

Session V:
Financing and Cross-
border contracting
arrangements in Europe



Sherry Merkur

27 October 2006

Ghent Final E4p conference



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

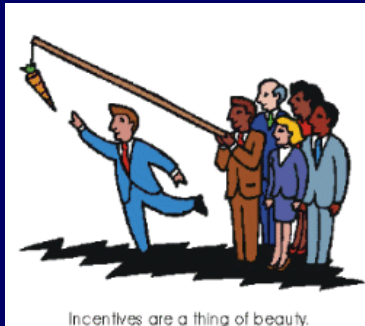
- Key tool
- Can cover: type and volume of services, length of time, price, remuneration levels, eligibility, organizational requirements, levels of human resources and facilities, monitoring, sanctions and rewards
- Can include: quality standards – outcomes, targets
- Distinguish between
 - market-entry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

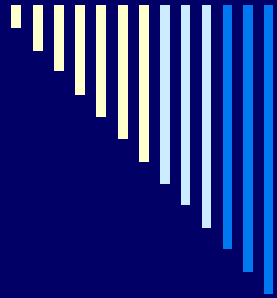




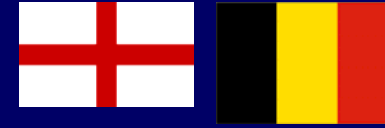
England



- 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
-

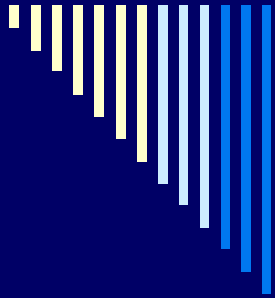


England-Belgium



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

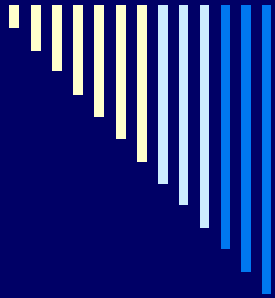


Spain

Contractual agreements



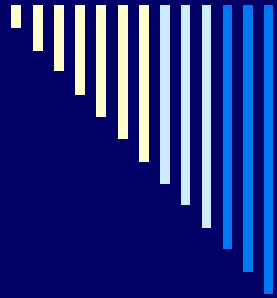
- public providers restricted to contract only with corresponding regional health authority
- private providers show some examples of contracting agreements with foreign purchasers
 - Palma de Mallorca direct agreements with the Deutsche Krankenversicherung (DKV)
 - hospital agreements with private insurance companies



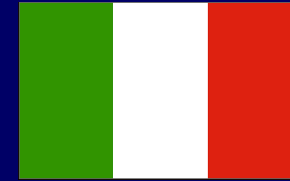
Spain

Bilateral agreements

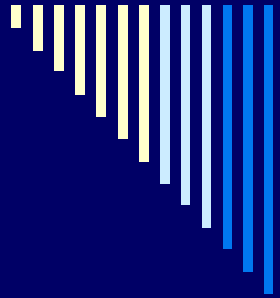
- Some bilateral agreements with other MSs
- Occurs because previous “standard agreements/forms” proved to be ineffective
 - lack of administrative procedures
 - problems of payment
 - i.e. UK government pays the Spanish government according to the annual percentage of UK tourists recorded in Spain



Italy



- 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



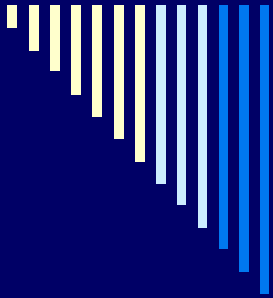
- regulation in 2003
- explicitly gives right to contract outside territory
- Estonian prices and co-payments would apply
- no cases as yet



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

