Objectives

- To discuss:
  - contracting issues in general, related to health care services
  - potential for cross-border contracting
  - bilateral agreements for health services with other Member States
  - prospective funds for patients treated abroad – with country examples
Aspects of contracting

- Key tool
- Can cover: type and volume of services, length of time, price, remuneration levels, eligibility, organizational requirements, levels of human resources and facilities, monitoring, sanctions and rewards
- Can include: quality standards – outcomes, targets
- Distinguish between
  - market-entry contracts and process contracts
  - fixed contracts and relational contracts
Incentives (and penalties)

- Incentives can be implicit or explicit for stakeholders
- Necessary to observe effects
- Means to achieve outcome/final outcome consistent with objectives
- Adapt to new objectives
- Specify mechanisms in case of failure
- Movement toward service agreements
Effectiveness of contracting

- Measured through a multitude of indicators
  - health statistics, patient satisfaction, choice

- Clearly define health system indicators
  - Equity - equal access for equal need
  - Efficiency - technical and allocative
  - Responsiveness - meet population satisfaction
Intra-county contracting

- Challenges at country level
  - Different between EU Member States – type of purchasers, legal frameworks, prominence of providers, contracting practices
  - Difficult to measure outcomes of contracts – challenge of isolating outcomes, can define indicators

- Challenges at cross-borders level…
Cross-border contracting arrangements in practice

- England - Belgium
- Spain
- Italy
- Estonia
England

- Inpatient care in Belgium, France and Germany

- English DoH tested bilateral agreements in 2002
  - experiment to overcome long waiting list
  - France and Germany - Treating Patients Overseas

- Then,
  - Europe-wide procurement exercise
  - London Patient Choice Overseas Treatment Programme
**England-Belgium**

*London Patient Choice Programme*

- Belgium was viewed as having
  - high quality hospitals
  - ease of travel
  - option of direct contracting
- Bilateral-agreement signed February 2003 by ministers
  - services provided according to Belgian legislation
  - prices based on Belgian tariff rates approved by INAMI
- English NHS hospital trusts – Belgian hospital doctors
- contract annexes define specific modalities
- knee *and* hip replacements (5 hospitals), cardiac surgery (2 hospitals)
  - contracts terminated prematurely
Spain

Contractual agreements

- public providers restricted to contract only with corresponding regional health authority

- private providers show some examples of contracting agreements with foreign purchasers
  - Palma de Mallorca direct agreements with the Deutsche Krankenversicherung (DKV)
  - hospital agreements with private insurance companies
Spain

Bilateral agreements

- Some bilateral agreements with other MSs
- Occurs because previous “standard agreements/forms” proved to be ineffective
  - lack of administrative procedures
  - problems of payment
  - i.e. UK government pays the Spanish government according to the annual percentage of UK tourists recorded in Spain
Local Health Authorities can contract with providers in other MSs
- experiences very limited
- not well developed

Regional level
- Italy and Austria
  - Veneto region and Friuli Venezia Giulia with Carintia region
- Italy and Romania
  - medical services and audit - Veneto region with Timis Region
- Italy and France
  - co-operation between hospitals - Teaching Hospital Centre in Nice with provinces of Imperia and Savona and the Research Centre on Cancer in Genoa
Estonia

- regulation in 2003
- explicitly gives right to contract outside territory
- Estonian prices and co-payments would apply
- no cases as yet
Lessons

- Learning from intra-country contracting
- Movements towards selective contracting
- Liability issues when contracting foreign providers
- Quality and performance indicators
- Revalidation requirements
- Tool to control patient flows
- Selection criteria
Thank you for your attention