The politics of Dutch health care reform

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• Dutch health care reform, in particular health insurance reform, has attracted wide international attention.

• However, competition in health insurance does not make much sense, if not complemented with the introduction of competition in health care provision.

• The agency role of insurers: purchasing
The evidence on purchasing so far: does competition work?

- Evidence patchy, anecdotical rather than systematic
- Is the glass half full or half empty?
- Insurers tend to have focused more on prices than quality of care
- The credibility problem makes that insurers so far have largely abstained from patient steering
The politics of market making (1)

- In some areas a big bang approach
  - Abolition of hospital planning
  - Introduction of new system of funding hospital capital investments

- Stepwise introduction of price competition
  2005 10%
  2008 20%
  2009 33%
  2011 ???
The politics of market making (2)

- Uncertainty, risk avoidance, political controversy

- Squaring the circle: market competition (freedom) and macro budgets (control)

- Lifting the ban on for-profit hospital care?

- Conclusion: Various market making decisions are still pending. Nobody knows how market reform will further unfold.
Market competition in the real world: the implementation perspective

- Can a hospital go bankrupt?
  - Continuity of care → state aid
  - The EU dimension

- A hospital arrangement for faster treatment and more choice. Public outcry, arrangement had to be cancelled!

- The role of social norms
Conclusions

- The market reform is a political construct in every respect

- The market reform is politically controversial

- Political composition of the new government may have great impact upon further market-making decisions