



# REGULATION OF HEALTHCARE EXPENDITURE

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## 03. Health accounts equilibrium

- ~1950
- ~1960 and ~1970
- 1974: 2 turning points
- Evolution

## 16. Financing CSBM

- 3 actors

## 21. How to get back to equilibrium?

- LFSS
- Revenue lever
- Expenditure lever  
(action on supply and demand)

## 27. Impacts

# HEALTH ACCOUNTS EQUILIBRIUM

## Health accounts equilibrium ~ 1950

### CM1 From the concept of health to health economy

Public authorities preoccupied by health spendings:

- **Not to reduce** them
- But to insure **legitimate but costly expenditure is covered.**

## Health accounts equilibrium ~ 1960 and ~ 1970

### CM1 From the concept of health to health economy

~ 1960

- Medical economy
- Universal health insurance (Assurance maladie, 1958)

~ 1970

Rationalisation des choix budgétaires

## 1974 - Social protection generalisation

- **Social protection generalisation**
  - 2% of the French population
  - Active youth/« 1st job experience », widowed, divorced women, retired
- Michel Durafour,  
**Ministre du Travail et de la Sécurité sociale**
- Presented in september 1974

## 1974 - « L'effort social de la Nation »

- Law adopted on December 24th, 1974

« Law No. 74-1074 provided that the Government present each year, in support of the finance bill, **a statement which retraces**, for the three previous years, the social effort of the Nation by bringing together all **social benefits and the resulting charges** for the **State, local authorities, employers, insured persons and taxpayers**.

An appendix was to analyze the **revenue and expenditure forecasts of the compulsory social security schemes** for the current year and the following year, **including the aid or compensation paid to each of these schemes by the State** or by other diets. »

# The evolution of health expenditure in France

Method/tool? **Costs evaluation**

## Consommation des soins et biens médicaux (CSBM)

- Hospital and outpatient healthcare
- Healthcare to the elderly and handicapped population
- Medical goods (drugs, medical devices)
- Medical transportation
- Organization of health programs
- Time spent: beneficiaries and medical professionals



# Health economics evaluation: costs evaluation

Use:

- Comparative analysis
- Associate a **monetary value to goods and services** consumed to set up a health program/strategy

Goods and services:

- Hospital and outpatient healthcare
- Healthcare to the elderly and handicapped population
- Medical goods (drugs, medical devices)
- Medical transportation
- Organization of health programs
- Time spent: **beneficiaries** and medical professionals

# The evolution of health expenditure in France

## *Consommation des soins et bien médicaux (CSBM)*

- 2021
  - 226.7 billion EUR
  - + 7.9%, biggest evolution since 1980... COVID-19 crisis
  - 3350 EUR/habitant
- 2020
  - 209.2 billion EUR
  - + 0.4%, smallest evolution since 1950, COVID-19 crisis
  - 3109 EUR/habitant
- 2019 (+ 2%)
  - 208.0 billion EUR
  - 3102 EUR/habitant
- 2018
  - 203.5 billion EUR
  - 3037 EUR/habitant

# The evolution of health expenditure in France

	2011	2019	2020	% 2021	Évolution 20/21 (en %)	Contribution 2021 (en point)
Soins hospitaliers	82 606	97 142	103 018	109 395	6,2	3,0
Secteur public	63 144	74 405	79 746	84 057	5,4	2,1
Secteur privé	19 462	22 737	23 272	25 338	8,9	1,0
Soins ambulatoires	95 431	109 760	107 161	117 331	9,5	4,8
– Soins de ville*	46 648	57 016	55 158	61 312	11,2	2,9
Soins de médecins et de sages-femmes	20 435	23 934	23 435	24 915	6,3	0,7
Soins d'auxiliaires médicaux	10 746	15 928	15 753	17 344	10,1	0,8
Soins de dentistes	10 817	12 240	11 379	13 940	22,5	1,2
Laboratoires de biologie médicale	4 323	4 516	4 455	4 878	9,5	0,2
Cures thermales	326	398	136	235	72,3	0,0
– Médicaments	32 380	30 646	29 817	31 138	4,4	0,6
– Biens médicaux**	12 556	17 040	17 446	19 272	10,6	0,9
– Transports sanitaires	3 845	5 059	4 741	5 580	17,7	0,4
<b>Ensemble</b>	<b>178 037</b>	<b>206 903</b>	<b>210 179</b>	<b>226 696</b>	<b>7,9</b>	<b>7,9</b>
CSBM (en % du PIB)	8,7	8,5	9,1	9,1		
CSBM (en % de la consommation effective des ménages)	12,3	12,4	13,1	13,2		

Table 1:

Consommation des soins et bien médicaux (CSBM) in million EUR, 2020-2021

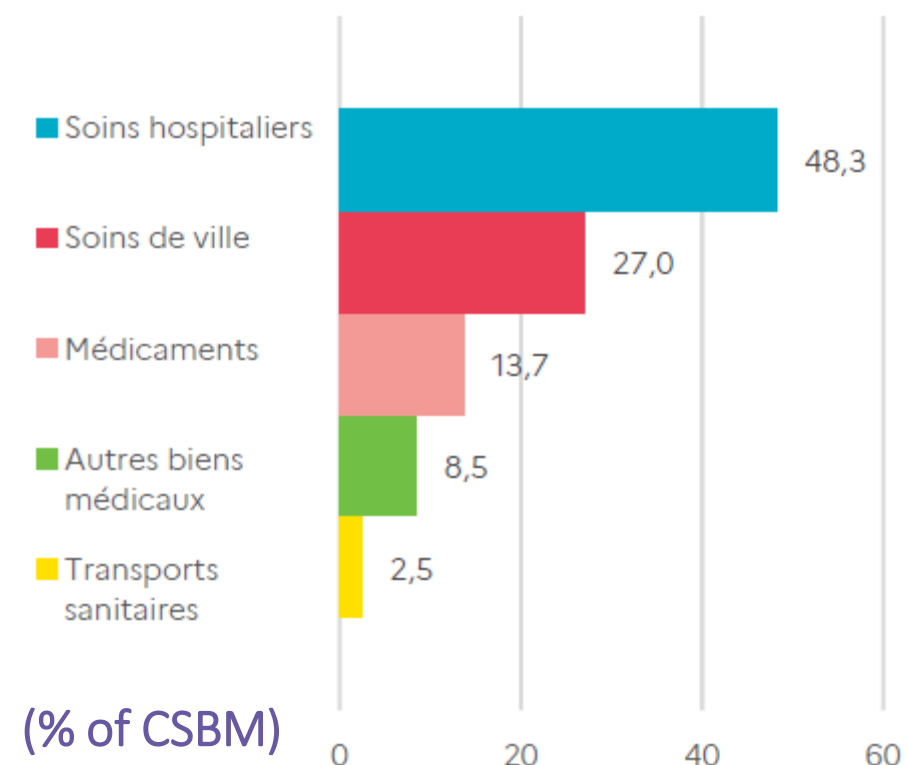
(Source DREES

Direction de la recherche, des études, de l'évaluation et des statistiques)

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CSBM (en % du PIB)	9,1	9,1		
CSBM (en % de la consommation effective des ménages)	13,1	13,2		

Graphique 1 Structure de la CSBM en 2021



Hospital healthcare

46,4% in 2018, 47,0% in 2019, 49,0 in 2020

# The evolution of health expenditure in France

Consommation de soins et de biens médicaux

En millions d'euros

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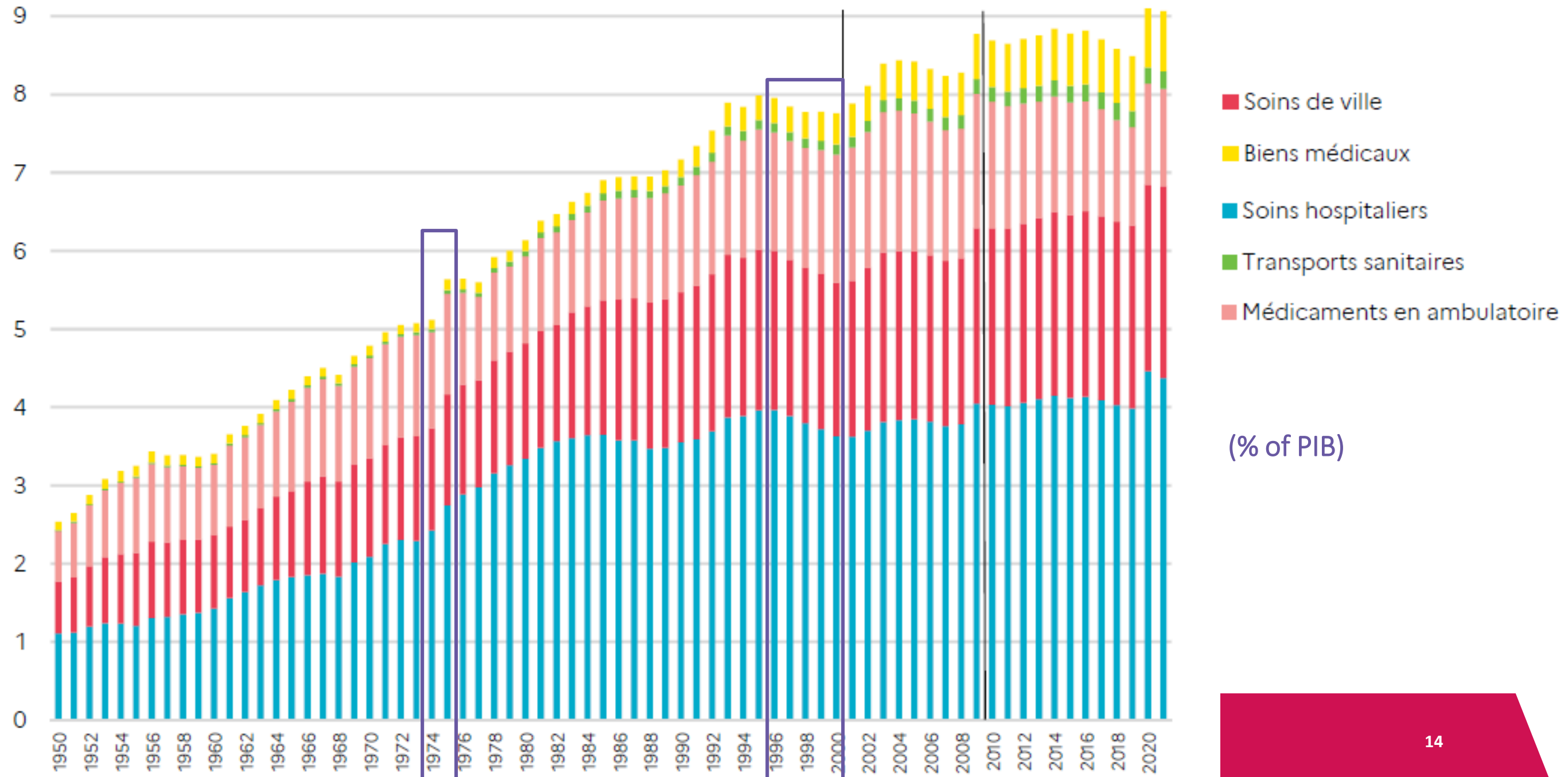
Impact of COVID-19

↑ hospitalizations, long COVID

↑ staff salaries

COVID-19 tests

## La CSBM et ses principaux postes en pourcentage du PIB depuis 1950



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# FINANCING CSBM



### 3 actors

- Health system (*Sécurité sociale* / workers contributions): 180.9 billion EUR (79.8% of CSBM) in 2021
- *Organismes complémentaires* (OC): 12.9% of CSBM in 2021
  - Mutual funds
  - Private health insurances
- State: 0.4% of CSBM in 2021

CSBM 226.7 billion EUR in 2021

### 3 actors

- Reste à charge (RAC) des ménages  
$$\text{RAC} = \text{CSBM} - \text{Sécu} - \text{State} - \text{OC}$$
- Not including social cotisation and taxes, already encompassed in Health system fundings/Sécurité Sociale
- 15.8 billion EUR (7,0% of CSBM; 233 EUR/inhabitant) in 2021

CSBM 226.7 billion EUR in 2021

### 3 actors

- Reste à charge (RAC) des ménages  
Side note - France compared to Europe
  - CSBM as %PIB: higher than the European mean value  
At the same level as Germany and Sweden
  - French RAC: smallest contribution

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# HOW TO GET BACK TO EQUILIBRIUM?

# Lois du financement de la Sécurité Sociale (LFSS)

- 1996 reform
- LFSS « (...) déterminent les conditions générales de son **équilibre financier** et, compte tenu de leurs **prévisions de recettes**, fixent ses **objectifs de dépenses** (...) » vs Effort social de la Nation
- LFSS voted each year by the parliament
- Goal: Objectif national des dépenses d'assurance maladie (Ondam), but in reality...
- 2023: social deficit of 6.8 billion euros in 2023, a marked improvement compared to 2022 (-17.8 billion euros)

## Revenue lever

- Taxation (fiscalisation)
  - increase social cotisation
  - taxes (e.g. on **indemnités journalières** - daily allowance - for sick leave or accident at work)
- Increase user participation
  - **Forfait hospitalier** (hospital package): the biggest part of the cost still covered by the health system, but a portion the rest by the user

## Expenditure lever

- Action on demand
  - Problem: against healthcare overconsumption
  - Solution: user (financial) responsibility
- Exemples
  - **Ticket modérateur** (health expenses covered by the user after SS reimbursement)
  - **Franchises** (amounts deduced from SS reimbursement)
  - **Déremboursement**
  - General medicine (**générique**)



## Expenditure lever

- Action on supply
  - Problem: influence of MD numbers, prescription numbers/types
  - Solution: healthcare quality and quantity
- Exemples
  - Numerus clausus
  - MD practices and good clinical practices

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# IMPACTS

## Economic, social or public health impacts

<ul style="list-style-type: none"><li>- Taxation</li><li>- Increase user participation</li></ul>	↘ purchasing power
<ul style="list-style-type: none"><li>- Ticket modérateur</li><li>- Franchises</li><li>- Déremboursement</li></ul>	Low impact (OC)
<ul style="list-style-type: none"><li>- Numerus clausus</li></ul>	Long term impact? Equity
<ul style="list-style-type: none"><li>- MD practices and good clinical practices</li></ul>	Long term investment



# Q & A ?

Regulation of healthcare expenditure.

October 20th, 2021



COMING UP NEXT

# #6 HOSPITAL HEALTH SUPPLY CM

October 19th, 2022

# References

Slide 11 Table: Source DREES Direction de la recherche, des études, de l'évaluation et des statistiques, 2021

Slide 12 Table and figure: Source DREES Direction de la recherche, des études, de l'évaluation et des statistiques, 2021

Slide 13 Table: Source DREES Direction de la recherche, des études, de l'évaluation et des statistiques, 2021

Slide 14 Figure: Source DREES Direction de la recherche, des études, de l'évaluation et des statistiques, 2021