Cost difference as a driver for patient mobility
Lessons from case studies

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First assumption – patients prefer to be treated at home, unless

... it is an emergency or chronic condition needs treatment abroad (tourists, double & long term residents)

... service “abroad” is actually more familiar or closer

... service abroad has less/no barriers (waiting-list, legal/ethical/administrative, shortage of supply)

... service abroad is cheaper

... service abroad is perceived with higher quality (including privacy)

... service abroad is a lifestyle choice (e.g. Spa, combined with holiday)

and

... they are aware (informed) about suitable options abroad

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Cost matters to everybody

PATIENT
... if paying out-of-pocket

INSURANCE
... if executing selective contracting

PROVIDER
... if lower cost is a competitive advantage
Patient initiative

• Increasing out-of-pocket costs
  “Private health care accounts for 30% share of overall health expenditure of SLO neighbouring ITA & AUT regions”

• Dental care as a “shopping item”
  (West → East)

• Aesthetic surgery - price (and privacy)
  “European quality at Polish prices”

• Health services for holiday
  “SpaPLUS” & “Holiday surgery packages” (SLO, EST)
Provider initiative

• Lower cost than in other MSs
  – a competitive advantage
  – motivation to increase the price

• Supply is higher than local “demand” (as expressed by public insurance)
  – generates extra revenue

COMPETITION WITH EXPORTING COUNTRY’S PRIVATE SECTOR!
Purchaser initiative

• Cost not main motive today
• Potentially competition may be used as breaching the monopolies of home providers (Holland/Belgium)

but

• ... price convergence probably upwards (Holland/Belgium case)

• ... supplementary costs for lower quality
A German study in 2002 found that 53% of dental treatment (bridges) abroad needed further dental care;
Cross-border care brokers – a new service

Brokering agents (POL, HUN, DEN)

- Information
- Travel services
- Trust-building

www.avmintand.dk
Actual usage is marginal, yet - but growing

• Most cross-border care is still an emergency care (skiing and other tourist areas)

• Elective treatment
  – Large volumes of low-risk treatment, mostly paid out-of-pocket (west-to-east trend, price important)
  – Small volume for expensive treatment (small countries)
  – Younger and more informed individuals (challenge for future)
Cross-border health care is increasing anyway

Estonian Health Insurance Fund costs on treatment abroad

Source: EHIF 2006

Foreign patients treated in Belgium under E112

Source: INAMI-ROZOV through Glinos et al 2006

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Dental care has become international

- mostly **not** covered by public insurance
- easy procedures
- “shopping around”
- Eastern Europe treats richer neighbours (Poland, Hungary, Estonia, Slovenia ...)
- Old Europe reacts ... differently

Forigners in Slovenia 2000-2002
45 000 (est) in total
Additional costs are important

- Travel costs
- Accommodation, especially for relatives and friend to support
- Psychological costs
- Health tourism - package health services with holiday
- Decreasing travel costs enable increased patient mobility
Conclusions

• Mobile patient market is growing
• Potential to win-win for all parties – individuals, purchasers and providers
• Cost convergence probably upward
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