Combining macro-budgetary targets and efficiency programs in the French health care system

Dominique Polton
Head of Strategy at the Caisse Nationale d’Assurance Maladie des Travailleurs Salariés (CNAMTS)

2nd MEETING OF THE JOINT NETWORK ON FISCAL SUSTAINABILITY OF HEALTH SYSTEMS - Paris, 25-26 March 2013
Recent evolutions and future prospects

A better control of health care expenditure in the recent years, related to:

- strengthening macro-budgetary targets
- combined with the development of efficiency programs at a micro-level

Perspective for the future:

a better link between financial targets and health improvement objectives through an analysis of expenditures by process of care
A better control over health care spending (1/2)

The objectives are harder yet more respected than before

Expenditure target
Expenditure in excess or below the target
A better control over health care spending (2/2)

Deceleration of public expenditure but also of total expenditure

ONDAM (public expenditure)  Total health expenditure
Strengthening macro-budgetary targets (1/2)

1996
- Social Security Financing Act → The Parliament ratifies a National Objective for Healthcare Spending (ONDAM), i.e. a financial target for public spending on health care (annual process)

2004
- Creation of an alert committee giving an independent advice on the forecasts
- If the ceiling is expected to be exceeded (>0.75%) NHI has to propose measures to make savings
- 6 months delay to implement tariffs increases

2008 - 2010
- New governance, better monitoring, increased intervention of the alert committee
- Threshold → 0.5%
- New tools: amounts set aside (part of hospital budgets), tariffs increases canceled in case of alert
Expected growth of expenditure

Target set by the Parliament (ONDAM)

Scope of the necessary savings to achieve the target

Price decreases (drugs, radiology, lab tests)

Efficiency gains

In hospital care and ambulatory care
(guidelines, academic detailing, financial incentives for providers and patients, prior authorisations, outreach campaigns towards patients, …)
Efficiency programs at a micro-level

Example 1: Higher drug consumption but the gap is gradually reduced (# of items)

Example 2: Program on generic substitution

Supply side measure (P4P for pharmacists) + demand side measure (no third party payer if the patient refuses the substitution)
Future prospects (1/2)

So far no articulation between health objectives and financial constraints

- Development of an analysis of expenditure by disease and process of care
- Might complete the parliamentary debate
Future prospects (2/2)

Breakdown of expenditure by disease

Example: costs of diabetes in 2010 (billions Euros)

Cost of primary prevention and management of diabetes

Cost of treatment of the complications of diabetes

Cost indirectly related to diabetes (comorbidities)

Other costs incurred by diabetic patients (non related to diabetes)

Projection of costs

Annual growth rate projected 2010-2017

• +7.7% total costs
• +5.6% number of patients