

The Role of Independent Commissions in Controlling Costs

The French experience



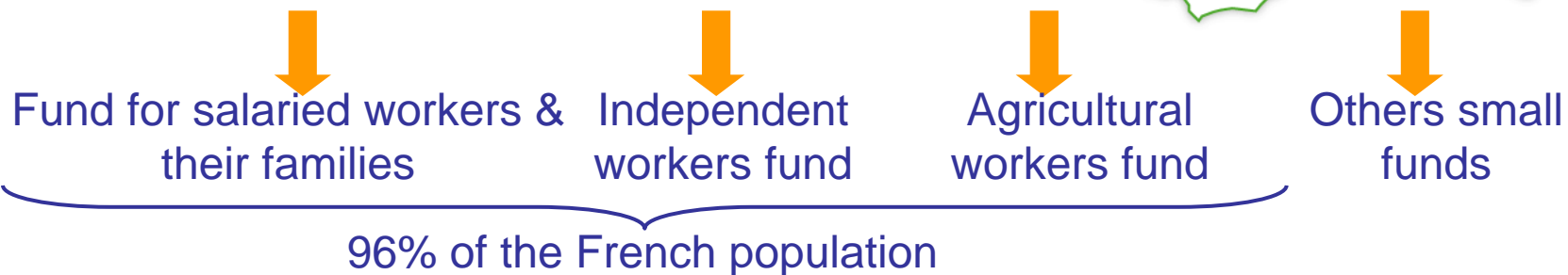
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The French health care system at a glance

Population: 64 millions

Health expenditures: 11% GDP, 3400 \$ (US:15%, 6400\$)

Universal mandatory insurance through occupation-based funds
(funded through payroll taxes & earmarked taxes)



Delivery of care: public / private mix

- Ambulatory care = independent physicians & other in private practice Hospital care : mix of public/private non-profit and private for-profit
- High level of supply, patient choice of provider

General principle of cost sharing but exemptions for people facing high costs (maternity, patients with severe illnesses,...) + low income

- 92% of the population has additional voluntary insurance

Governance: long term trends

1. The sickness funds (managed by employers and employees unions) have never had full financial responsibility (different from Germany)
2. Division along sector lines (ambulatory care / hospital)
3. Increasing state intervention overtime:
 - Préoccupation public finance, evolution towards a tax funded system with universal coverage → the legitimacy of unions to manage the system is questioned
 - 1996: reinforcement of the role of Parliament (annual financial framework)
4. Strenghtening of the regional level
 - regional hospital agencies (hospital regulation) - 1996
 - regional unions of the health insurance funds (URCAMs), gathering the 3 main schemes at the level of each region (coordination role)

Governance: The 2004 reform

Creation of

- the national union of health insurance funds (UNCAM – include the three main schemes - general scheme, agricultural scheme and independant workers' scheme).
- the national union of private supplementary insurers (UNOCAM)
- the national authority for health, an independant agency assessment of drugs, devices, medical and surgical procedures, new technologies, update of the list of diseases entitled to full coverage by NHI, publication of guidelines and care protocols, conception and coordination of the processes of accreditation, certification and clinical practice appraisal.

Governance: The 2004 reform

- The operational regulation of the ambulatory care sector is delegated to the national union of health insurance funds (UNCAM – include the three main schemes - general scheme, agricultural scheme and independant workers' scheme).
- UNCAM negotiates collective agreements with physicians and other professionals working in private practice, manages the fee schedules, introduces new procedures and sets their tariffs, can modify the rate of reimbursement (within certain limits)
- More globally, UNCAM is in charge of developing “managed care programs” in order to make efficiency gains in the system and meet the financial target set by the Parliament.
- UNCAM operates within the framework of broad governmental orientations - 4 years contract with the Ministry setting goals to achieve

Governance: The 2004 reform

A lot of innovative programs have been developed by UNCAM in the last four years :

- collective and individual efficiency targets negotiated with providers,
- information feed-back to the professionals
- revision of control and prior authorization procedures,
- incentives for patients,
- large pilot experiment of disease management,
- prevention programs,
- individual contracting with GPs with payment for performance,...

Between 2004 and 2008, the growth rate of expenditures has been aligned with the growth rate of GDP

Governance: The 2004 reform

- National authority for health - an independent agency - assessment of drugs, devices, medical and surgical procedures, new technologies, update of the list of diseases entitled to full coverage by NHI, publication of guidelines and care protocols, conception and coordination of the processes of accreditation, certification and clinical practice appraisal.
- UNOCAM : participates in negotiation with providers in the sectors where they are involved financially

Governance: The 2009 reform

The 2009 Hospital Patients Health and Territory Act has simplified and strengthened the regional governance of the system.

Existing organizations are being merged and replaced by a single organization, the regional health authority (ARS), with :

- a very broad field of responsibilities (including ambulatory and hospital care, prevention, public health, and also social care for the elderly and the handicapped people, which is co-financed by the health insurance and by the local authorities).
- a range of regulatory tools: planning, contracting with hospitals, contracting with physicians or medical homes for better quality and coordination of care, developing regional “managed care” programs.