HealthManagement
Promoting Management and Leadership

Volume 4 - Issue 2 , 2010 - Country Focus: The Netherlands

Overview of the Healthcare System

According to the annual Euro Health Consumer Index, the Netherlands has the best healthcare system in Europe. It topped the European survey for the second year running scoring highly in waiting times for patients, e-health and access to medication. Many also believe that system in the Netherlands is a good model for healthcare in the U.S. This article provides a brief overview of the system supposedly the best in Europe.

Like most healthcare systems in Europe, the Dutch healthcare system can be described as a system in transition. The most significant reform is undoubtedly the new healthcare cost system implemented on 1st January 2006.

Created by the Ministry of Health, Welfare and Sport, the new health insurance system for health costs is about enforcing the following principles: durability, solidarity, choice, quality and efficiency. The aim is putting the patient centre stage by creating a balance between a solid social basis and market dynamics. In the Netherlands, it is compulsory for each citizen to be insured. The government does not participate directly in the actual provision of care - this is the task of private care suppliers.

Before 2006, the system was outdated with major flaws:

• Too many schemes – social insurance, private insurance and civil servants;

• No choice;

• Few competition incentives for insurers;

• Little pressure on suppliers to achieve better performance, and

• Unfair premium and income effects.

		DATE
Population (million)	16.38	2006
Life expectancy at birth (years)	78 (male) and 82 (female)	2006
Healthy life expectancy at birth (years)	70 (male) and 73 (female)	2003
Probability of dying under 5 (per 1,000 live births)	5	2006
Probability of dying between 15 and 60 years (per 1000 population	81 (male) and 59 (female)	2006
Gross national income per capita (PPP International USD)	37,940	2006
Total healthcare expenditure per capita (PPP USD)	3,383	2006
Total healthcare expenditure (% GDP)	9.3%	2006
Number of physicians	60,519	2005
Number of nursing and midwifery personnel	239,172	2006
Physician density (per 10,000 inhabitants)	37.0	2005
Nurses and midwife (per 10,000 inhabitants)	146.0	2006

Table 1. Key Health Indicators for The Netherlands *(Source: World Health Statistics 2008)*

The Reform Act

Key elements of new Act include:

• New standard of insurance for all;

• Citizens can change insurer every year;

• Insurers compete for the business of the insured;

• Customers and insurers stimulate suppliers to provide better quality, and

• Compensation for people on low incomes.

The Dutch government no longer arranges everything in the healthcare system but remains in charge of accessibility, affordability and quality of healthcare. Parties in the market have greater freedom and greater responsibility to compete for the business of the insured and citizens have more responsibility but more influence and choices in terms of insurance.

The Insurers

Healthcare insurers must offer health insurance to everyone, irrespective of personal characteristics and social situation. Everyone is subject to the same conditions and insurers must offer their basic package to all regardless of risks and “expensive customers”. Moreover, insurers have a strong position regarding care providers; they negotiate with care providers on price, content and organisation of care.

Care Providers

For care providers the reform act is about delivering better performance. Previously it was the care providers who had the dominant position- they determined what care was provided and its quality. There was little incentive to improve and measure performance. This has changed with insurers pushing for higher standards (quality and cost). There are now performance-oriented costing systems and benchmarking initiatives. These measurements offer care providers opportunities to distinguish their hospitals/facilities from those around them and also customise their services.

Care Allowance

“Care Affordable By All” this is the message of the new Act - that care is available and affordable for all, including those on low income and those with high care costs. Insurers accept all people to prevent discrimination on the basis of risk.

For those people who cannot afford to pay the fixed insurance premium they can apply for a care allowance paid for by the Inland Revenue Service. Around 5million people benefit from this allowance. As a safety net for insurers, as well as fixed contributions, insured parties also pay income related contributions, which are used to offset risks of expensive customers.

Results

The short term results of the reform act are a single legal framework, more choices for customers, more competition and guaranteed affordability. In the long term it is hoped these changes will provide a better quality of care, greater cost-consciousness and a tailor-made care through the greater influence by customers.

The Organisation of Care

Public health services, primary care and secondary care are three separate enitities in the Netherlands, each playing a distinct role. Public health services are provided throught local offices all over the country. Primary care is provided by family physicians and secondary and tertiary care in hospitals.

Public Health

There is a regional network of public health services. Municipal services include child health examination, vaccinations, environmental health, health protection and promotion. Local services include infectious disease control, general hygiene, school health and health education.

Primary Healthcare

This is provided mostly by family physicians- the family physician is the gatekeeper of the primary healthcare system. Patients need referral for hospital and specialised treatments. Evidence of the success of this “gatekeeper” system lies in low referral rates. Low prescription rates are also noted.

Secondary and Tertiary Care

Secondary care is provided by medical specialists in hospitals. Specialists who provide both inpatient and outpatient are not employed by the hospitals but are self-employed working on a contractual basis. There is a strict referral policy, patients can only go directly to the hospital in an emergency situation.

Transmural Care

This is a term used to refer to care given across the walls of the system. Transmural care also plays an important role by bridging the gap between outpatient and inpatient care. This includes the use of home care technology, specialised nurses and guidelines. It is particularly useful for chronic patients.

Hospital Management

Hospital management has been streamlined with middle management becoming responsible for departmental functions. Medical specialists are integrated into administrative structure. Administrators with broader roles have also replaced directors of nursing. Hospitals are organised according to two principles: decentralisation and medical specialists’ participation in management.

With decentralised organisation, authority and responsibility are transferred to the operational units. This shifts responsibility and accountability to specialists in clinical departments an creates more flexibility. This form of organisation is said to be most effective when clinical specialists participate in management with their own budgets.

Sources:

Euro Health Consumer Index 2009 Report The New Care System in the Netherlands, Ministry of Health, Welfare and Sport, 2006

Healthcare Systems in Transition, European Observatory on Health Systems and Policies, 2004

Published on : Sun, 31 Jan 2010