

# **A focus on the healthcare relationship**

Partnership the guiding factor when it comes to purchasing healthcare

The Hague, October 2017

# Summary

In 2006 a unique healthcare system was introduced in the Netherlands which has made private, competing health insurers responsible, via healthcare purchasing, for achieving public goals in the area of curative healthcare. The legislator has also assigned a major role to the healthcare purchasing instrument in long-term healthcare, social support and youth care. Although this change has contributed to good quality, affordable and accessible healthcare, it is now also having negative effects. For example, the Council for Health and Society (RVS) concludes in this advice that the transaction between purchaser and provider has become too dominant and that the wishes and needs of patients and clients are being compromised. The healthcare purchasing means has become a goal in itself. Health insurers and healthcare administration offices have not managed to convince the public that they can create added value for them via healthcare purchasing. In hindsight, it was unrealistic to expect this to be feasible. What is more, healthcare purchasing in its current form usually leads to uniformity, little trust and a high administrative burden and it encourages providers to continue opting for tested methods instead of truly improving healthcare by means of innovation and prevention.

The Council urges healthcare purchasers (health insurers, healthcare administration offices and municipalities) to stop the annual (threat of) selective contracting and the desire to influence healthcare by including process and structure requirements in detailed contracts. This does not work because it ignores the professional responsibility of healthcare providers and the authority of patients/clients with regard to the choice of healthcare supplier or professional from whom they want to receive healthcare. The Council recommends that, instead of this, there should be a focus on the healthcare relationship between the client/patient and the professional and on ensuring that the choices made in that context for the healthcare and social support determine the healthcare and support to be provided. By focusing on that healthcare relationship and by linking up with the diversity of the healthcare requirement and with the professional opinion of healthcare providers, the Council intends to reduce the distance between citizens – patient/client/insured person – and the collectively organised healthcare systems and restore people's confidence in the organisation of healthcare and social support.

The Council realises that a greater focus on the wishes and needs of patients/clients, in combination with the vision of the professional, will be at odds with collective affordability. Controlling collective healthcare expenditures must become a more shared responsibility of healthcare purchasers, healthcare suppliers, patients/clients and the central government.

The Council believes that the **healthcare purchasers** have a role to play as regards controlling expenditure development. That can be done via long-term contracts with healthcare suppliers within which framework agreements are made about the expenditure ceilings. The Council is also of the opinion that healthcare purchasers can have a social added value by making long-term agreements, based on a partnership, on efficiency and effective administration and payment transactions, on facilitating innovation and prevention, on availability functions and on sharing information in order to improve healthcare and social support. This information gives healthcare purchasers the opportunity to hold up a mirror to healthcare suppliers/professionals and, in that

way, challenge them to improve. If healthcare purchasers and suppliers devote their energy to long-term agreements on improving healthcare from the perspective of the patient/client, the Council believes this will greatly encourage new healthcare concepts beyond the limits of the various systems and will expose solutions for the financing problems. Finally, healthcare purchasers can continue to expand and focus more effectively on the successful purchase of medicines and medicinal appliances.

**Healthcare suppliers** also have an interest in long-term agreements because they provide them with security, administrative convenience and the possibility truly to improve healthcare and support. What is more, focusing on the healthcare relationship, in combination with eliminating treatment-oriented financing, such as diagnosis and treatment combinations (dbc's), will reduce the unhelpful incentives for unnecessary healthcare. The taboo against talking about costs during appointments must then be eradicated and healthcare suppliers should be expected to provide healthcare in a socially responsible way and give an appropriate account. Cost effectiveness in healthcare provision must also be given a serious role in the professional guidelines, the quality standards and the supervision of quality by, for example, the Dutch Health Care Inspectorate (IGZ).

**Patients and clients** also have their own responsibility when it comes to appropriate use of healthcare. First and foremost this concerns proper patient/client behaviour. The patient/client can be expected to make an effort to improve and cooperate on the recovery. The government could also consider bringing the system of the personal contribution more into line with the responsibility of the patient/client and the professional. This can be achieved, for example, by working with a personal contribution per appointment instead of a policy excess per year.

Finally, the **central government** can, as is currently the case, determine the budgetary framework for healthcare every year. Municipalities can also monitor the budgets for expenditure within the framework of the Social Support Act [Wet maatschappelijke ondersteuning] (WMO) and the Youth Act [Jeugdwet] (Jw).

The Council has made a number of concrete recommendations to make it easier for the organisations purchasing healthcare, healthcare suppliers, healthcare professionals and healthcare users to adopt a different purchasing practice.

As regards the **Health Insurance Act [Zorgverzekeringswet]** the Council advises health insurers to focus on free choice for the insured person while, in the background, entering into long-term contracts with healthcare suppliers. In this respect it is important that healthcare suppliers and health insurers are free to achieve alternative funding models without these having to be defined by the Dutch Healthcare Authority (NZa). The Council also recommends that a single health insurer purchases all acute healthcare and clinical birth care as the regional representative on behalf of all health insurers because the need for regional control and availability is more important precisely in the field of acute healthcare than the possibility for various health insurers to make various long-term agreements.

In the case of the **Long-Term Care Act [Wet langdurige zorg]** the Council recommends continuing the initiatives for the introduction of patient-based funding. Long-term care for the handicapped can be implemented by a single national institution with regional offices. Long-term intensive care

for the elderly can eventually be transferred to the Health Insurance Act. This will enable new care concepts for the elderly to be created for the chain of primary care, nursing and hospital care, which will bring an end to the unhelpful incentives which currently exist due to the difference in capacity to bear risks of purchasers and the differing systems of personal contributions.

Lastly, the Council advises the central government and politicians to give municipalities space to experiment with tailor-made solutions for **social support and youth care** and to learn lessons from doing so. Organising solidarity-related deliberations close to citizens will create more space for diversity. Municipalities should also focus primarily on the healthcare relationship and aim principally on improving social support and healthcare in a long-term partnership with healthcare suppliers. Classical procurement as a form of selective contracting does not fit in with this approach. It is important that municipalities have the freedom not to procure.

The Council realises that deviating from current purchasing practice will create uncertainty. It is precisely the focus on uncertainty in the short term – which is still too prevalent a characteristic of current purchasing practice – that is holding purchasers, suppliers and professionals hostage and preventing them from actually improving healthcare and social support via new concepts, cooperation, innovation and prevention. It is important that healthcare purchasers and healthcare suppliers discover and learn, via a long-term partnership, how they can improve healthcare together with professionals and patients/clients. In short, a different purchasing practice also requires parties to have confidence to take a next step together to ensure that healthcare links up more effectively with the wishes and needs of patients/clients and continues to comply with the quality requirements of professional healthcare provision, along with a strong focus on prevention and innovation.