The NIHDI
National Institute for Health and Disability Insurance

A closer look

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8 March 2016
Governance and regulation of the Belgian compulsory health care (and benefits) insurance

→ But what does that mean?
CHARACTERISTICS OF THE BELGIAN HEALTH CARE SYSTEM
Characteristics of the Belgian health care system

1. Compulsory social health care insurance
Universal coverage?

• A Compulsory health care insurance (one scheme)

  1. Almost the whole population is covered: > 99%
  2. A very broad benefits package
  3. Almost 75% of all health care expenses is covered by the compulsory health care insurance

1. All working people have to pay social security contributions
2. All entitled persons must affiliate with a sickness fund
Characteristics of the Belgian health care system

1. Compulsory social health care insurance
2. Private non-profit sickness funds
Sickness fund

- Private non-profit-making organizations with a public interest mission
  - Grouped into 5 national associations according to political/ideological background:
    1. National Alliance of Christian Mutualities
    2. National Union of Neutral Mutualities
    3. National Union of Socialist Mutualities
    4. National Union of Liberal Mutualities
    5. National Union of the Free and Professional Mutualities
- Role in the compulsory health insurance system
  1. Reimbursement of health-care expenses
  2. Control of conformity with the legal rules (advisory physicians)
  3. Provide information to their members and the health care providers

- Compulsory insurance package and social contributions rates identical for all funds
- Differences in complementary health insurance → extra premium
- 2 Public sickness funds
  - Auxiliary Fund for Health and Disability Insurance
  - Health Insurance Fund of the Belgian Railways Group
Characteristics of the Belgian health care system

1. Compulsory social health care insurance
2. Private non-profit sickness funds
3. Solidarity
Solidarity (compulsory)

- **Horizontal** solidarity: between healthy and sick people
  - Everyone pays contributions, even when you’re not sick
- **Vertical** solidarity: between rich and poor people
  - Social contributions are related to the income and do not depend on the health risks
- **National** solidarity: all the citizens are paying as a whole
  - Subsidies and taxes from the Federal Government
Financing of Social Security

Social contributions

Government subsidies

Alternative financing
  • To limit government subsidies
  • To reduce employer’s contributions

National Social Security Office

National Institute for the Social Security of the Self-Employed

NIHDI

Public social security institutions

7 Sickness funds
Characteristics of the Belgian health care system

1. Compulsory social health care insurance
2. Private non-profit sickness funds
3. Solidarity
4. Private health care delivery
Private health care delivery

• Majority of hospitals are private non-profit
  – Little differences with public hospitals
• Independent and self-employed self-employed care professionals
  – Less than 1% of physicians with a clinical practice are salaried
  – Most medical specialist work independently in hospitals or in private practices on an ambulatory basis
• Diagnostic and therapeutic freedom
• Predominantly fee-for-service-payment
Characteristics of the Belgian health care system

1. Compulsory social health care insurance
2. Private non-profit sickness funds
3. Solidarity
4. Private health care delivery
5. Free choice
Free choice

• Health care professional and hospital
  – Right to a second opinion
  – No referral system

• Sickness fund
  – No risk selection
Characteristics of the Belgian health care system

1. Compulsory social health care insurance
2. Private non-profit sickness funds
3. Solidarity
4. Private health care delivery
5. Free choice
6. Devided policy responsibilities
Devided policy responsibilities for health (care)

**Federal government**
- Regulation and financing of the compulsory health insurance
- Legislation covering different professional qualifications
- Financing of hospital budget
- Registration of pharmaceuticals and their price control

**Federated entities**
- Health promotion and prevention
- Maternity and child health care
- Financing of hospital investment

**Local governments**
- Controlling the authenticity of the diplomas of health care providers
- Organization of on-call duties for physicians during nights and weekend
- Organization of emergency care and public hospitals
GOVERNANCE OF THE BELGIAN COMPULSORY HEALTH CARE INSURANCE

NIHDI
Regulation and governance: why?

- Free choice for patient
- Independent medical practice
- High numbers of health care providers
- Fee-for-service payment
- No gate-keeping

Incentives

- Variation in care
- Unnecessary care / overconsumption
- Fragmented health care delivery

Strong regulation and governance
Mission statement of NIHDI

We warrant that any insured, regardless of his situation, has effective access to and is compensated for the needed health services of good quality (accessibility), which are provided efficiently and in accordance with the tariff agreements (tariff security)
Regulation and governance: why?

The objectives of (Belgian) health care system

EFFICIENCY

- Maintaining financial sustainability
- Increasing accessibility
- Assuring health care quality
Other reasons:

- Significant remaining inequalities in health within the Belgian population
- Increasing health-threatening lifestyles
- Increasing of chronic diseases
- An aging population
- Growth and progress of new technologies and treatment
- Limited importance for preventive health care and health education
The long-run challenge: accommodating increasing expenditures

Public health expenditure 1970 - 2011 and share of compulsory health care insurance

- Compulsory health care insurance expenditure
  - Per capita (left scale)
  - % of GDP (right scale)
- Total public health expenditure
  - Per capita (left scale)
  - % of GDP (right scale)
Regulation and governance: role of NIHDI

- Organization of reimbursement of medical costs
- Legislation and ensuring that everyone apply it correctly
- Preparation of budget
- Strong monitoring (databases)
  - Expenditures, consumption, medical practice of individual health care providers, ...
- Information of health care providers, sickness funds and the insured
- ...

...
GOVERNANCE OF THE BELGIAN COMPULSORY HEALTH CARE INSURANCE

How?
Question

• How to reach an accessible and sustainable health care system with good quality of care (public needs) with a private system of health care delivery?
How are decisions made in the compulsory health care insurance concerning ...?

- ... the annual reimbursement budget?
- ... the benefit package (nomenclature/list of drugs)?
- ... the fees and tariffs?
- ... the general regulation?
The collective negotiation process in the compulsory health care insurance

• Stakeholders

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Government

Salaried employees and self-employed workers

Employers

Health care providers

Sickness funds
The collective negotiation process in the compulsory health care insurance

- **Negotiation bodies**
  - Minister of social affaires
  - General Council
  - Committee for Health Care Insurance
  - Budget Control Committee
  - Conventions and agreements commissions
  - Technical councils
  - Workgroups

General management

Sectoral negotiations

Preparatory negotiations
The collective negotiation process in the compulsory health care insurance

- **General Council**
  - Introduced in 1993

- **Chairman**
- **5 Government**
- **8 Health Care providers**
- **5 Sickness funds**
- **5 Employees**
- **5 Employers**

*Global orientations and global budget*
The collective negotiation process in the compulsory health care insurance

**Committee for Health Care Insurance**

- Chairman
- 21 Sickness funds
- 21 Health Care Providers
- 4 Government
- 3 Employers
- 3 Employees

Tasks more directly related to health care providers and health care services

1°: two-thirds majority of votes
2°: simply majority of votes
The collective negotiation process in the compulsory health care insurance

- **National conventions and agreements**
  - Regulate the financial and administrative relationships between the insured, represented by their sickness funds, and health care providers.
  - Negotiations on fees and reimbursement tariffs
  - Only possible if it falls within the budget provided for the sector involved
  - Also conditions related to content, quality and quantity of care.
  - The individual health professional who signed the agreement should respect the fees (tariff security)
  - The agreement enters into force if a minimum (%) of health care providers accede to it
  - Financial incentives: additional old age or disability pensions to providers who respect the conventional tariffs
Summary
we are almost there
NIHDI and Sickness funds

Attention!

- NIHDI = governance of the insurance
- Sickness funds = execution of the insurance
NIHDI: governance of the Belgian compulsory health care insurance

- Negotiations are part of the DNA of the compulsory health care insurance
- Objective: a common responsibility for ensuring an accessible health care system
- But not enough!
  - Also need for
    - Strong monitoring (databases)
    - Evaluation, information and inspection
    - Improving scientific support of health care policy
    - Increasing accountability of main actors
We welcome your questions, suggestions, comments!

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