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France Healthcare System

France's health system has in recent years been a paradox, both for expert observers within the country and those overseas. In June 2000, the World Health Organisation ranked the country's healthcare system as the "best in the world". This was in spite of the fact that in terms of standard benchmarks for high-tech healthcare, France lagged most of Europe. In 2000, for example, it had just 180 MRI scanners, and even today has one third the per capita level of Finland or Switzerland. In August 2004, an authoritative French body warned that the country's health system was in the throes of a severe crisis and called for sweeping reforms – in both structures and mindsets. Such self-criticism, however, did not prevent the prestigious *New England Journal of Medicine* urging the US government a short while later to learn from the French healthcare system. One of the article's authors noted that the French system resembles what would ensue from 'Medicare for all' reforms in the US.

The organisation urging a shakeout of France's healthcare financing system in 2004 was known as the High Council for the Future of Health Insurance, and was appointed by the French government. It called for sweeping changes – principally to cut waste and increase efficiency.

More crucially, it warned that citizens must pay more and both doctors and insurers alter their behaviour. Otherwise, it concluded, France faced an untenable extra load of 66 billion euros per year in its public budget deficit by 2020, over six times more than the 10.9 billion Euro deficit in 2004.

Parallels With Other EU Members

In some senses, the French health financing crisis echoes that of other EU countries, in the face of an ageing population and rising costs – especially for advanced new therapies.

These have to be accommodated alongside a legacy of healthcare infrastructure, the bulk of which dates back three decades or more.

However, certain factors make France's case special. At 11.1% of GDP, its health expenditure is the European Union's highest. French physicians also have a far higher tendency to prescribe medicines than their other EU counterparts.

The 1996 Reforms: Effects Short-Lived

Indeed, in 1996, the French government had already seen the need to start implementing major health care reforms – principally by strengthening quality and improving professional practices. Some of the measures included the founding of a healthcare accreditation body, new regional hospital agencies (RHAs), the establishment of cash-limited budgets at both national and regional levels and a contracting procedure between health authorities and hospitals.

These moves, however, did little to ensure long-term control of escalating costs, and led the way for the far more drastic moves which were proposed in 2004. Adding fuel to this process was the globally-publicised shortage of emergency staff and hospital beds in summer 2003, when a heat wave killed an estimated 15,000 (mainly elderly) people in France. A shortage of hospital beds was also obvious in December the same year, during a nationwide influenza and bronchitis epidemic.

2004: Call for Better Regulation and Governance

Although the High Council for the Future of Health Insurance emphasised in 2004 that the standard of care provided by French physicians remained among the world's best, it also underscored the fact that the system was "badly regulated and badly governed", with "general confusion" over who was in charge explaining some of the structural deficiencies.

Hospital 2007: Reform at the Roots

One of the first major moves for reform in France was known as Hospital 2007. This sought to improve overall management within the hospital sector – both public and private. The measures introduced not only additional modifications to financing systems but also the rules and frameworks for hospital planning and governance.

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The hospital sector accounts for almost half total healthcare spending in France. Of this, just under half is directed at existing infrastructure, with 30% going to upgrades and renewal, and 20% to new projects.

Overall, the French hospital sector has long been associated with a lack of transparency, along with little incentives for efficiency at individual facilities. Equally important is a sharp deterioration in the quality of buildings, partly the result of dwindling outlays on maintenance – ironically,

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