Social health insurance in Belgium

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Attachés NIHDI
Social health insurance in Belgium

Content

• History
• Today
• Values
• Organizational overview
• Financial overview
• Evolutions and challenges
Social health insurance in Belgium

Content

• History

• Values

• Organizational overview

• Financial overview

• Evolutions and challenges
Social health insurance in Belgium

History

• Before industrial revolution
  – Traditional solidarity

• 1\textsuperscript{st} industrial revolution (19\textsuperscript{th} century)
  – Factory work
  – Sickness funds
    • Private initiative
    • Optional affiliation
    • Principle: Solidarization of disease / invalidity consequences
Social health insurance in Belgium

History

• Economic crisis (end of 19th century)
  – Grant given by State to sickness funds
  – Structuring in Health insurance funds
  – Insurance for wage earners (optional affiliation)

• Interwar period
  – Compulsory insurances
Social health insurance in Belgium

History

- Decree-law of 28 December 1944
  - Solidarity agreement
    - Wage earners
    - Employers
    - State
  - Social peace
  - Solidarity

- Compulsory sickness – invalidity insurance
- Equal representation
Social health insurance in Belgium

History

• Regent's Decree of 21 March 1945
  – Financing
    • Contributions from wage earners
    • Contributions from employers
    • Subsidies from the State
  – Administration
    • Health insurance funds
  – Functioning
    • The National Fund for Sickness and Invalidity Insurance (NFHDI)
Social health insurance in Belgium

History

• Law of 9 August 1963
  – NFHDI → NIHDI
  – National Institute for Health and Disability Insurance
    • 4 Specific Services + General Support Departments (Committee)
    • General Board
  – Equal representation: health providers
  – Conventions

• Law of 14 July 1994
  – Organization and regulation of the compulsory health care and benefits (HCB) insurance
Social health insurance in Belgium

History

• Law of 26 July 1996
  – Modernisation of the Social Security
    • Sustainable financial balance
    • Alternative financing
    • Financial responsibility of the Health insurance funds
    • Administrative simplification
    • Service improvement
    • Intensification of the control
    • Standard of living preservation / improvement for people exclusively depending on social benefits
Social health insurance in Belgium

Content

• Today
Social health insurance in Belgium

Today - Reimbursement

Fees

Insured people/patients

Affiliation

Reimbursement = fee - PATIENT’S CONTRIBUTION

Health insurance funds

Doctor, dentist, physiotherapist, wheelchair, ...
Social health insurance in Belgium

Today – Third party paying

- Insured people/patients
- Patient’s contribution
- Ask payment
- Health care providers
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Content

- Values
Social health insurance in Belgium

Values

• Social Security: 2 models
  – Bismarck
  – Beveridge
Social health insurance in Belgium

Values

• Bismarck (Germany – end of 19th century)
  – Social security → Work
    (Compulsory for “poor” wage earners)
  – Management: Equal representation
    (+ State control)
  – Financing:
    • Employers + wage earners
    • Contribution proportional to incomes
Social health insurance in Belgium

Values

• Beveridge (England – 20th century)
  – Social security → Everyone
    → Every social risk
  – State management
  – Financing: Taxes
Social health insurance in Belgium

Values

• Social Security

  – Belgium: Bismarck but not 100%

    • Financing:
      – Contributions employers + wage earners
      – Taxes
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Values

- Universality
  - WHAT?
    - 100% Population coverage
  - HOW?
    - No risk selection
    - Compulsory insurance
    - Accessibility (financial, geographical,...)
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Values

- Solidarity
  - WHAT?
    - Rich ↔ Poor
    - Healthy ↔ Sick
    - Young ↔ Elderly
  - HOW?
    - Financing by the community
    - Co-Decision (trade unions, health insurance funds, employers’ organizations and government) about the functioning of the system.
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Values

• Equity (≠ Equality!)
  – WHAT?
    • Healthcare proportional to the needs
    • Costs not proportional to the healthcare
  – HOW?
    • Contribution proportional to incomes
    • Personal contribution proportional to incomes
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Values

• Freedom of choice
  – WHAT ?
    • Choices are not imposed by the State of the system
  – HOW ?
    • Free choice of the national insurance fund
    • Free choice of the healthcare provider (Global Medical File)
    • Free choice of the treatment
Social health insurance in Belgium

Content

- Organizational overview
Organizational overview

• Health system in Belgium: centralization and decentralization

• Organization of the social health insurance
  1. Regulation
  2. Execution
  3. Control
Social health insurance in Belgium

Health system in Belgium: Centralization and decentralization

• Federal level
  – General legislative framework
  – Planning and financing

• Regional level
  – Health promotion and preventive health care
  – Implementation norms and standards for hospitals and rest homes
  – Accreditation criteria for home care services

• Local level
  – Public hygiene
  – Controlling authenticity of diplomas of health providers
  – Social support for low-income groups
  – Organization of emergency care and public hospitals
Social health insurance in Belgium

Organization of the social health insurance:

1. Regulation

- Federal Public Services
- NIHDI
Social health insurance in Belgium

Organization of the social health insurance:
1. Regulation - Federal Public Services

- FPS Public Health
  - Recognition of the health care providers
  - Hospital regulation
- FPS Economy
  - Determination of the medicine price
- Federal Pharmaceuticals and Health Products Agency
  - Pharmaceutical inspection
  - Registration of medicines and medical devices
- Belgian Health Care Knowledge Centre (“KCE”)
  - Scientific support of the federal government health policy
Organization of the social health insurance:

1. Regulation - NIHDI

- Tasks
  - General organization of the compulsory health insurance
  - Financial management of the compulsory health insurance
  - Preparing and implementation the legislation and regulation
  - Organizing the consultation between the different actors involved in the compulsory health insurance
Organization of the social health insurance: Organization of the social health insurance:

1. Regulation - NIHDI

- Decision-making process:

Decisions following consultation !!!
Social health insurance in Belgium

Organization of the social health insurance:

1. Regulation – NIHDI

- Different stages of consultation
  - Preparatory consultation
  - Sectorial consultation
  - Management consultation
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Consultation

- Minister of Social Affairs
- General Board
- Insurance Committee
- Conventions and agreements commissions
- Technical Boards
- Working groups
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Preparatory consultation

Diagram:
- Minister of Social Affairs
  - General Board
  - Insurance Committee
  - Conventions and agreements commissions
  - Technical Boards
  - Working groups
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Example: Technical Board for Wheelchair

- Chairman
- 7 Health insurance funds
- 7 Wheelchair Providers
- 2 Patients
- 4 Doctors
- 2 Industry
- 4 Experts
- 4 Regional communities
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Example: Technical Board for Wheelchair

Chairman

7 Health insurance funds | 7 Wheelchair Providers

2 Patients | 4 Doctors

2 Industry | 4 Experts

4 Regional communities

MAJORITY VOTE
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Sectorial consultation

Diagram:
- Minister of Social Affairs
- General Board
- Insurance Committee
- Conventions and agreements commissions
- Technical Boards
- Working groups
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Example: Convention commission Opticians

Chairman

7 Health insurance funds  7 Opticians
Social health insurance in Belgium

Example: Convention commission Opticians

Consensus !!!
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Management consultation

- Minister of Social Affairs
- General Board
- Insurance Committee
- Conventions and agreements commissions
- Technical Boards
- Working groups
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General Board

Chairman

5 Government

5 Health insurance funds

5 Employees

5 Employers

8 Health providers
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General Board

Chairman

- 5 Government
- 5 Health insurance funds
- 5 Employees
- 5 Employers

MAJORITY VOTE

8 Health providers
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Insurance Committee

Chairman

7 Doctors

21 Health insurance funds

2 Pharmacists

1 Dentist

3 Employees

2 Hospitals

3 Employers

4 Government

6 Physiotherapists, nurses, paramedics
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Insurance Committee

- Chairman
- 7 Doctors
- 21 Health insurance funds
- 2 Pharmacists
- 1 Dentist
- 3 Employees
- 2 Hospitals
- 3 Employers
- 6 Physiotherapists, nurses, paramedics
- 4 Government

2/3 MAJORITY VOTE
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Consultation

Diagram:
- Minister of Social Affairs
  - General Board
  - Conventions and agreements commissions
    - Technical Boards
    - Working groups
  - Insurance Committee
Organization of the social health insurance: 2. execution

- Sickness funds
  - Reimbursement to all persons insured
  - Information to the patient
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Organization of the social health insurance:

3. control

- Sickness funds

- NIHDI
  - Administrative control
  - Medical evaluation and control (reality/conformity and overconsumption)
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Financial overview

• Sources of Funding
• Expenditure
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Financial overview: Sources of funding

Annual budget for Social Security

• 3 social security schemes: € 70 billions
  ➢ Wage-earners € 55.8 billions
  ➢ Self-employed persons € 4.5 billions
  ➢ Civil servants € 10 billions

!! Annual Budget of the federal state 2007 = +/- € 162 billions !!
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Financial overview: Sources of funding

The General System

- Social contributions
  - National Office for Social Security
    - NPO
    - NIHDI
    - NOFA
    - NEO
    - FAW
    - FOD
    - NOAV
  - 64.14%

- Subsidies government
  - National Office for Social Security
  - NIHDI
  - 10.57%

- Alternative financing
  - National Office for Social Security
  - NIHDI
  - 25.29%
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Financial overview: Sources of funding
2005 - 2008

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<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
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<tr>
<td>Social contributions</td>
<td>65,76%</td>
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<td>64,90%</td>
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<td>Subsidies</td>
<td>11,53%</td>
<td>11,31%</td>
<td>10,81%</td>
<td>10,57%</td>
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<td>Alternative financing</td>
<td>22,71%</td>
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<td>24,28%</td>
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Financial overview: Expenditures for social risks 2007

1980: 23%
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Financial overview: Health expenditures as a share (%) of GDP, 2007
Social health insurance in Belgium

Financial overview: Expenditures of the social health insurance 2008

- Doctors: 29.78%
- Hospital care: 21.19%
- Medicines: 19.11%
- Dentists: 3.24%
- Physiotherapists: 2.47%
- Nurses: 4.61%
- Paramedici: 3.49%
- Rest: 2.69%
- Other stays: 12.07%
- MAF: 1.34%
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Financial overview: Public sector health expenditure as % of total health expenditure

WHO estimates
Social health insurance in Belgium

Content

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Evolutions and challenges
Social health insurance in Belgium

Evolutions and challenges: Belgian social health insurance today

- Qualitatively good health care
- Freedom of choice
- No waiting lists
- Wide access to care
- Private expenditures are limited
- Satisfaction of population
- Internationally comparable level of expenditure
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Evolutions and challenges: Belgian social health insurance today

• Belgian Health Care Knowledge Centre (2006):

“Belgium has the best healthcare in the world. It’s a frequently heard statement. We can’t prove this because we don’t measure the quality of our healthcare on a systematic way.”
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Budget Health care (billion EUR)
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Evolutions and challenges: Trends in health care expenditures - Explanations

Europe:

• Demographic ageing of the population
• Growth of new technologies and treatment
• Improved wellbeing and a better standard of living
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Evolutions and challenges: Trends in health care expenditures - Explanations

Belgium:

• Means logic i/o results logic: growth norm

• Fee-for-services in the ambulatory sector

• Prevention
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Evolutions and challenges: three long-term objectives

Accessibility

- Improvement of quality
- Financial viability
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Questions?