~ Regional governments

Questions arising:
- **Funding from national or regional taxation?**
- **Benefit catalogue uniform?**
- **Supply density and quality regulated uniformly?**
- **Access to services across regional borders?**

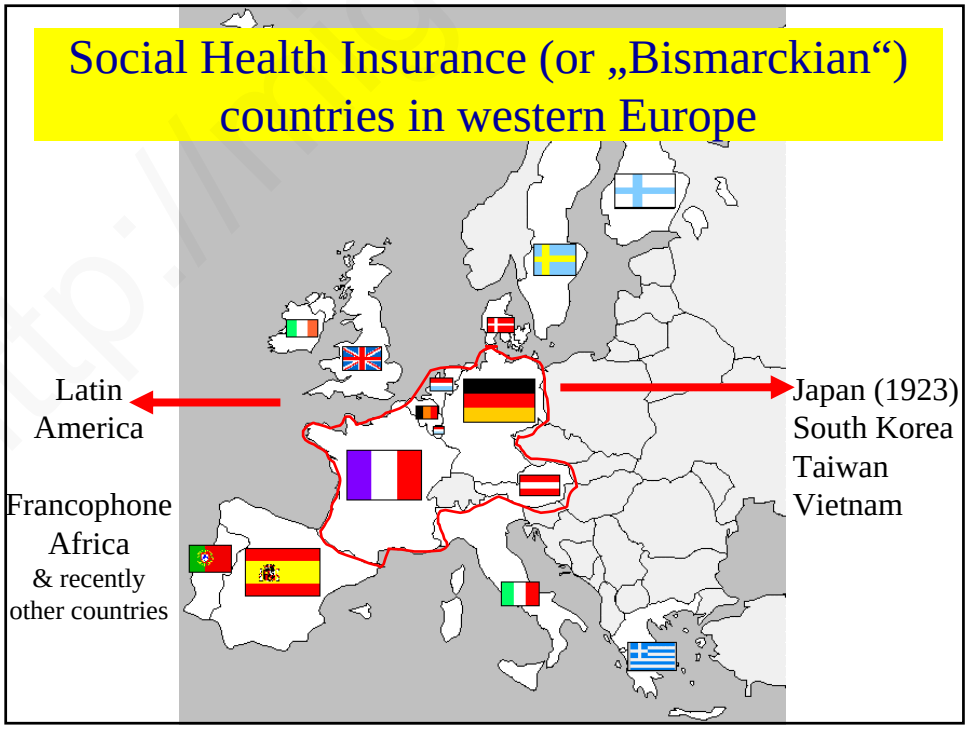
Population ~~*Limited*~~ ***more choice*** **Public providers**

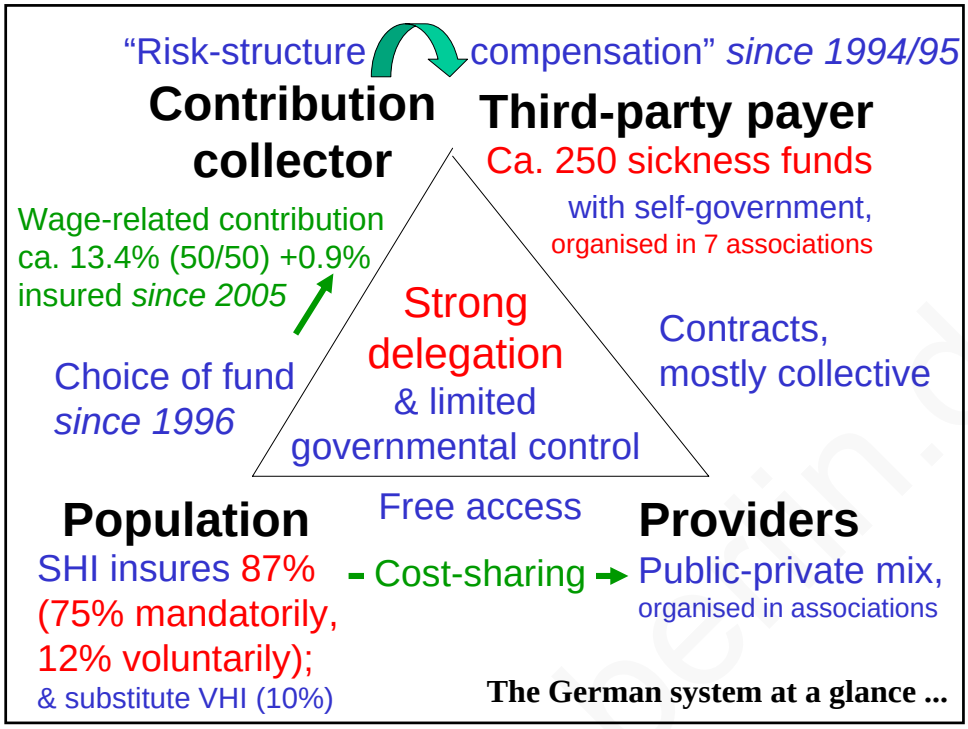


Development 4



Social Health Insurance (or „Bismarckian“) countries in western Europe





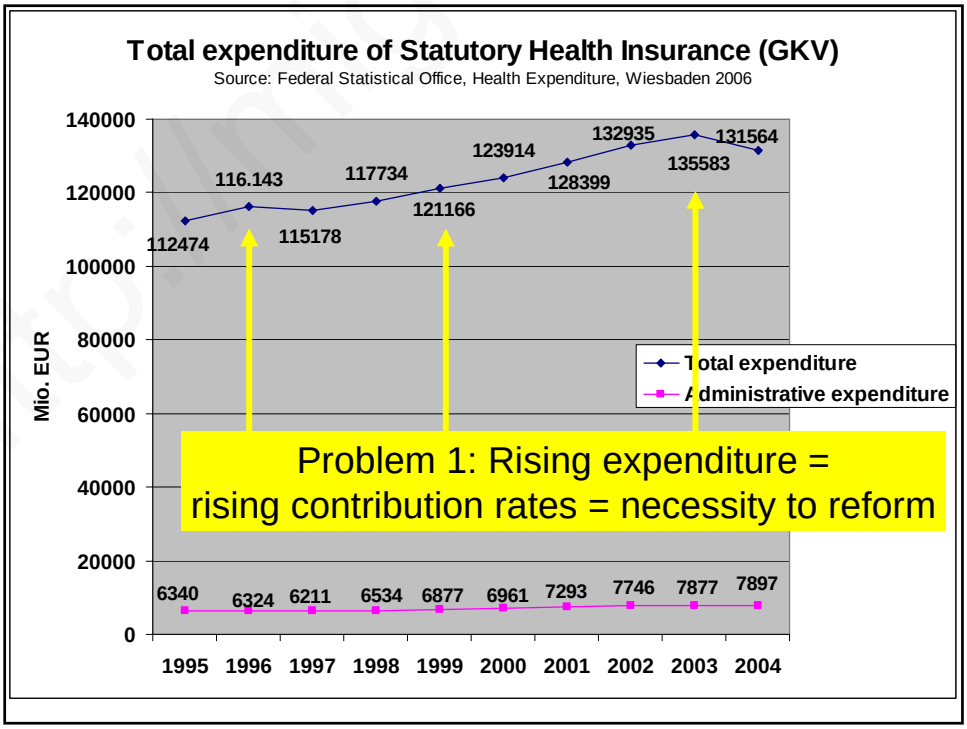
Main cost-sharing requirements since 2004

- **Pharmaceuticals:**
  prescription drugs 10%, min. € 5 (10 Sin$), max. € 10 (20 Sin$) + amount above reference price, 0 if price max. 80% of reference price;
  over-the-counter drugs normally 100%
- **Inpatient treatment:**
  € 10 (20 Sin$)/ day for max. 28 days/ year
- **Ambulatory medical and dental treatment:**
  € 10 (20 Sin$) per first visit in every quarter and for visits without referral

Fear “chronically ill don‘t go to physicians“ was not true!

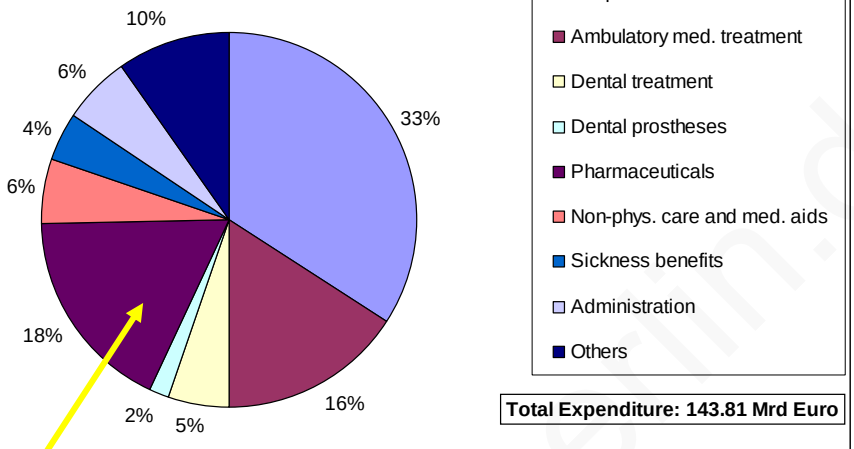
	Not chronically ill	Chronically ill
With visit 2003	69.4%	92.2%
2004	68.2%	93.6%
Number of visits 2003	2.51	6.09
2004	2.28	6.06

Grabka, Schreyögg, Busse 2006



Expenditure of Statutory Health Insurance (GKV) in 2005 in %

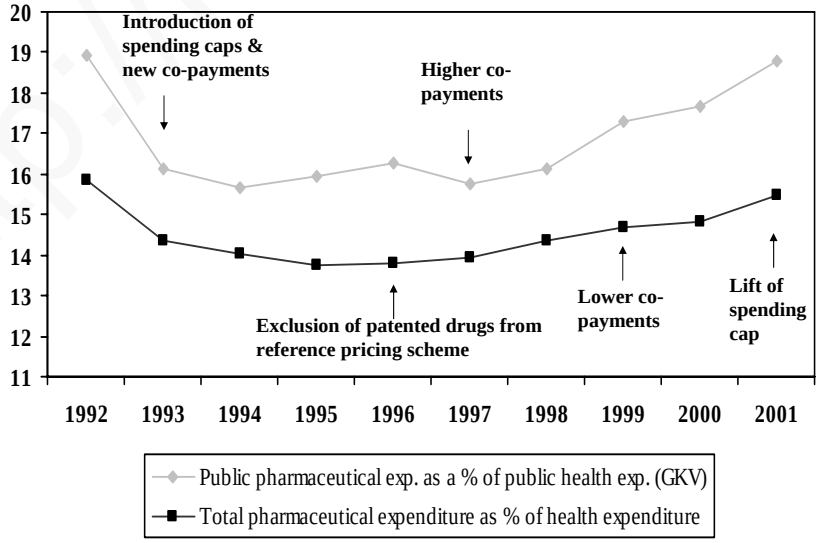
(Source: Ministry of Health, http://www.bmg.bund.de, endgültige Rechnungsergebnisse der gesetzlichen Krankenversicherungen 2005)



Total Expenditure: 143.81 Mrd Euro

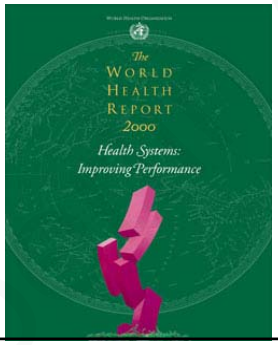
Problem 2: Pharmaceutical expenditure

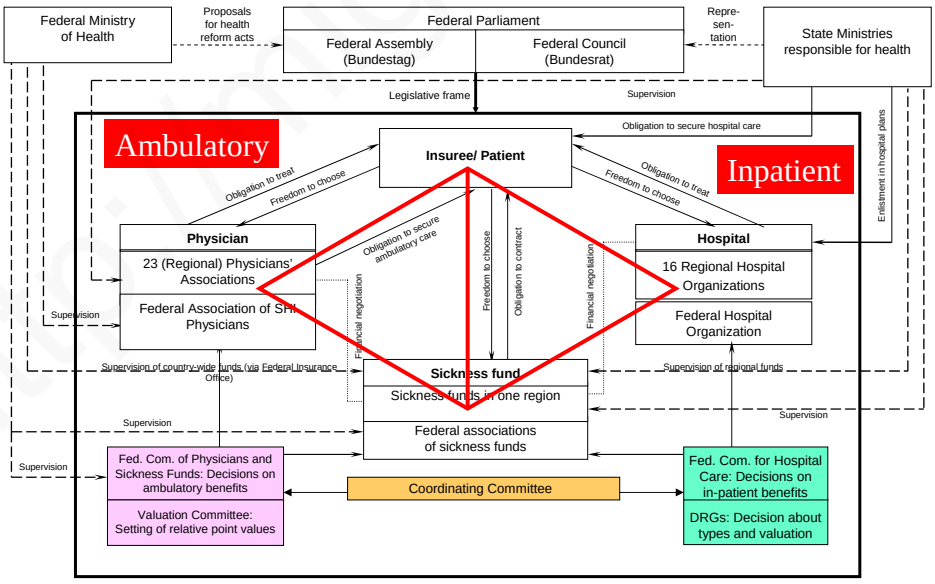
Spending caps: effective for cost-containment but politically unsustainable



Problem 3: Quality and cost-effectiveness

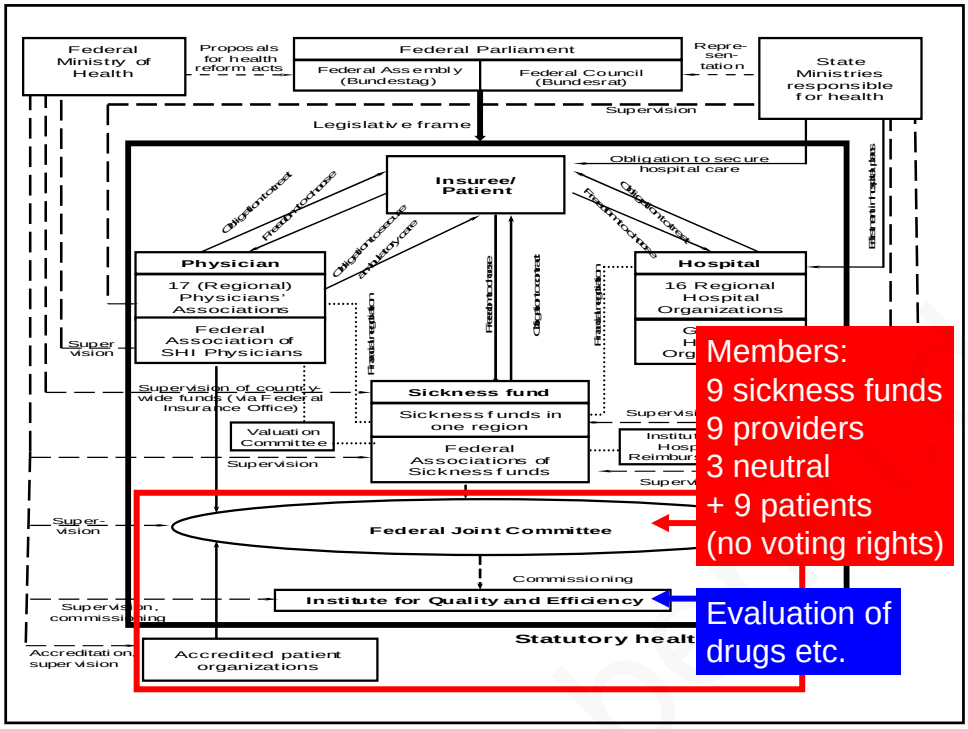
- Germany always knew that its health care system was expensive, but was sure it was worth it ("the best system")
- Quality assurance was introduced early but concentrated on structure
- But increasing doubts since late 1990s: Health Technology Assessment introduced since 1997
- World Health Report 2000: Germany only # 25 in terms of performance (efficiency)
- International comparative studies demonstrate only average quality (especially low for chronically ill)

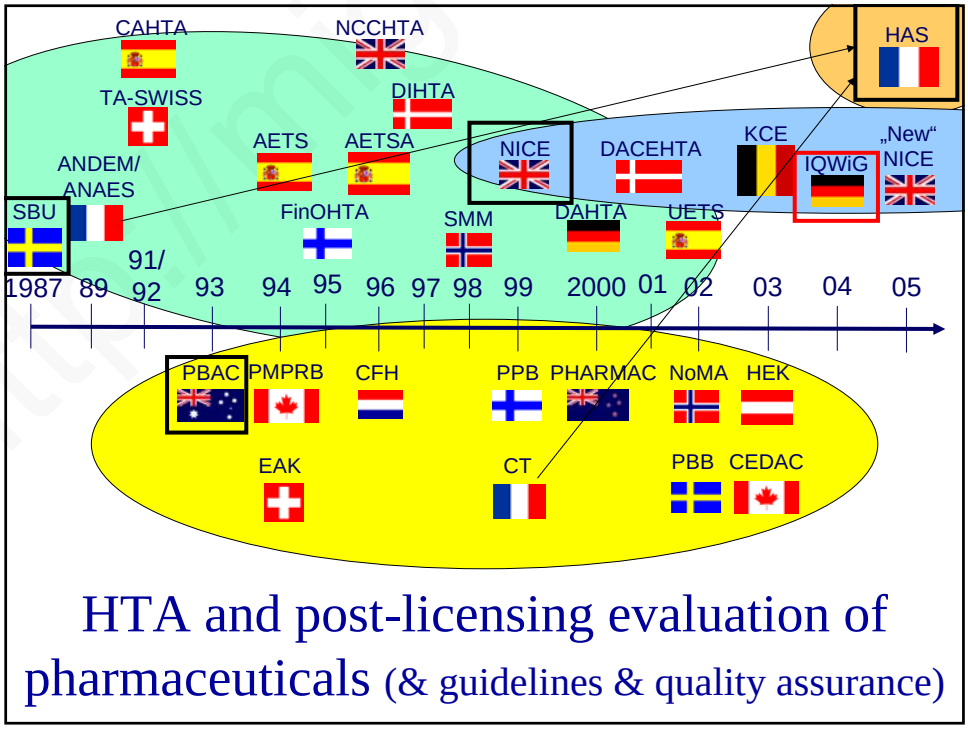




Statutory health insurance 2003

Problem 4: Strict separation between ambulatory and hospital (inpatient) care with different regulatory environment and rules



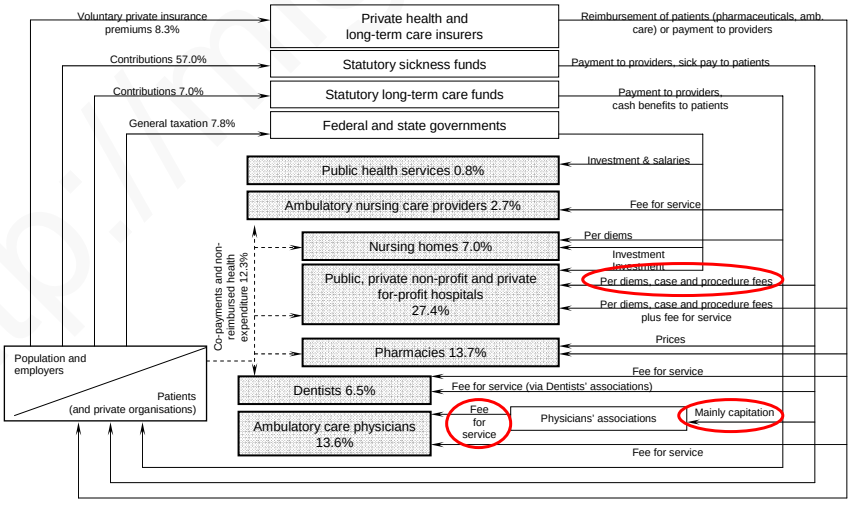


HTA and post-licensing evaluation of pharmaceuticals (& guidelines & quality assurance)

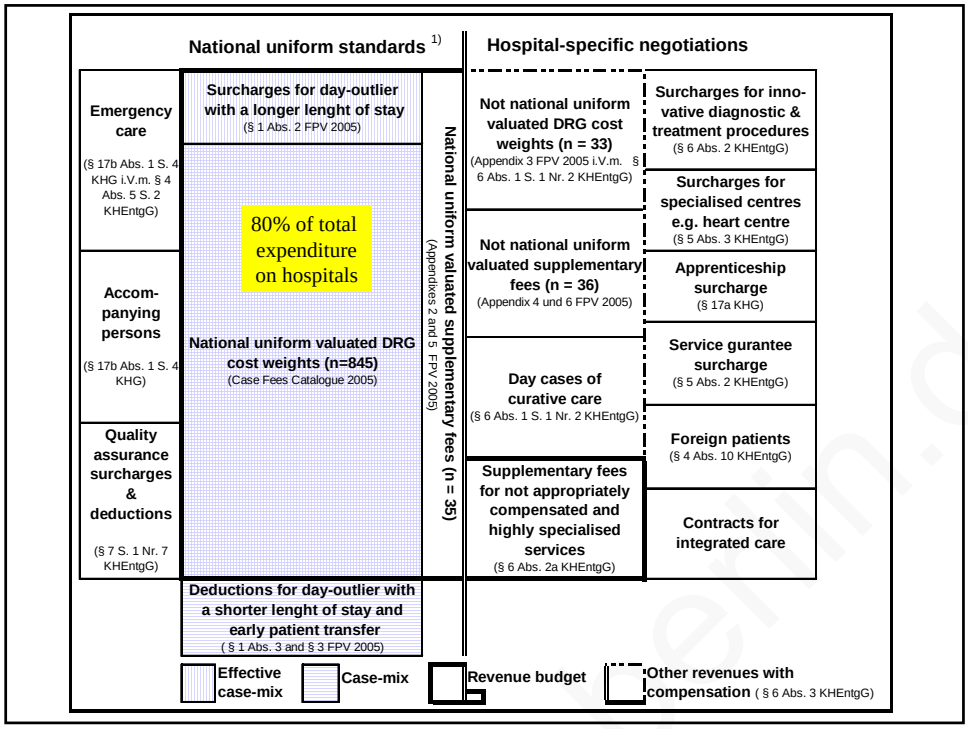
Disease Management Programmes (since 2002)

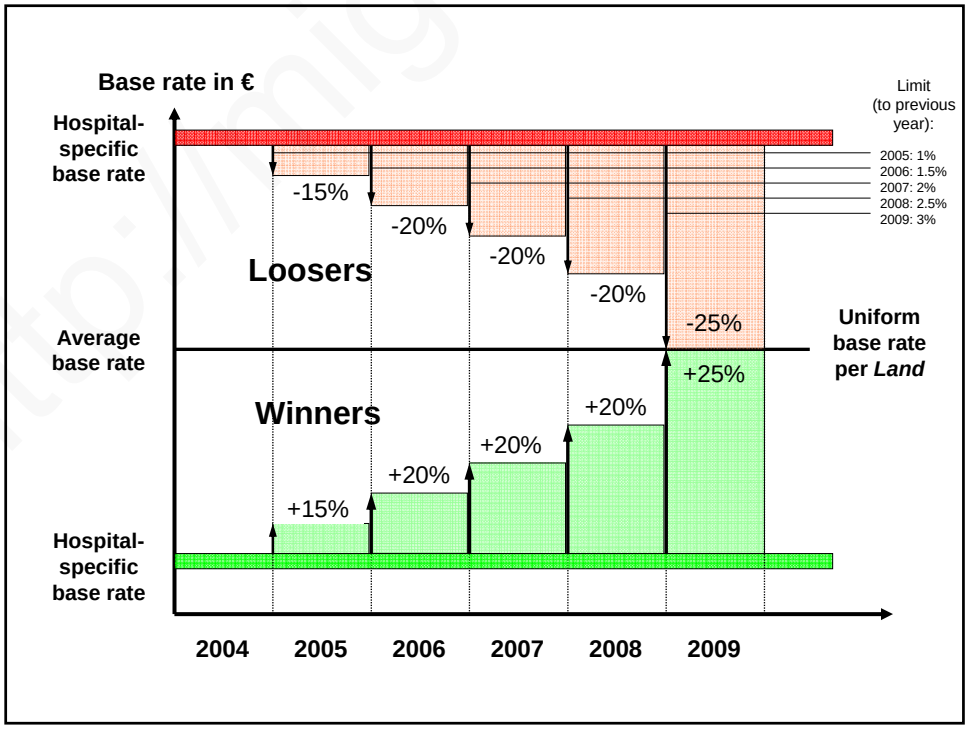
- Compensate sickness funds for chronically ill better (make them attractive) = reduce faulty incentives to attract young & healthy
- Address quality problems by guidelines/ pathways
- Tackle trans-sectoral problems by “integrated“ contracts
- = introduce Disease Management Programs meeting certain minimum criteria and compensate sickness funds for average expenditure of those enrolling (new RSC categories)

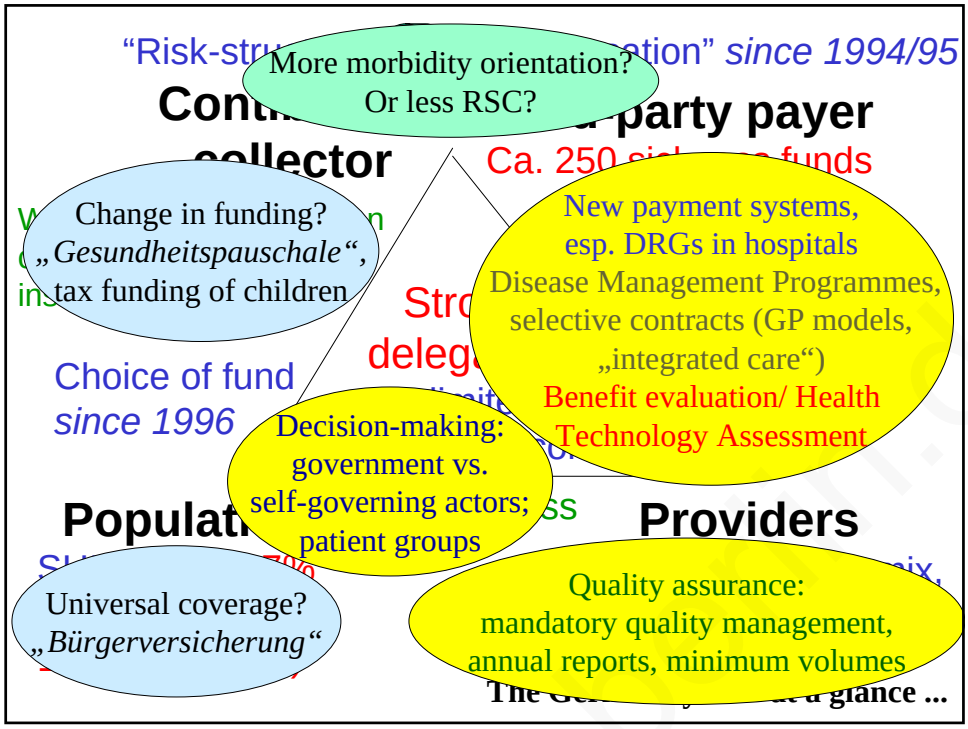
double incentive for sickness funds: potentially lower costs + extra compensation!

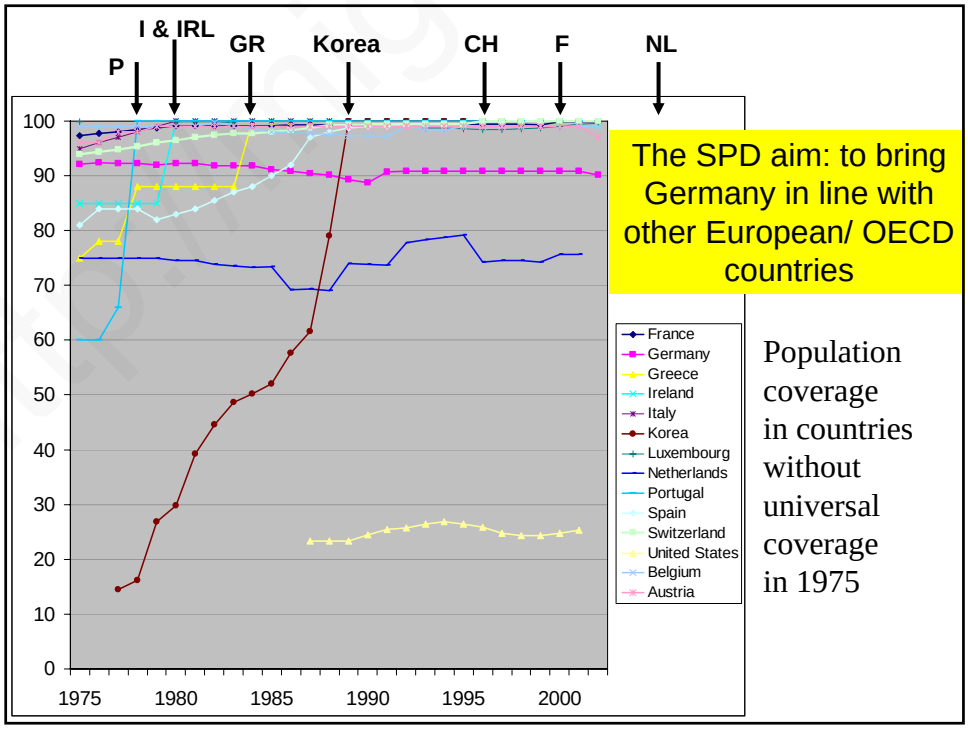


Problem 5:
Financial incentives vary between sectors/ providers and are changed frequently – „solutions“ to old problems create new ones







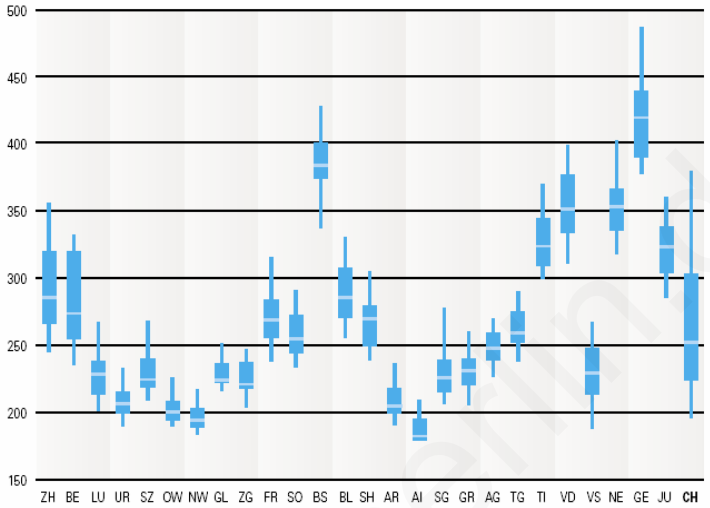


The SPD aim: to bring Germany in line with other European/ OECD countries

Population coverage in countries without universal coverage in 1975

Switzerland - the alternative?
Premia in 2005 by canton (in CHF/ month)

Grafik 3e: Verteilung der kantonalen monatlichen Durchschnittsprämien für Erwachsene (26 Jahre und mehr) in Franken für 2005 (mit ordentlicher Franchise und Unfalldeckung)



Note:
1 CHF = 1.3 S$

Or going Dutch? Pre- or post-2006 reform?