

# The Dutch Healthcare Reform: Towards Private Healthcare for All

Visit Dr. Hlavacka and delegation  
Slovak Republic

Geert Jan Hamilton  
Director of Legislation and Legal Affairs  
Ministry of Health, Welfare and Sports

Ministerie van Volksgezondheid, Welzijn en Sport

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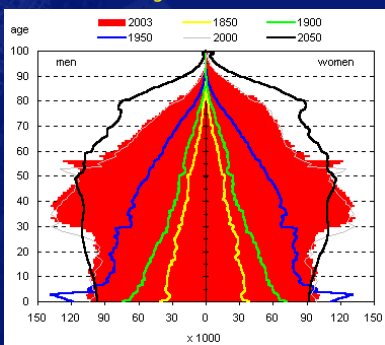
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## General health information

- Total population: 16,2 mln.
- GDP per capita € 23,000
- Life expectancy at birth m/f (years): 75.8/80.7
- Healthy life expectancy at birth m/f (years): 68.7/71.1
- Child mortality m/f (per 1000): 6/5
- Adult mortality m/f (per 1000): 97/66
- Total health expenditure per capita (Intl \$): 2,255
- Total health expenditure as % of GDP: 8.1 (WHO 2004)

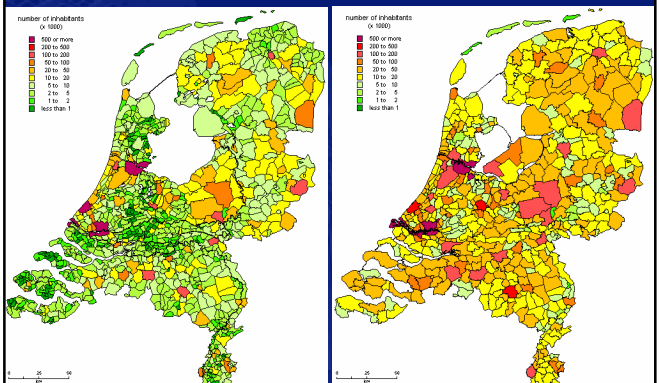
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## Population in the Netherlands by age and sex on January 1, 1850-2050

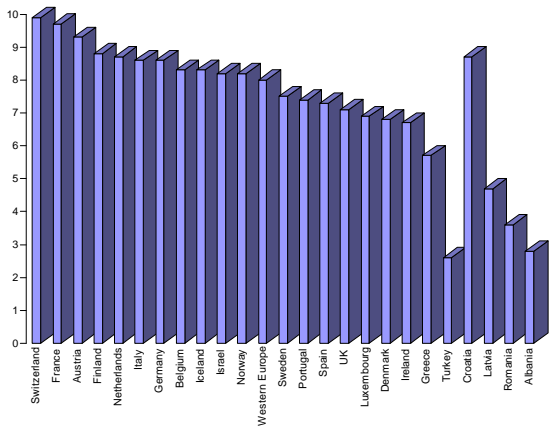


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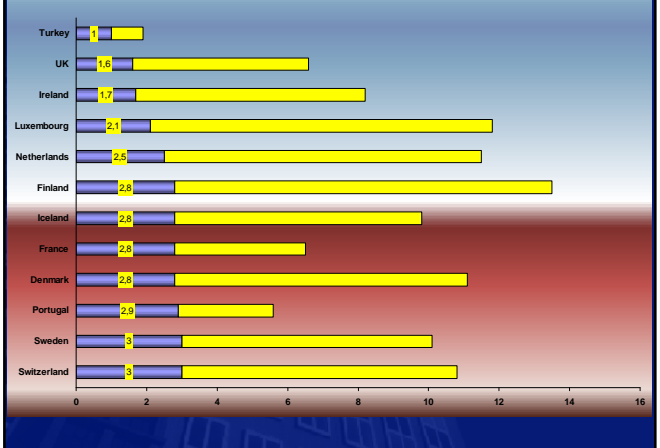
## Population in the Netherlands by municipality 1950 and 2000



Tot. Exp. on health % GDP 1993 / 1994  
OECD / World bank / WHO



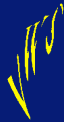
Numb. physicians / nurses per 1,000 (WHO 1994)



## Three characteristics of Dutch health care

- The mix of public and private finance
- The predominantly private character of supply
- Sharing of responsibilities between government, health insurers and providers of care (pluralism)

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## Development of legislation

- Origin: private mutuality
- 1941: Obligatory health insurance for low income employees
- 1966: Law on social insurance
- 1968: Law on exceptional medical benefits
- 1971: Law on provision of hospital care (planning act)
- 1982: Law on tariffs in health care
- 1986: Law on access to private health insurance

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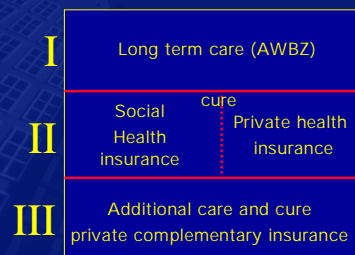
## Laws of the nineties

- Law on the medical contract (chapter of Civil Code)
- Law on Medical Professions
- Law on Quality in Health Care Institutions
- Law on Complaint Procedures
- Competition Law

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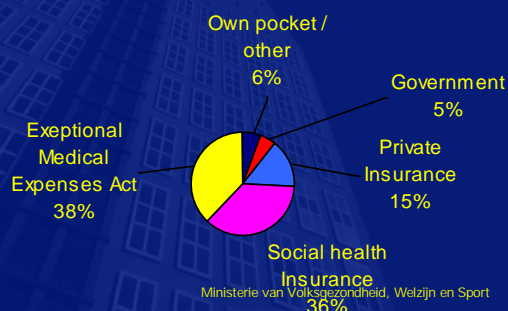
## Three compartments in dutch health care system



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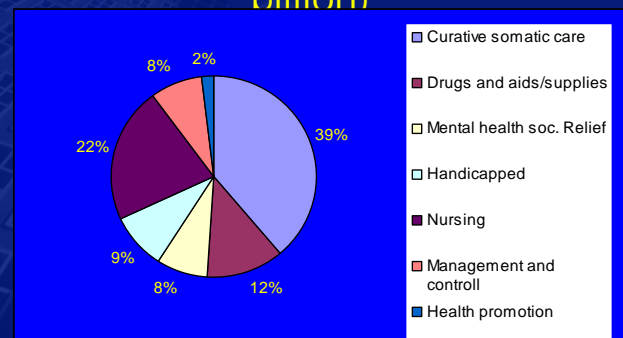
## Financing health care expenditures 2001 (€ 81 billion)



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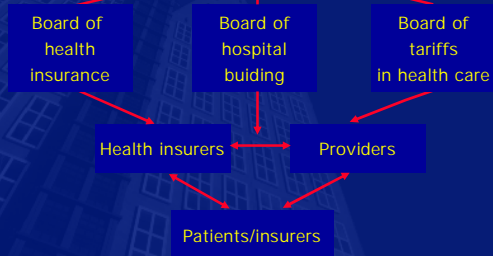


## Financing health care expenditures 2001 (€ 81 billion)



## Organisation

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## Reforms in social health insurance in the nineties

- Reintroduction of competition in social health insurance
- Freedom of choice of the insured
- Abolition of the obligation of sickness funds to contract all suppliers
- Growing role of competition law in social health insurance

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## Tensions/frictions

- Tensions between legal right to benefits and measures of cost containment
- Waiting lists
- Borderline bureaucracy between public and private insurance

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## Reforms on their way

- Less central steering; more local responsibilities
- More private out patient clinics
- Radical reform of hospital financing: from budget financing towards payment for diagnosis treatment combination ("DRG's")

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## Big reform on health insurance; drivers:

- Desire to have a stronger demand focus
- Desire to have less government interference (in planning and tarification)
- Renewed definition of responsibilities
- Dual system has led to a complicated steering mechanism
- Ongoing borderline and solidarity issues

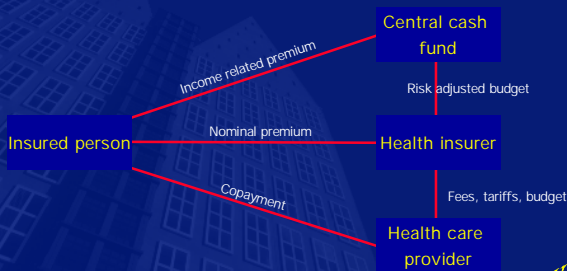
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## New basic insurance for curative care (2006)

- New private insurance for all
- Obligation for citizens to buy health insurance
- Obligation for insurers to accept insured without risk selection
- Legal description of entitlements
- Free choice of insurer; choice of policy (benefits in kind or reimbursement; different deductibles)
- Fixed nominal premiums
- Employer contribution
- A legal system of risk adjustment
- State compensation for low income people
- No claim refund

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## Money flow in private health insurance



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## Compatibility with European insurance directives?

- Social security systems out scope of insurance directives
- Commission-Belgium judgement of EC Court of Justice;
- Article 54 of third insurance directive;
- European Commission: Member State can adopt specific legal measures to protect the general interest;
- Duty to accept; basic minimum cover; solidarity based premiums (non discrimination); equalisation of risks: measures that can be justified under art. 54.

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## Adapting the European non-life insurance directives?

- Complementary insurance in France
- Rocard resolution
- A directive for health insurances?
- Balancing internal market principles and the European social model
- New Dutch health insurance opens up market of health insurance.

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