Ministerie van Volksgezondheid,
Welzijn en Sport

Fundamental reform of Dutch LTC?

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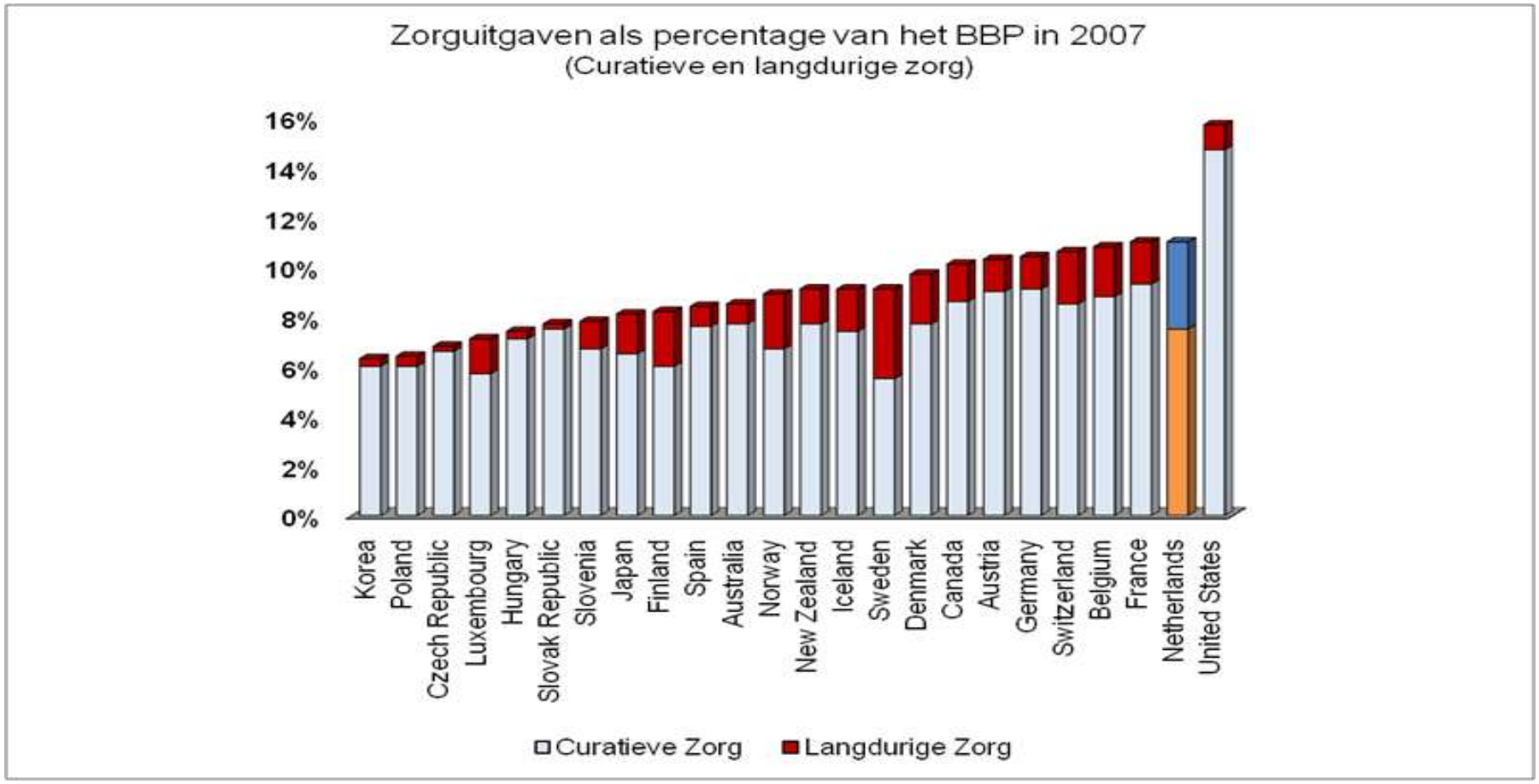
A verylarge longterm care (% GDP 2007)



Short typology of the fundamentals of Dutch LTC

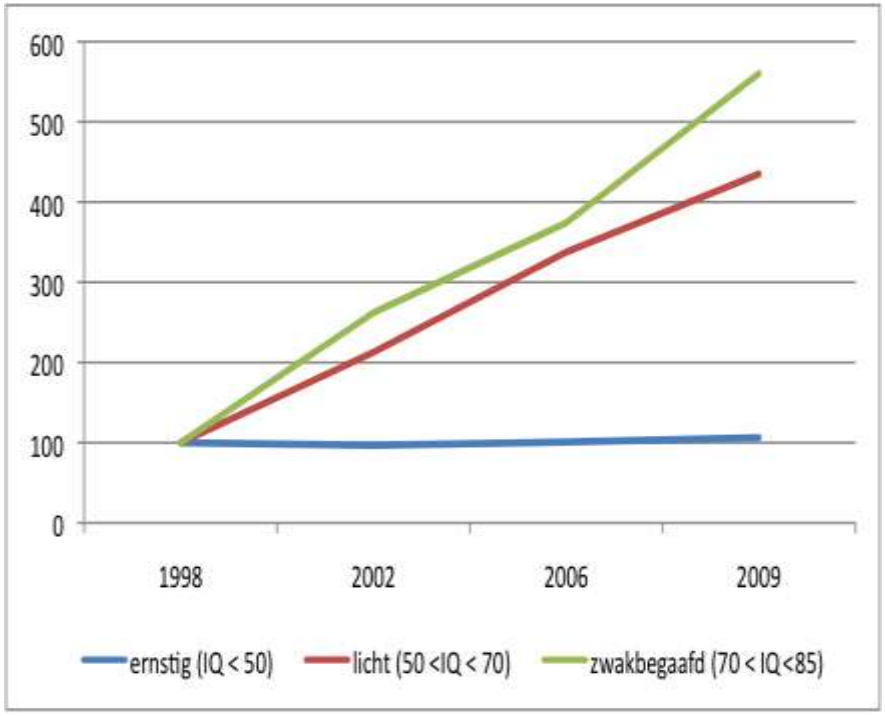
- Probably the oldest fully funded LTC system around (1967)
- A strong focus on inpatient care
- Social insurance scheme, but strongly embedded in administrative procedures
- Entirely non-profit (inpatient side)
- Income related co-payments induces a small LTC sector for the well-off
- Hardly any risk for 'insurers' and providers
- Trade-offs with other parts of the welfare state exists (soft boundaries)

Pressures for change

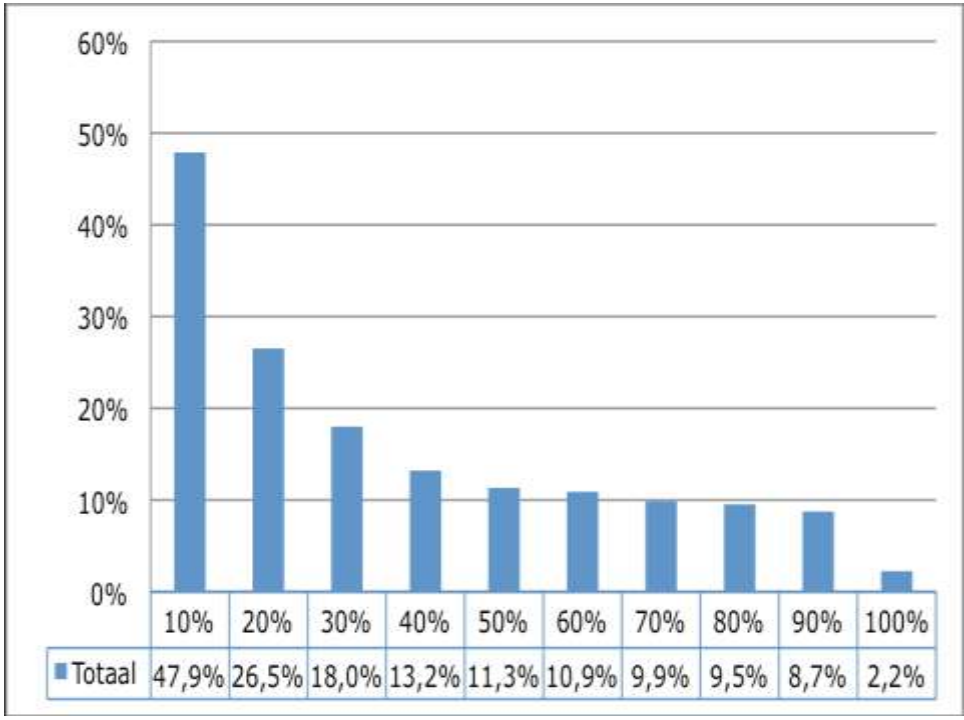
- Rapid increase of real costs
- Life expectancy at 65, still not that good
- Camel nose effects (strong underlying expansionary logic built in the system)
- Case mixes and intensity of care decreasing
- Austerity reaches health (upcoming elections)
- Few new impulses expected in exchange of policy ideas
- Pressures for change have finally reached the political level

Changing case mixes (1)

Case-mix mentally disabled (IQ levels)

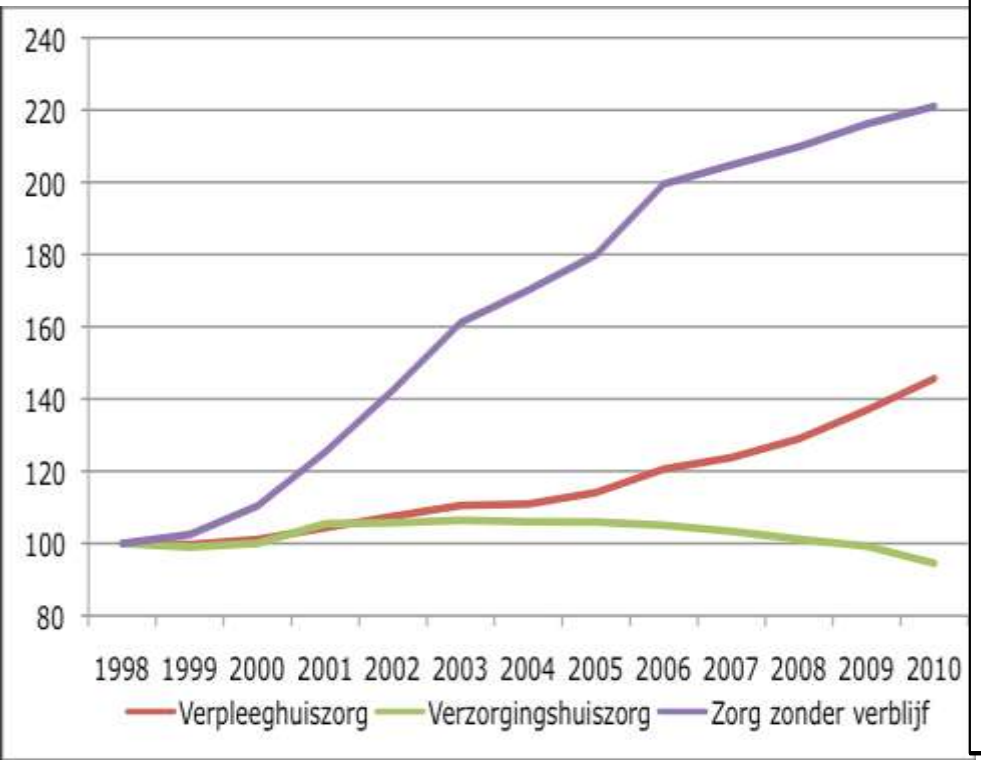


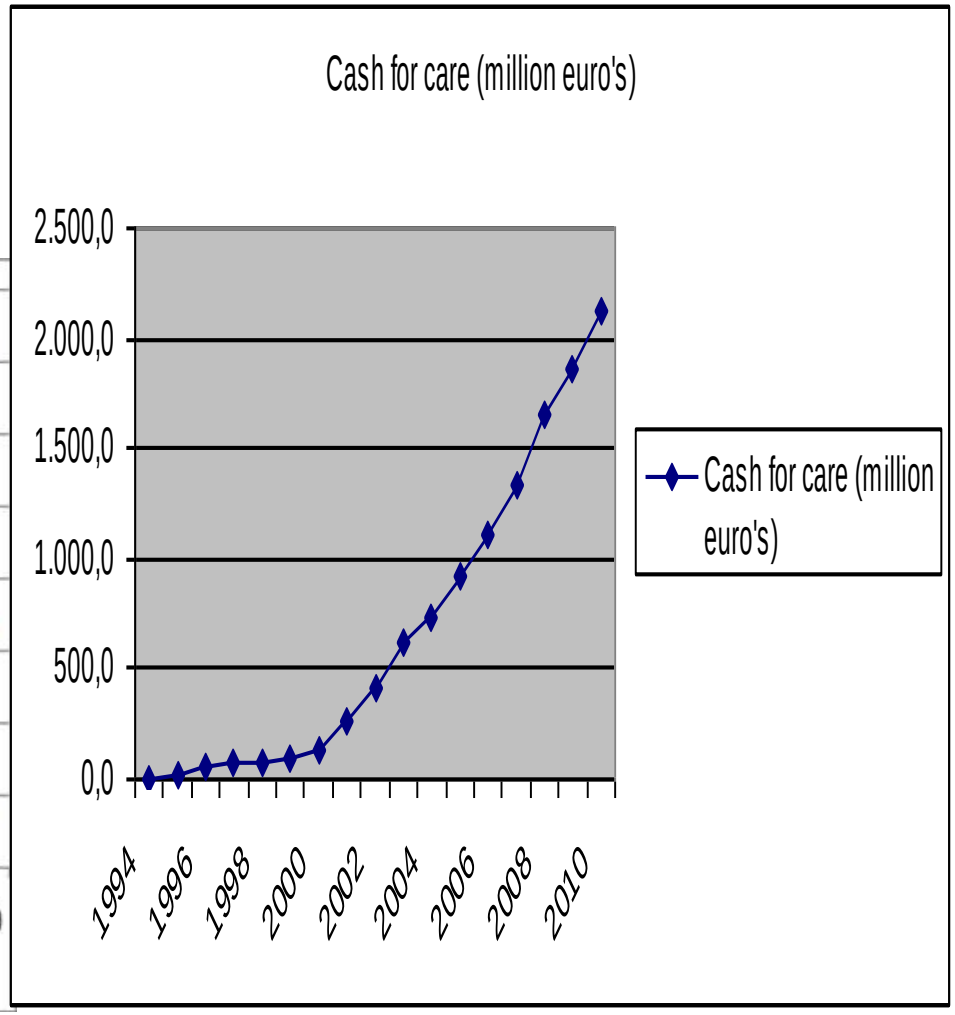
Much more rapid costs increases among cheaper patients (acute care)



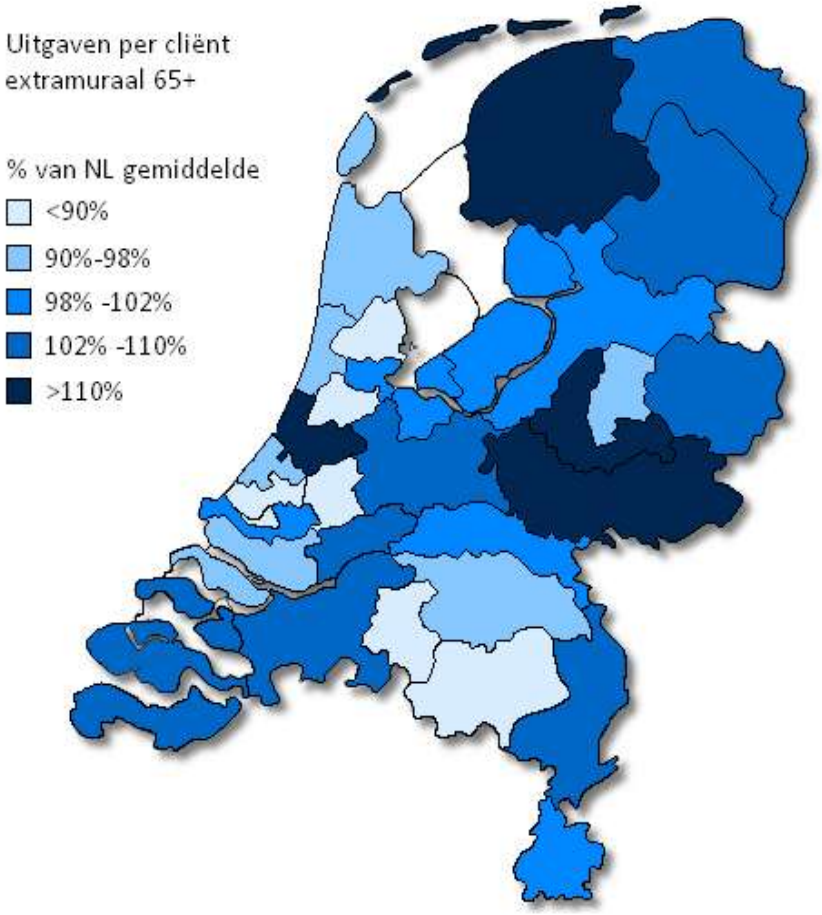
Changing case mixes (2)

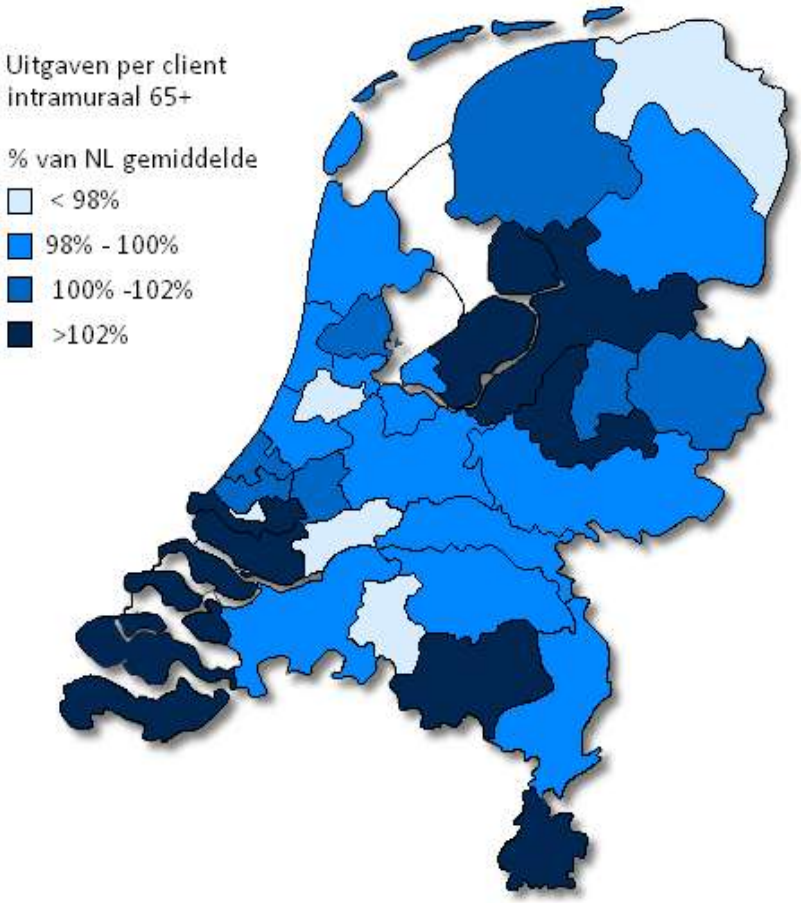
Growth in volumes:
in/outpatient(index1998=100)





Case adjusted variety in longterm care costs higher in outpatient care





Election time: tighter budgets

Partij	AWBZ	ZVW	Totaal
VVD	-5,9	-2,6	-8,5
ChristenUnie	-3,3	-2,0	-5,3
CDA	-3,0	-1,9	-4,9
D66	-2,8	-1,9	-4,7
PvdA	-3,0	-1,5	-4,5
SGP	-3,4	-0,5	-3,9
GROENLINKS	-0,7	-1,1	-1,8
PARTIJ VOOR DE VRIJHEID	-0,9	-0,3	-1,2
SP	-0,8	0,2	-0,7

Where can LTC go?: two alternative models

Acute care (Zvw)	**Social assistance (Wmo)**
managed competition	single payer municipality
soft budget constraints	hard budget constraints
reducing overhead expenses	reducing total costs (wages)
strong entitlement rights	weaker entitlement rights (compensation)
initially less risk / less solvency	more financial risk
innovation focus on quality/responsiveness	innovation focus on cost reduction
empirics: acute mental health (+10%)	Empirics: housekeeping (-20%)

Is a major transformation finally coming?

- Constituencies managed competition LTC: insurers, providers, professionals, patients, right-wing parties

- Technical requirements not fulfilled (risk adjustment)

- Fiscal expenses better taken care of in a system with hard constraints

- Currently

  Taskforce of civil servants pleaded for more devolvement to municipalities;

  CPB: managed competition adds € 0.5 billion to public bill

- Now: very broad political support for more devolvement.

KiK: in grote stappen snel thuis?

- **Grote groep komt uit op een bedrag rond de 5 miljard, behalve SP, GL en PVV**
- **3 miljard AWBZ**
  - Niet doorgaan UAZ levert 0,5 miljard op
  - Korten of afschaffen aanspraak begeleiding 0,3 tot 2,6 miljard
  - Verhogen norm persoonlijke verzorging 0,3 tot 0,6 miljard
  - Afschaffen compensatiebeginsel binnen de AWBZ voor alle zorg: 1 miljard
  - Verhogen eigen bijdrage
- **2 miljard Zvw**
  - Extra korting van 0,5% door invoering TF maatregelen incl. MBI: 1 miljard
  - Stringent pakketbeheer TF: 0,3 miljard
  - Beperken zorgtoeslag: 1 miljard

Zorg op de juiste plek, care