Maastricht University Leading in Learning!

CAPHRI School for Public Health and Primary Care

# Sustainable Solidarity

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December 3, 2012

## Health Services Research

**Focusing on Chronic Care and Ageing**

# Advice to the ministry of Health

The Council of Public Health and Care (Raad voor de Volksgezondheid en Zorg, RVZ) is a independent advisory board for the Minister of Health

The RVZ provides strategic policy advise

# Preparation of a policy advice to the Minister

- Background studies
- Panel of experts
- Individual meetings/interviews/site visits
- Decision making in the Council

Advice will become public early next year

# Solidarity

- Income solidarity
- Risk solidarity
  - Risks you can not influence
  - Risk you can influence: lifestyle solidarity
- Generational solidarity

# Brief outline health care financing in the Netherlands

- Health insurance (Zvw): covers medical care (GP, hospital care, pharmaceuticals, etc.)
- General Act for Exceptional Medical Expenses (AWBZ): covers long term care (handicapped, elderly care, etc.)
- Act on Social Support (WMO): covers household help, etc.

## Table 1

| arrangement | Percentage | Income limit | Maximum contribution |
|---|---|---|---|
| **AWBZ** | 12,15% | €33.863 | € 4.243 |
| **Zvw-procentueel** | 7,1% | €50.064 | € 3.554 |
| **Zvw-saldo nominal premium and fiscal care supplement** | Care supplement: maximaal € 900; nominal standard premium incl deductible € 1.402 | For care supplement: € 51.000 | € 1.402 |
| | | Maximum contribution in total: | € 8.997 |

| Tabel 2 Average taks and premiums in percentage of gross income 2009; household deciles (730.000 hh per decile) | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. Income decile | Totaal | 1+2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 2. Gross-hh-income * €1.000 | | 14,5 | 25,3 | 32,3 | 40,6 | 50 | 60,7 | 73,9 | 92,6 | 153,1 |
| 3. Premium AWBZ (%) | 3,5 | 2,0 | 2,7 | 3,5 | 4,2 | 4,1 | 4,2 | 4,2 | 3,9 | 2,7 |
| 4. Premium Zvw (%) | 6,9 | 10,2 | 9,1 | 9,1 | 8,7 | 8,3 | 7,9 | 7,4 | 6,5 | 4,2 |
| 5. Share of taks contributions (%) | 1,0 | 1,2 | 0,9 | 0,9 | 0,9 | 0,9 | 0,9 | 0,9 | 1,0 | 1,3 |
| 6. Total Zvw en AWBZ | 11,5 | 13,4 | 12,7 | 13,5 | 13,8 | 13,3 | 13,0 | 12,5 | 11,4 | 8,2 |
| 7. Ibid in € * 1.000 | | 1,9 | 3,2 | 4,3 | 5,5 | 6,6 | 7,9 | 9,2 | 10,6 | 12,7 |
| 8. Total taks/premium burden (%) | 41,5 | 42,1 | 36,5 | 38,8 | 41,5 | 41,5 | 42,9 | 42,7 | 42,1 | 41,2 |

# Risk solidarity

- For entire population (18+) health care use (AWBZ, Zvw) in 2009 varied from – on average - € 47 among 5%-group with lowest health care use to € 41.500 among 5% most expensive group.
  Largest differences are in use of long-term care (AWBZ, esp. institutional) and in hospital care.

- The risk equializing Zvw-premium per income decile in the third decile is € 1.700 per year higher than in the ninth and tenth decile. Other deciles are in between.

## Tabel 3 Expenditures on home care and institutionalized N&C per 30% income group, actual and equavalent

* Groei zorguitgaven: Tabel 4

| | Home care (2007) | | Institutional N&C V&V (2008) | |
|---|---|---|---|---|
| | Actual benefit | Equivalent benefit | Actual benefit | Equivalent benefit |
| **Low income** | € 2.200 | € 1.700 | € 4.400 | € 3.650 |
| **Middle income** | € 800 | € 1.000 | € 1950 | € 2.150 |
| **High income** | € 250 | € 500 | € 400 | € 900 |

# Tabel 4 Expenditures (share in % of total expenditures 2007) and growth (% per year) of health care expenditures by gender and age, separated by total, demographic growth and other volume, 1999-2010

| age | men | | | | women | | | |
|---|---|---|---|---|---|---|---|---|
| | Total growth | Demo-growth | other volume growth | Shrare in exp. 2007 | Total growth | Demo – growth | Other volume growth | Share in exp. 2007 |
| 0 | 6,4 | -0,9 | 4,2 | 1,1 | 6,3 | -0,8 | 4,1 | 1,0 |
| 1-14 | 7,3 | 0,0 | 4,5 | 6,1 | 7,3 | 0,0 | 4,4 | 5,2 |
| 15-24 | 8,6 | 0,7 | 5,1 | 3,3 | 7,9 | 0,7 | 4,4 | 3,5 |
| 25-44 | 5,0 | -1,1 | 3,5 | 7,9 | 4,7 | -1,1 | 3,1 | 9,8 |
| 45-64 | 9,0 | 2,0 | 4,3 | 12,1 | 8,7 | 2,0 | 4,0 | 12,3 |
| 65-74 | 8,0 | 2,1 | 3,3 | 5,9 | 6,6 | 1,0 | 3,0 | 6,2 |
| 75-84 | 7,8 | 2,7 | 2,6 | 5,4 | 6,0 | 1,0 | 2,6 | 9,2 |
| 85+ | 8,9 | 3,8 | 2,7 | 2,5 | 8,1 | 2,5 | 3,4 | 8,5 |
| totaal | 7,7 | 1,3 | 3,7 | 44,3 | 6,9 | 1,0 | 3,4 | 55,7 |
| Totaal M/V | 7,2 | 1,1 | 3,5 | | | | | |

# Lifestyle solidarity

- No limits to lifestyle solidarity in Zvw
- Support among the public for lifestyle solidarity is not limitless

# Opinions about premiums for Zvw by groups in the population

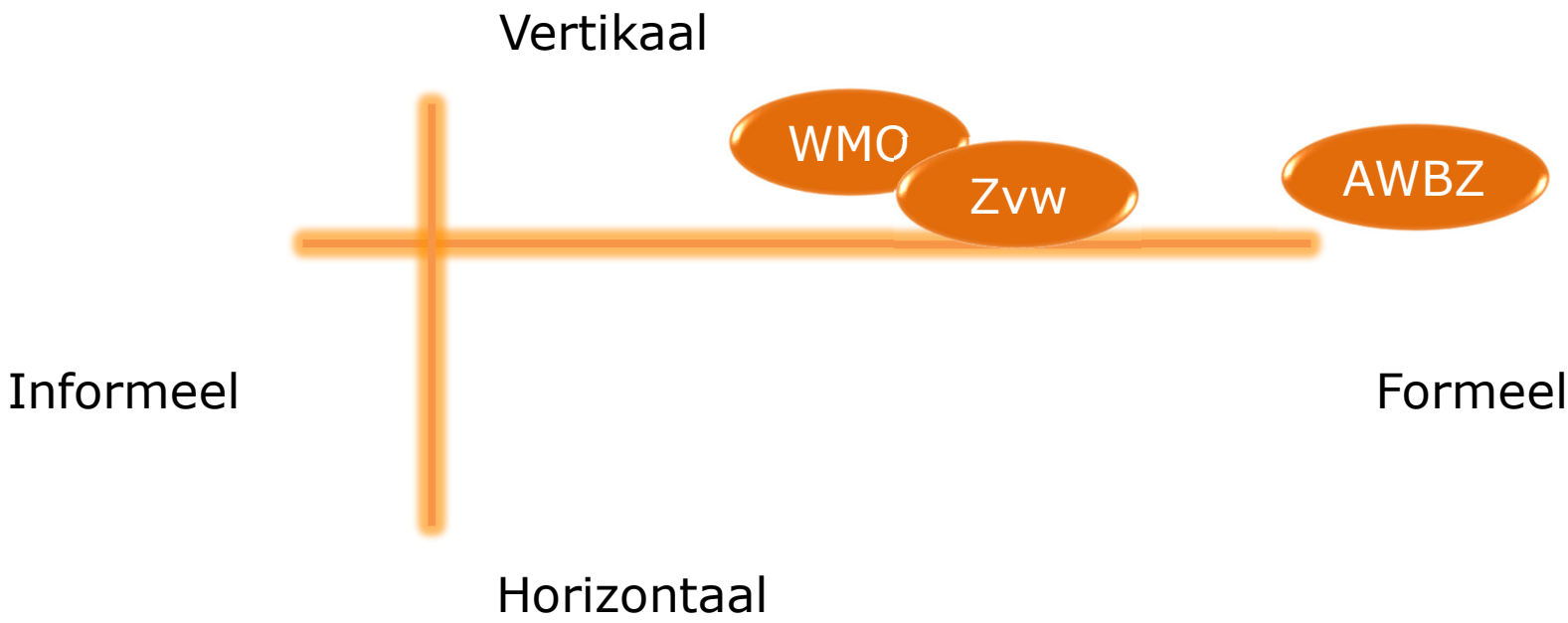
| Opinion of | About Zvw-premium for: | higher | No change | lower |
|---|---|---|---|---|
| 18+ population | Elderly | 8% | 60 | 32 |
| | Low income | | 42 | 58 |
| | High income | 55 | 41 | 4 |
| | Patients | 4 | 82 | 14 |
| | Frequent visitors GP | 19 | 74 | 7 |
| Non smokers | Smokers | 65 | 32 | 3 |
| Moderate drinkers | Heavy drinkers | 62 | 33 | 5 |
| Regular | People who do not excercise | 32 | 64 | 4 |

# Conclusion

- Increased solidarity because of increasing costs of healthy care
- There are limits to solidarity, esp. at a time of low economic growth
- Too much demand on solidarity in some areas

# Solidarity

- Horizontal v. vertical
  - Horizontal solidarity: division of labor, loyality and trust based on equality and reciprocity
  - Vertical solidarity: no reciprocity, giver-taker, income- and risk solidarity
- Formal v. informal


Vertikaal
WMO
Zvw
AWBZ
Informeel
Formeel
Horizontaal

# Possible solutions for sustainable solidarity

- More efficiency
  - More strictness on entitlements, co-payments, more emphases on health outcomes
- Increase reciprocity
  - Not only riths and entitlements, but also obligations and demands
- Increase informal solidarity

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