



# A macroeconomic view on healthcare in the Netherlands

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## *Characteristics healthcare expenditures*

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- High stable growth exceeding GDP growth
- Rising share in overall jobs
- Majority women and part-time
- Many high-tech / high skilled jobs

## *Healthcare expenditures 1998-2010 (NL)*

<b>Years</b>	<b>1998</b>	<b>2000</b>	<b>2002</b>	<b>2004</b>	<b>2006</b>	<b>2008</b>	<b>2010</b> <i>(provisional)</i>
<b>Million Euro</b>	40678	46919	58638	65381	70813	80000	87596
<b>% GDP</b>	11.2	11.2	12.6	13.3	13.1	13.4	14.8

*Source: CBS*

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## ***Main drivers of healthcare costs***

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- Ageing
- Last year of life
- Rising expectations of customers
- New technologies allow better/new treatment
- Everyone has access to excellent healthcare

***Healthcare is more expensive simply because we get more of it***

## *Share of population 65+ (NL)*

<b>Years</b>	<b>1980</b>	<b>2011</b>	<b>2016</b>	<b>2021</b>	<b>2026</b>	<b>2031</b>	<b>2036</b>	<b>2040</b>
<b>% 65 years and older</b>	11.5	15.6	18.2	20.1	22.1	24.1	25.6	25.9

*Source: CBS*

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# *The gloomy view on healthcare future*

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- "Ageing crisis spells doom"
  - Healthcare costs and demography
  - Financing of health care

*Why is this view too gloomy?*

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# *Healthcare reform in the Netherlands*

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- Insurance companies in a state regulated market (sharing high risks)
- Extended minimum healthcare guaranteed by government
- Lump sum premiums per insurer, income related subsidies
- General Practitioner as gatekeeper

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## *Experiences so far in the Netherlands*

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- Cautious start
- Announced disasters of market based approach have not materialized
  - administrative chaos cleared up slowly
  - quality of care has not suffered
  - no price explosions
- Negotiations insurers and medical professionals
- Looking for transparent, product-based quality indicators
- Concentration in hospitals of excellence / frequent treatment
- Limited market solutions like for profit specialized hospitals

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## *Healthcare is investment, not only cost*

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- Healthcare is investment in human capital, like education
- Improved healthcare results in longer expected healthy life
- Better quality of labour >>> Less lost labour days
- Higher retirement age is needed to pay for the pensions, it is possible due to better physical condition

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## ***Innovation is necessary***

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- Rising expectations only met by new or improved products
- Shortage of workers for a growing sector >>> productivity increase needed
- Medical technology has proved to be a high-tech / high innovative sector
- Dutch government selects life sciences and health as a key innovative industry, "Spear point"
- Funding and stimulating research and cooperation between research, universities and enterprises