How do funds flow within the Dutch Curative Health Sector?

flow of funds map

Who pays what?

who pays what map

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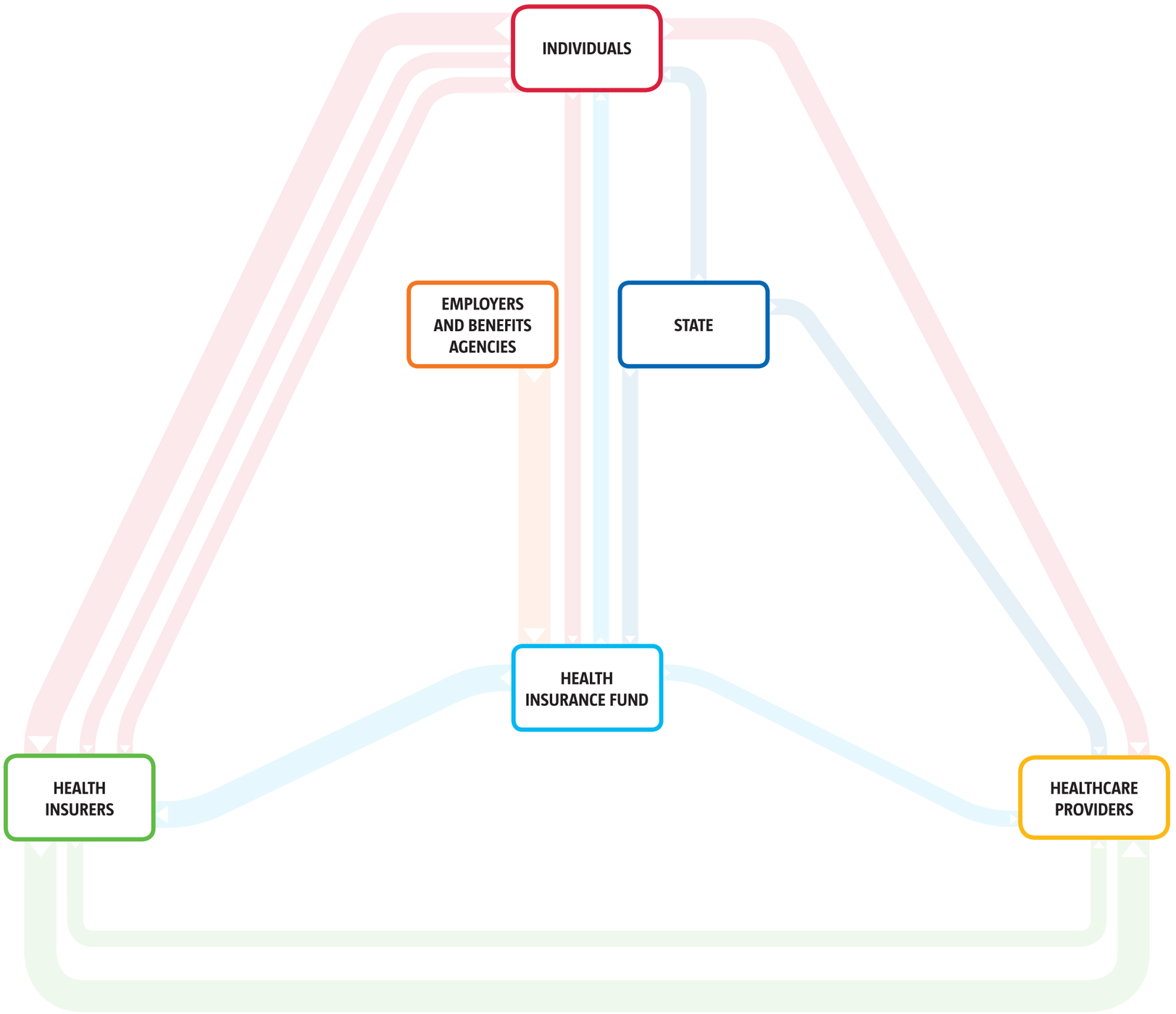

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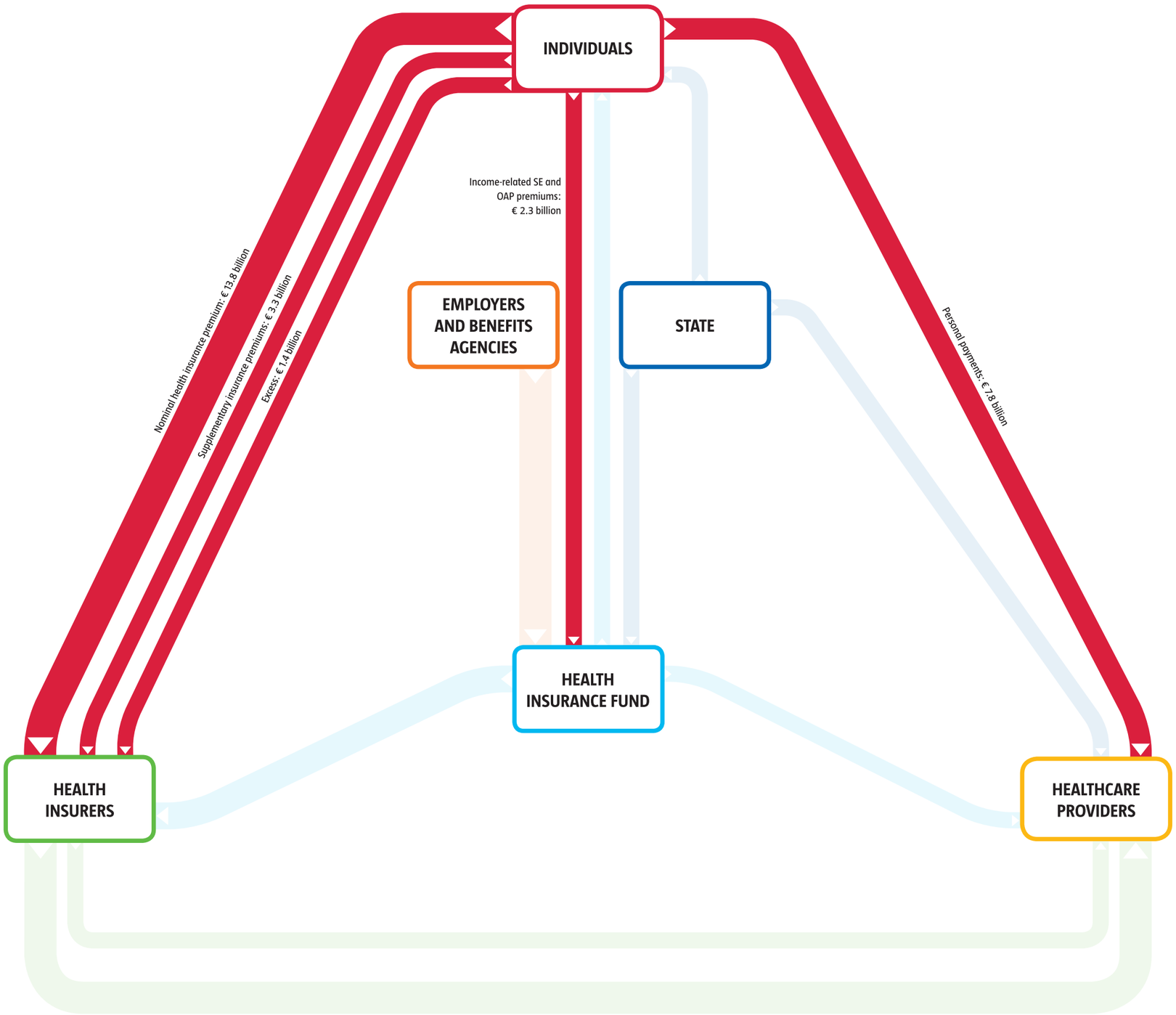

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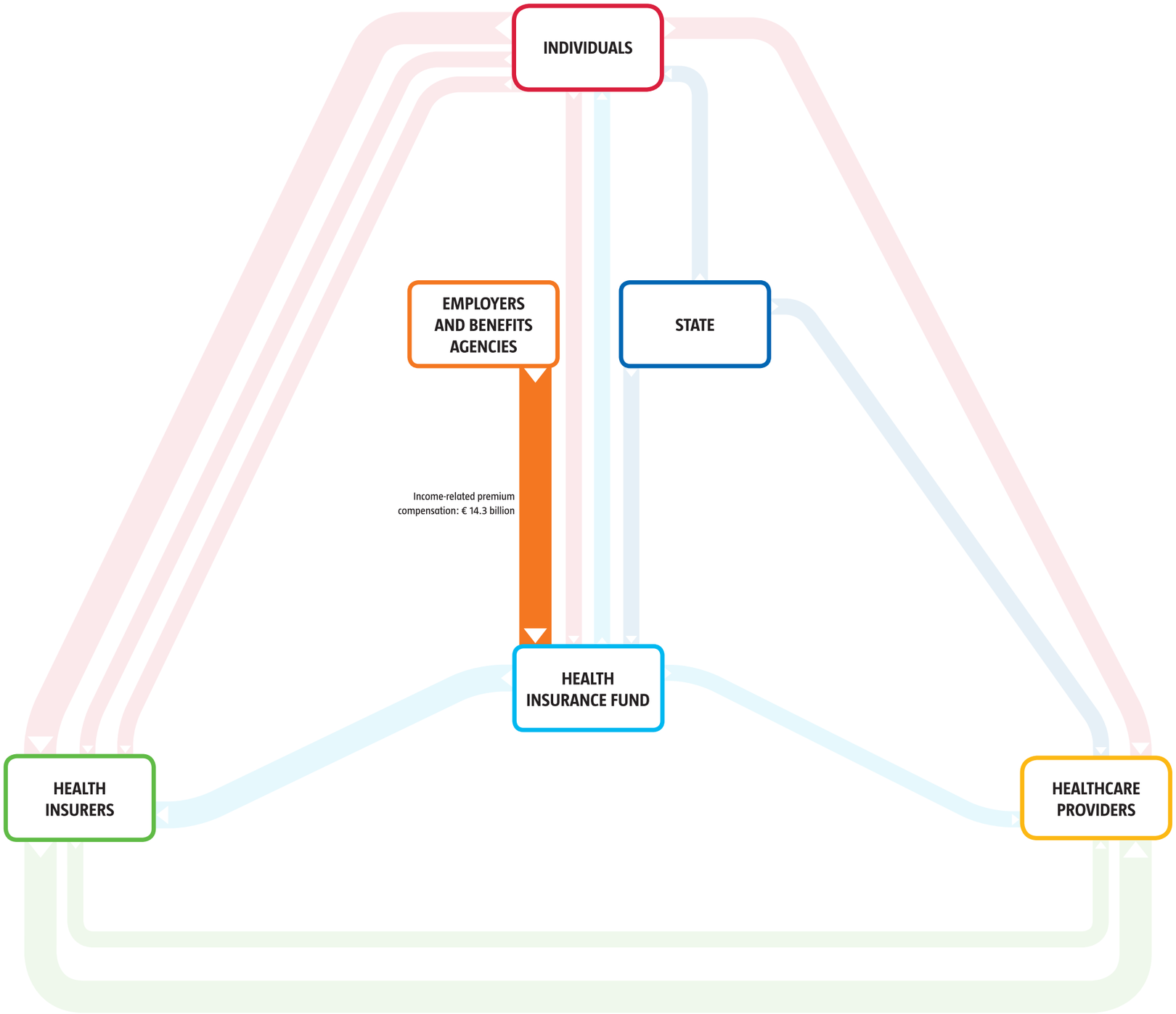

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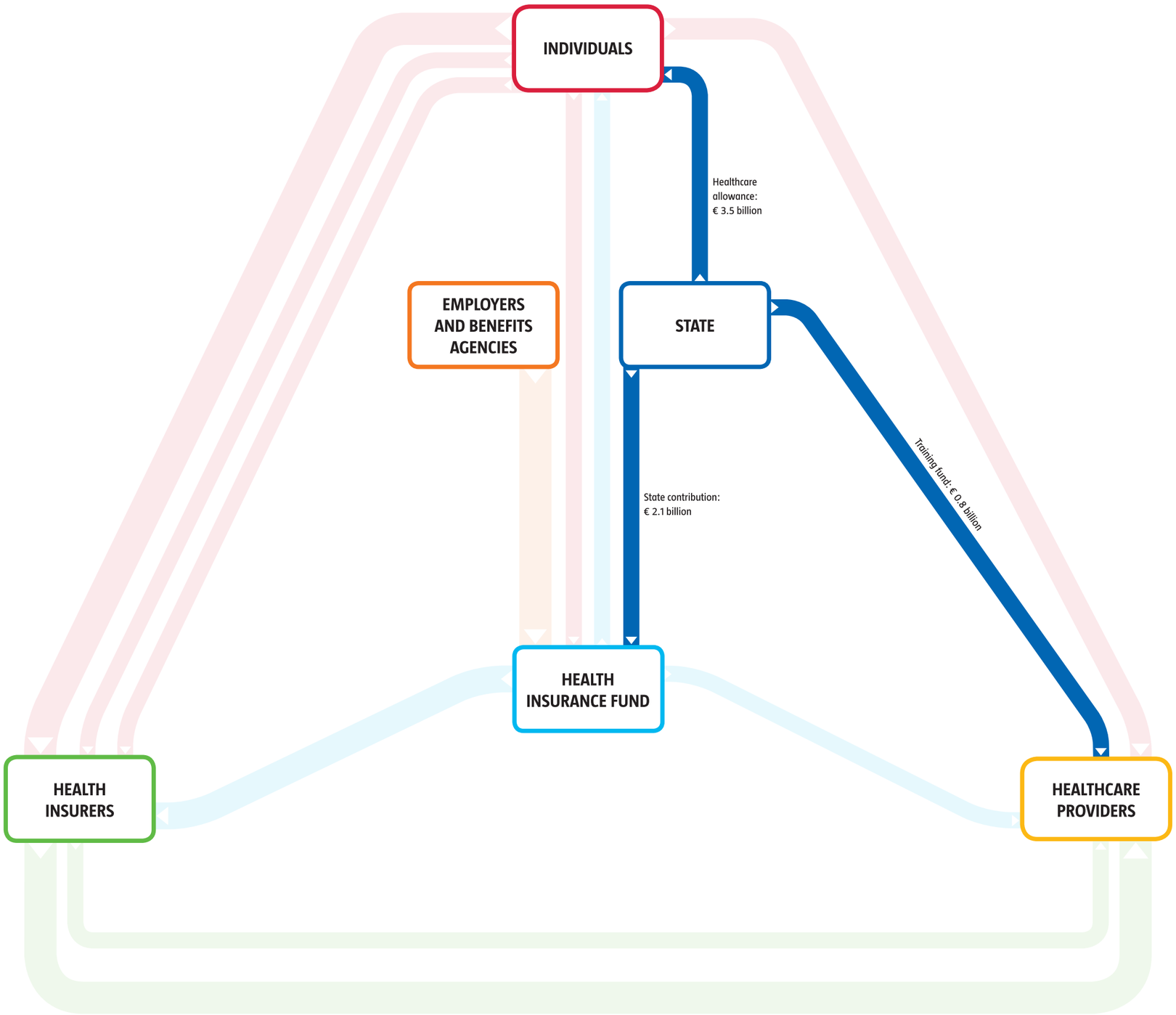

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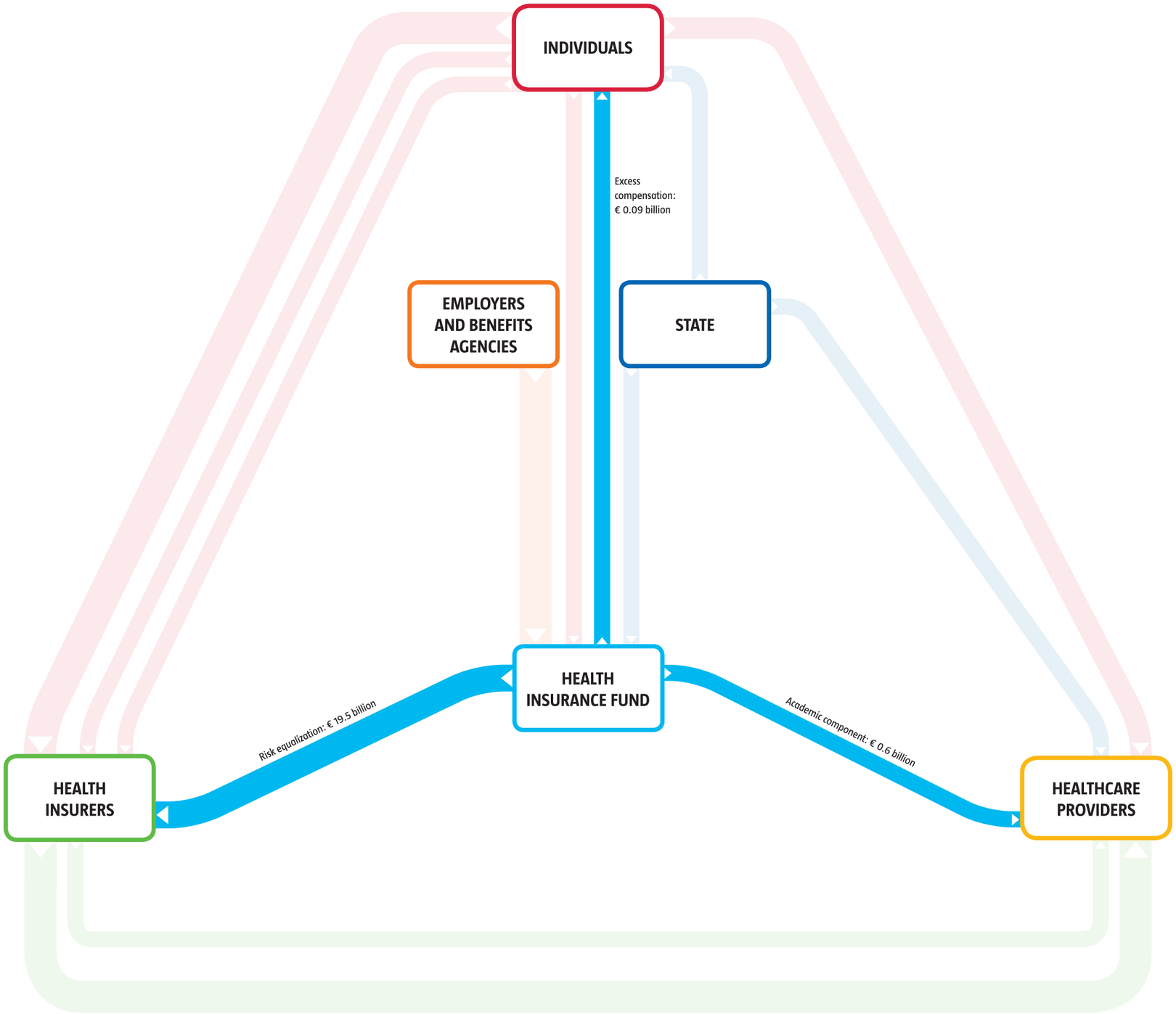

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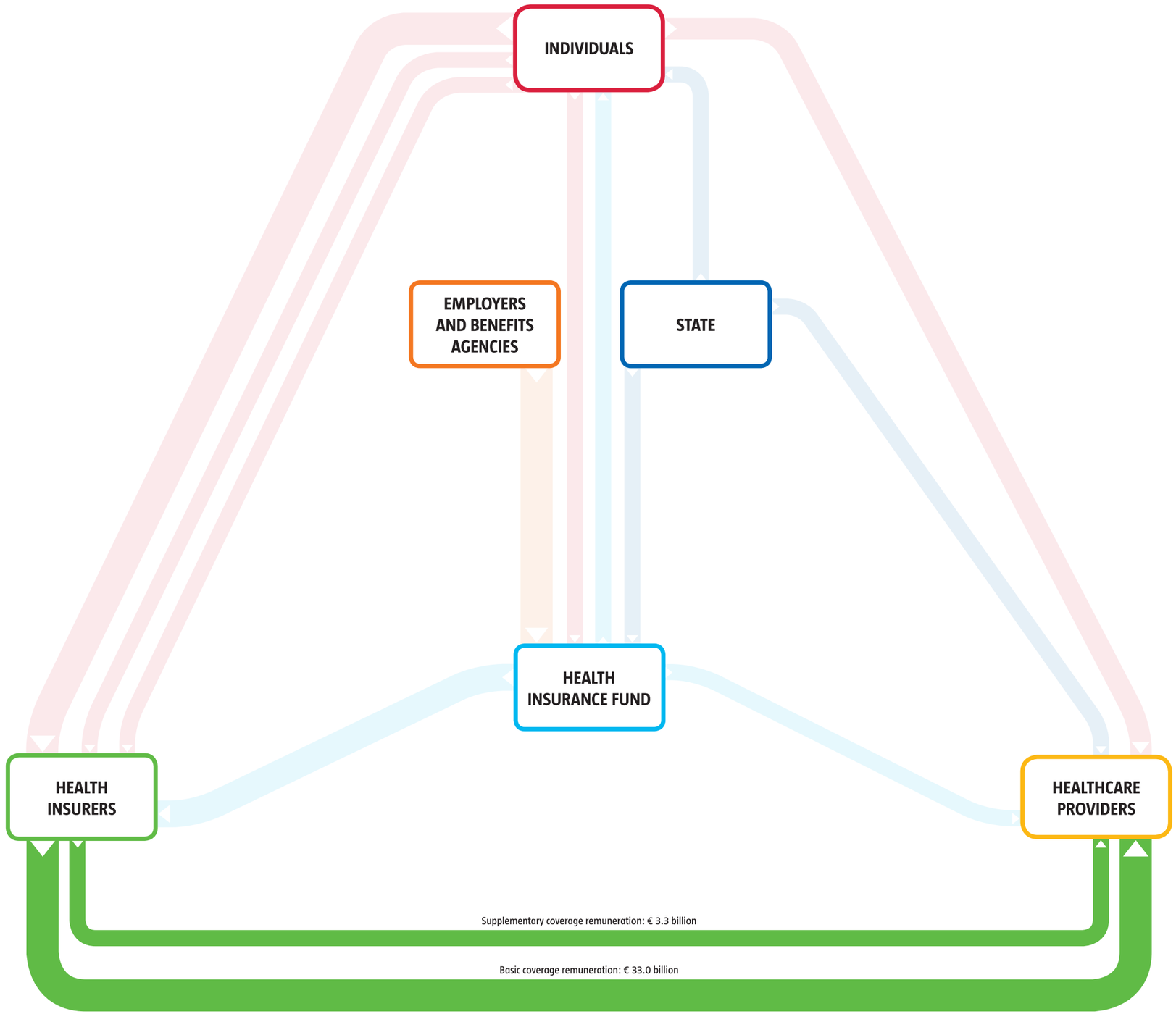

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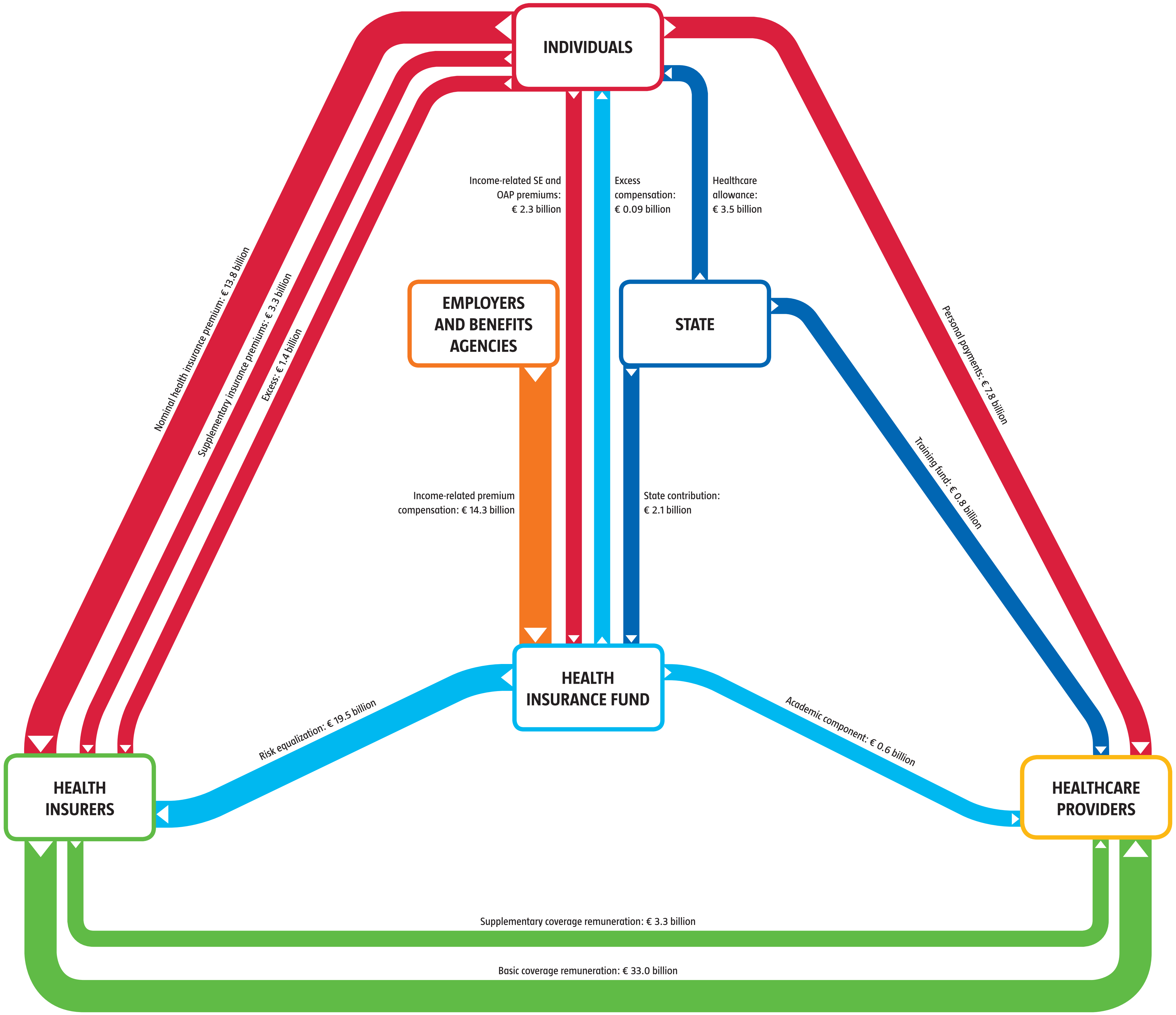

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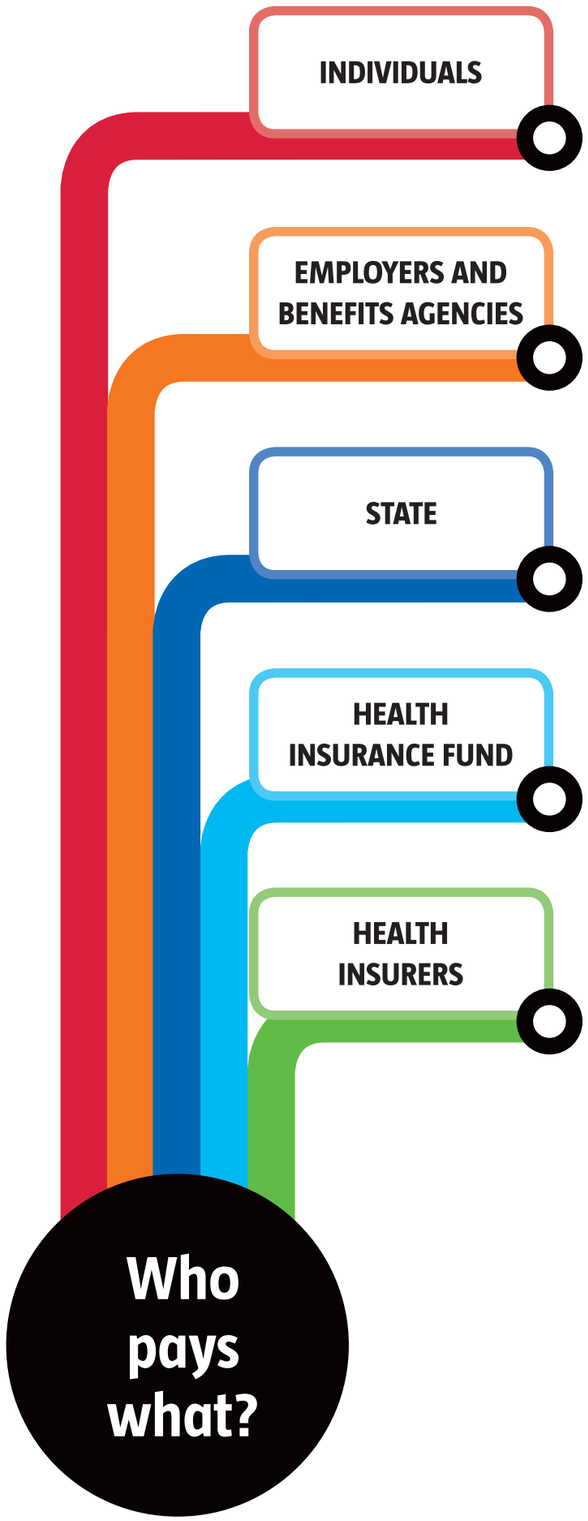
Who pays what?



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Who pays what?

INDIVIDUALS

- Individuals pay insurers a nominal premium for mandatory basic insurance coverage — 13.8 billion
- Individuals pay healthcare providers themselves — 7.8 billion
- Individuals pay supplementary insurance premiums to insurers — 3.3 billion
- Individuals pay a mandatory excess (via insurers) — 1.4 billion
- Individuals pay an income-related premium for mandatory basic coverage — 2.3 billion

EMPLOYERS AND BENEFITS AGENCIES

STATE

HEALTH INSURANCE FUND

HEALTH INSURERS

Who pays what?

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Who pays what?

INDIVIDUALS

EMPLOYERS AND BENEFITS AGENCIES

STATE

HEALTH INSURANCE FUND

HEALTH INSURERS

Who pays what?

Individuals pay insurers a nominal premium for mandatory basic insurance coverage — 13.8 billion

- Under the ZVW, it is mandatory for individuals to take out basic healthcare coverage.
- Individuals are free to choose their healthcare insurer and they may not be refused coverage.
- Adults pay a nominal premium set by the insurer.

Individuals pay healthcare providers themselves — 7.8 billion

- Individuals pay for healthcare themselves that is not covered by their healthcare insurance plan (personal payments).
- Individuals have to pay a personal contribution in some cases via insurers.

Individuals pay supplementary insurance premiums to insurers — 3.3 billion

- Individuals may take out supplementary insurance coverage above and beyond basic coverage, unless insurers refuse them.

Individuals pay a mandatory excess (via insurers) — 1.4 billion

- Individuals using healthcare services pay a fixed excess set by the Minister of VWS.
- Individuals do not pay an excess for general practitioner (GP) or obstetric care.
- Individuals may voluntarily raise their excess in return for a reduced nominal premium.

Individuals pay an income-related premium for mandatory basic coverage — 2.3 billion

- Self-employed (SE) individuals pay an income-related premium into the Health Insurance Fund as part of their tax return.
- Old-aged pensioners (OAPs) pay an income-related premium into the Healthcare Insurance Fund on their supplementary pension.
- SEs and OAPs pay the low rate for income-related premiums.

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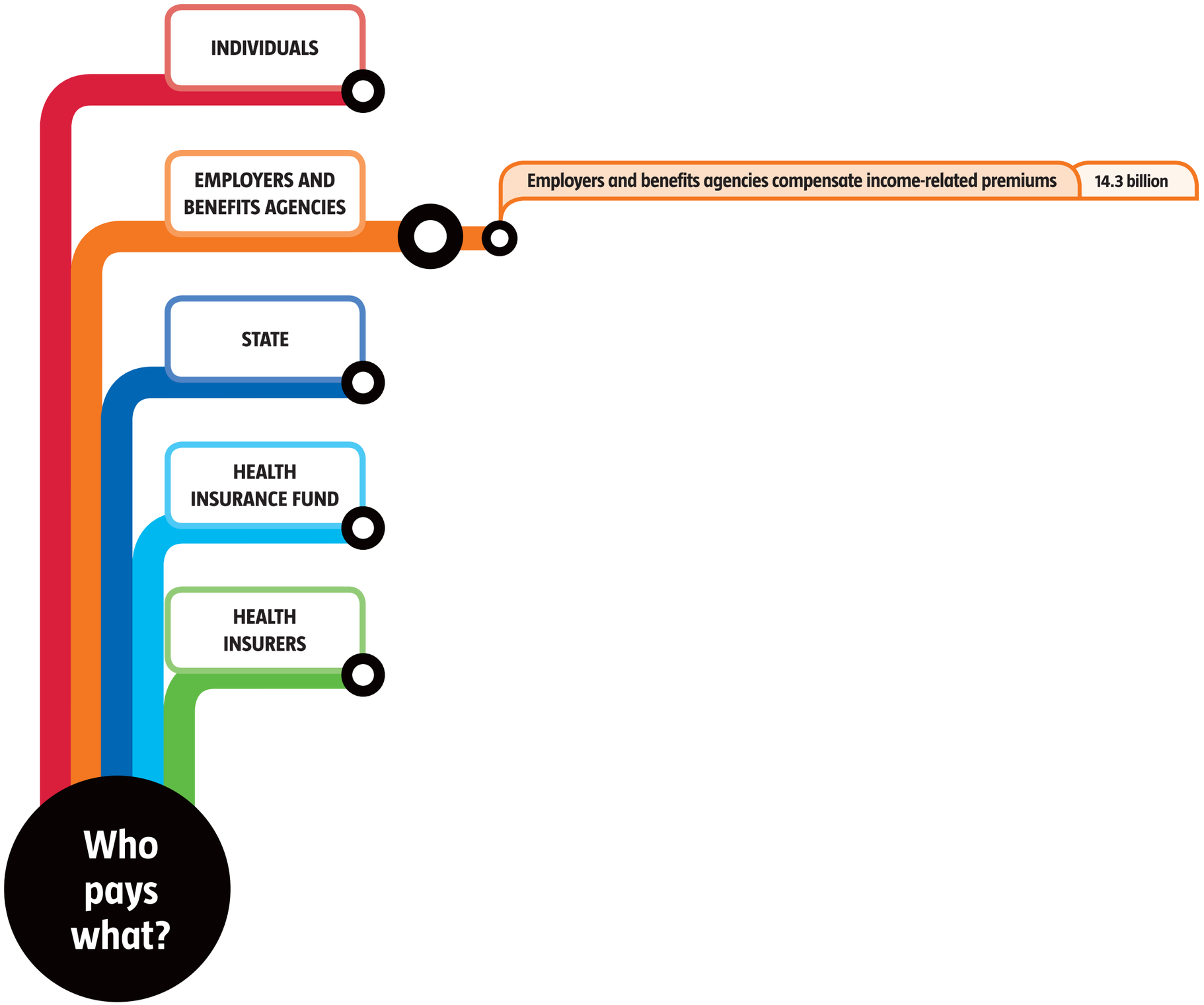

Who pays what?

INDIVIDUALS

EMPLOYERS AND BENEFITS AGENCIES

STATE

HEALTH INSURANCE FUND

HEALTH INSURERS

Who pays what?

Employers and benefits agencies compensate income-related premiums — **14.3 billion**

- Employers and benefits agencies, e.g. UWV, and local authorities pay individuals' income-related contributions.
- Employers and benefits agencies pay the income-related contribution compensation into the Health Insurance Fund.
- The total income-related premium is equal to half the total ZVW costs.

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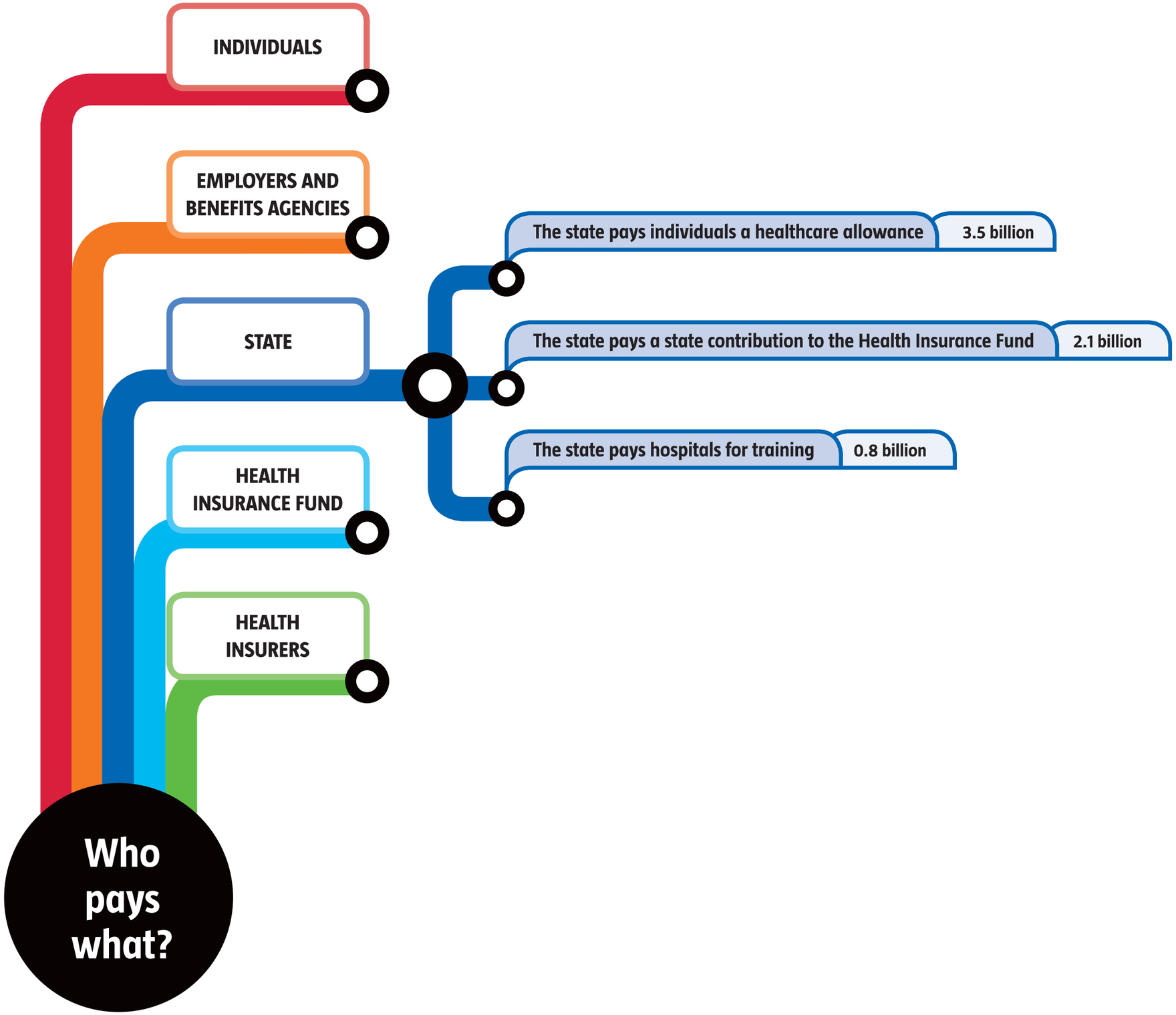


Who pays what?

INDIVIDUALS

EMPLOYERS AND BENEFITS AGENCIES

STATE

HEALTH INSURANCE FUND

HEALTH INSURERS

The state pays individuals a healthcare allowance — 3.5 billion

- The state pays individuals with low incomes a healthcare allowance as compensation for nominal premium payments.
- The Minister of VWS determines who is eligible for healthcare allowance and under what conditions.

The state pays a state contribution to the Health Insurance Fund — 2.1 billion

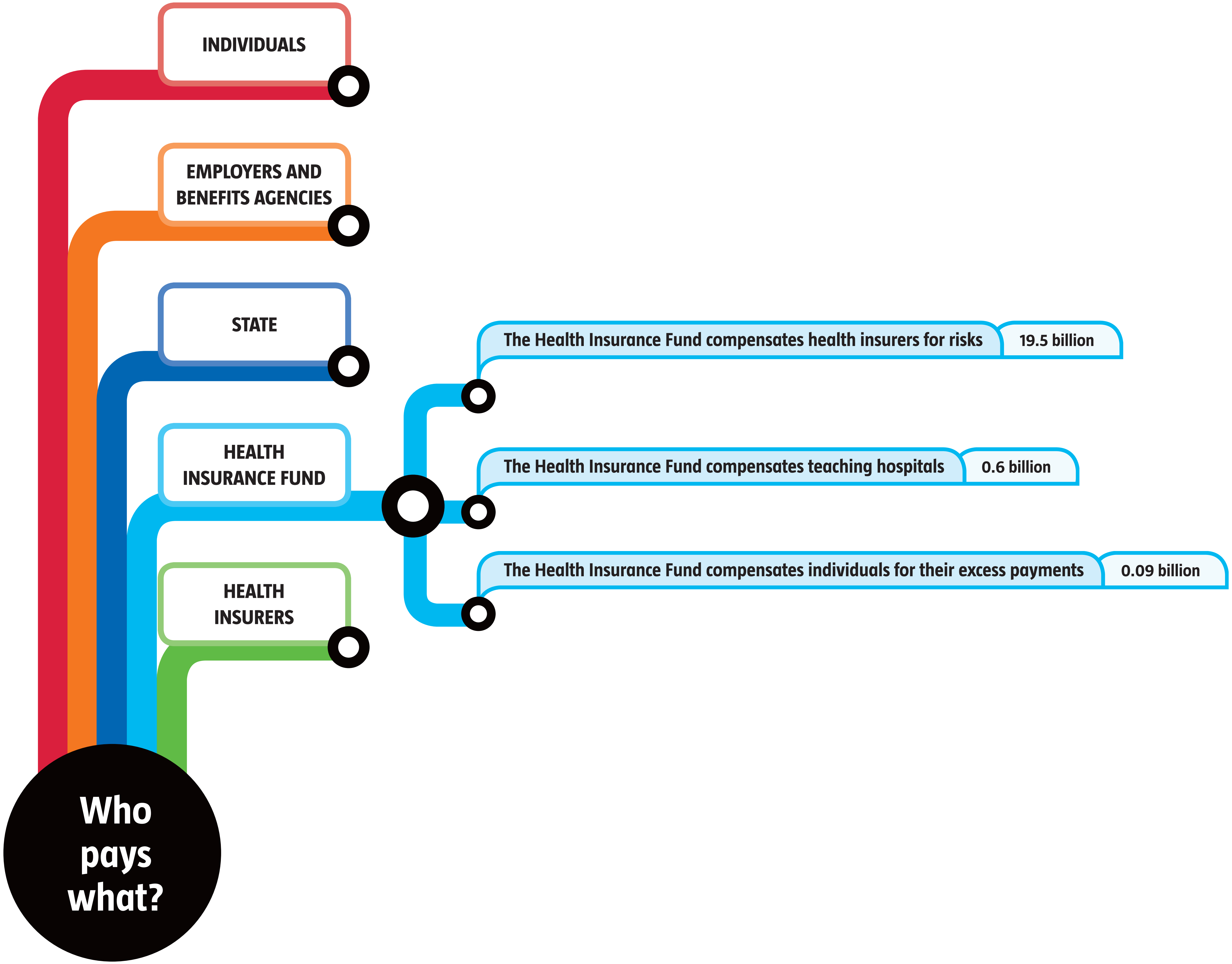
- The state contribution covers the cost of nominal premiums for children who are exempt from payment.
- The state contribution for each child is half the nominal premium that adults pay themselves.

The state pays hospitals for training — 0.8 billion

- The state finances training of medical specialists via the training fund.
- The Minister of VWS determines the level of the contribution paid into the training fund.
- The state subsidizes scientific research within hospitals, most commonly via ZonMW and NWO.

Who pays what?

Who pays what?



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Who pays what?

- INDIVIDUALS
- EMPLOYERS AND BENEFITS AGENCIES
- STATE
- HEALTH INSURANCE FUND
- HEALTH INSURERS

Who pays what?

HEALTH INSURANCE FUND

The Health Insurance Fund compensates health insurers for risks — 19.5 billion

- The Health Insurance Fund equalizes the risks that insurers are exposed to given that they may not refuse anyone for basic healthcare coverage.
- Risks are equalized in advance based on risk differences between insured individuals.
- Estimates are not always accurate, so these are partially settled based on post-calculation.

The Health Insurance Fund compensates teaching hospitals — 0.6 billion

- The Health Insurance Fund pays teaching hospitals an academic component.
- The academic component is compensation for innovation and the most complex healthcare services.

The Health Insurance Fund compensates individuals for their excess payments — 0.09 billion

- The Health Insurance Fund compensates the chronically sick and the handicapped for their excess payments.
- The Minister of VWS determines the level of this excess compensation.

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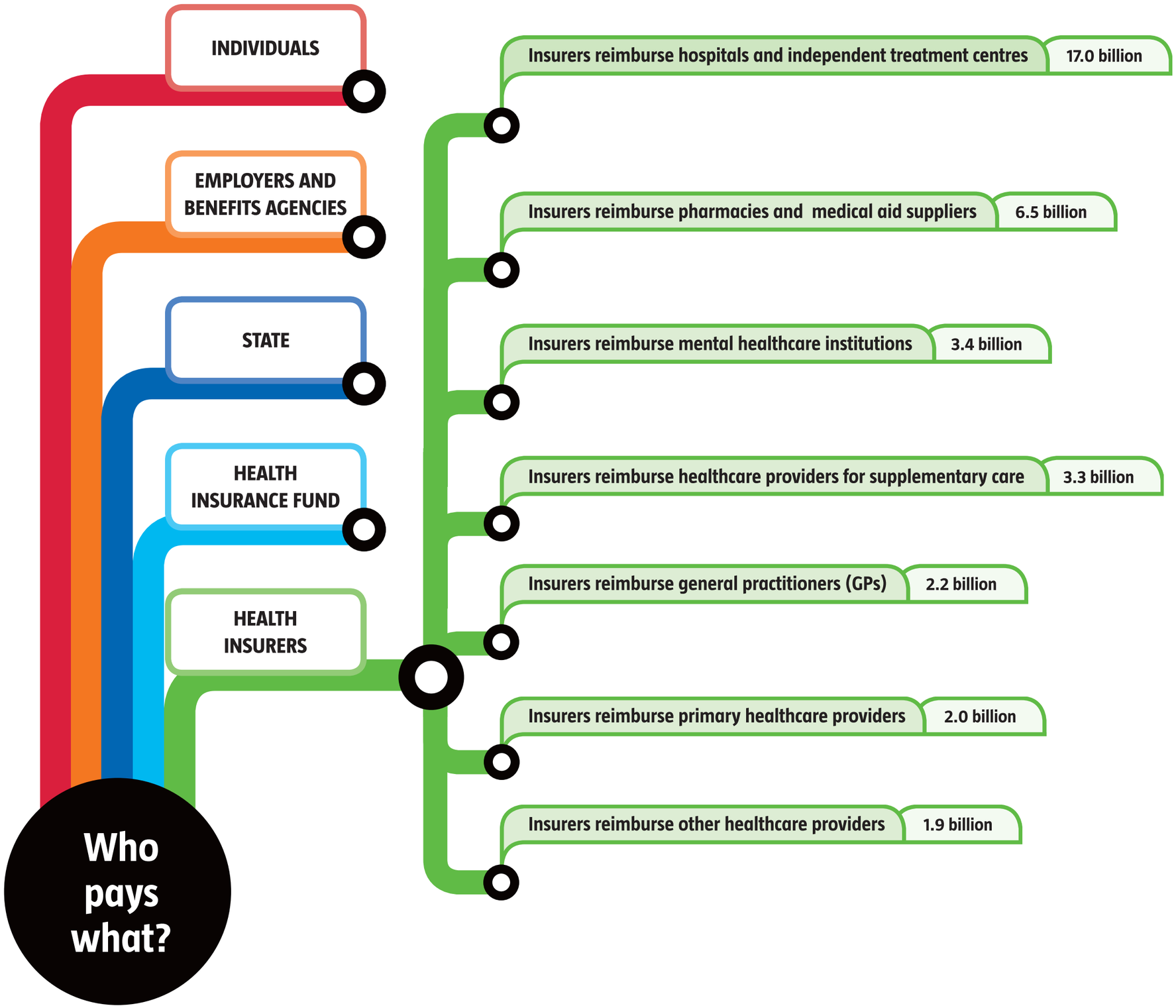
Who pays what?



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Who pays what?

- INDIVIDUALS
- EMPLOYERS AND BENEFITS AGENCIES
- STATE
- HEALTH INSURANCE FUND
- HEALTH INSURERS

Insurers reimburse hospitals and independent treatment centres — 17.0 billion

- Insurers reimburse hospital care expressed in terms of fixed a-DBC and free b-DBC rates.
- Insurers reimburse medical specialists' fees via the hospitals.
- Insurers and hospitals make agreements about the amount of care to be provided.
- The NZa sets hospital budgets for a-DBC care based on these agreements.

Insurers reimburse pharmacies and medical aid suppliers — 6.5 billion

- Insurers pay pharmacists a fee set by the NZa for prescribed medication.
- Insurers may limit the reimbursement to a preferred medication if there are several which contain the same active ingredient.
- Insurers partially or wholly reimburse medical aid costs insofar as these are covered by basic or supplementary insurance plans.

Insurers reimburse mental healthcare institutions — 3.4 billion

- Insurers reimburse care provided by mental healthcare institutions expressed in terms of fixed rates.
- Insurers and mental healthcare institutions make agreements about the price and amount of care to be provided.
- The NZa sets budgets for care based on these agreements.

Insurers reimburse healthcare providers for supplementary care — 3.3 billion

- Insurers reimburse healthcare providers for alternative therapies, physiotherapy and dental care if they are coverd by supplementary insurance.
- Insurers determine the content, terms and conditions and price for supplementary insurance plans.

Insurers reimburse general practitioners (GPs) — 2.2 billion

- Insurers pay GPs a fixed registration fee for each patient at their practice.
- Insurers reimburse GPs for each medical consultation or special procedure.
- The NZa sets (maximum) rates for certain treatments and procedures.

Insurers reimburse primary healthcare providers — 2.0 billion

- Insurers pay dieticians, physiotherapists and remedial therapists a negotiable fee.
- Insurers pay logopaedic, dental, obstetric and maternity care costs to a maximum limit set by the NZa.

Insurers reimburse other healthcare providers — 1.9 billion

- Insurers reimburse ambulance and patient transportation costs.
- Insurers pay overseas healthcare providers.
- Insurers reimburse independent mental healthcare providers, other curative healthcare and administration costs.

Who pays what?

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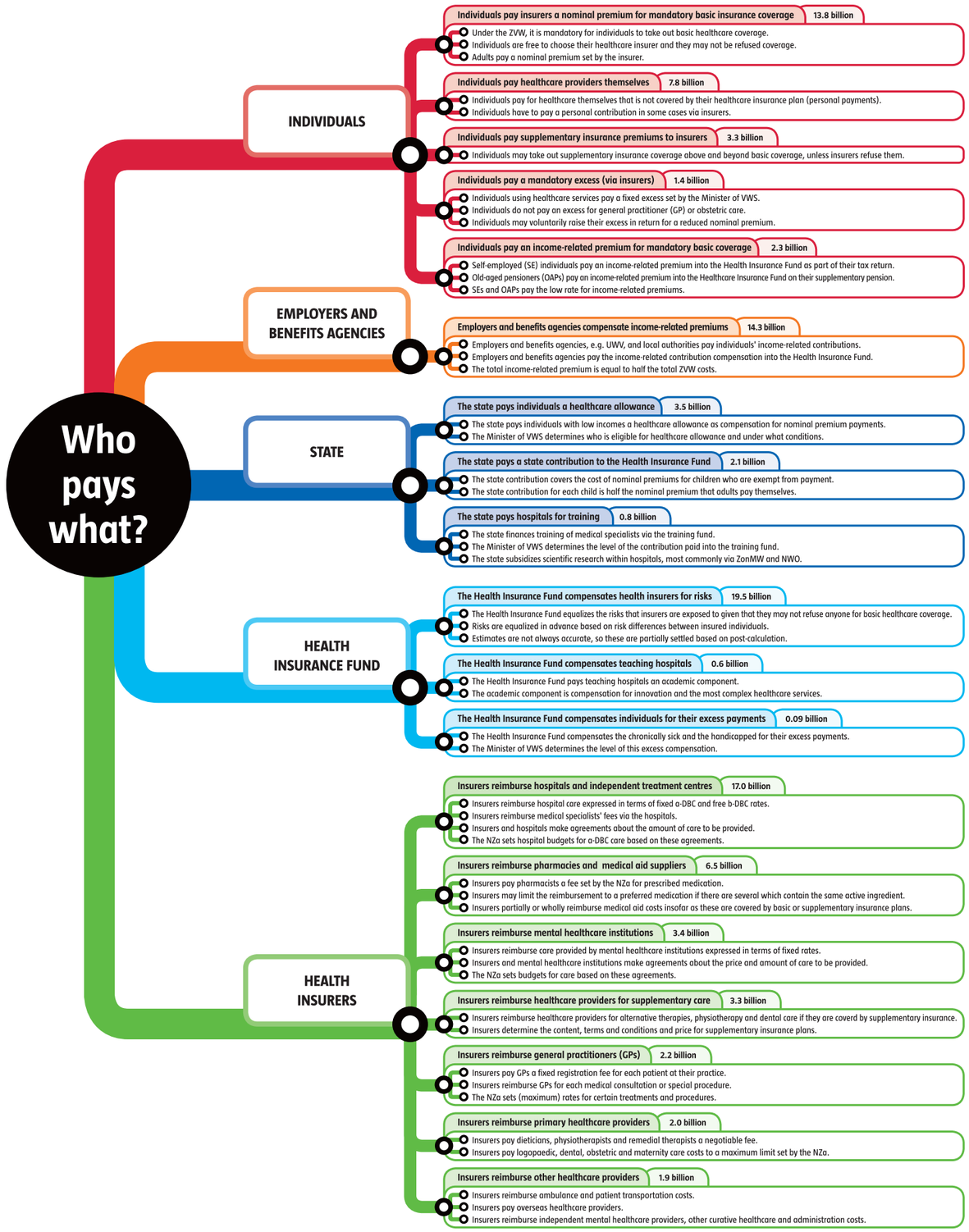

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How do funds flow within the Dutch Curative Health Sector?

SOURCES

PAYER	FLOW OF FUNDS	AMOUNT (€)	PAYEE	SOURCE
Individuals	Nominal basic insurance premium	13.8 billion	Health insurers	Min. VWS, 2011 Budget, p.191
	Personal payments	7.8 billion	Healthcare providers	CBS, Healthcare Bills, 2010
	Supplementary insurance premium	3.3 billion	Health insurers	CBS, Healthcare Bills, 2010
	Income-related SE & OAP premium	2.3 billion	Health Insurance Fund	Based on CPB estimates
	Excess	1.4 billion	Health insurers	Min. VWS, 2011 Budget, p.193
State	Care allowance	3.5 billion	Individuals	CBS, 2009 National Accounts, p.166
	State contribution	2.1 billion	Health insurance fund	Min. VWS, 2011 Budget, p.191
	Training fund	0.8 billion	Healthcare providers	Min. VWS, 2011 Budget, p.188
Employers & Benefits Agencies	Income-related premium compensation	14.3 billion	Health Insurance Fund	Based on CPB estimates
Health Insurance Fund	Risk equalization	19.5 billion	Health insurers	Min. VWS, 2011 Budget, p.193
	Academic component	0.6 billion	Healthcare providers	Min. VWS, 2011 Budget, p.49
	Excess compensation	0.09 billion	Individuals	CAK, 2009 Annual Report, p.34
Health Insurers	Basic coverage compensation	33.0 billion	Healthcare providers	Min. VWS, 2011 Budget, p.191
	Supplementary coverage compensation	3.3 billion	Healthcare providers	CBS, Healthcare Bills, 2010

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How do funds flow within the Dutch Curative Health Sector?

EXPLANATORY NOTE

This Information Chart shows how funds flow within the curative healthcare sector and who pays what. Curative healthcare is medical care provided by hospitals, paramedics, general practitioners and dentists, and is financed via the Health Insurance Fund, supplementary healthcare plans and individuals' personal payments. Abbreviations used in this chart with their English translations: DBC: diagnosis treatment combination (casemix) | NZa: The Dutch Healthcare Authority | ZonMW: The Netherlands Organisation for Health Research and Development | ZVW: Dutch Healthcare Insurance Act | NWO: The Netherlands Organisation for Scientific Research | VWS: Health, Welfare and Sport. This Information Chart was compiled based on literature research, think-tank sessions and interviews held with experts at organizations including the Ministry of VWS, iBMG (Institute of Health Policy & Management), VvAA, CPB (Netherlands Bureau for Economic Policy Analysis), the VvV (Dutch Association of Insurers), OAP: Old Age Pensioner and SE: Self-employed. Thank you to all parties involved.

start ▶ flow of funds map ▶ who pays what map ▶ sources ▶ explanatory note ▶ total map ▶

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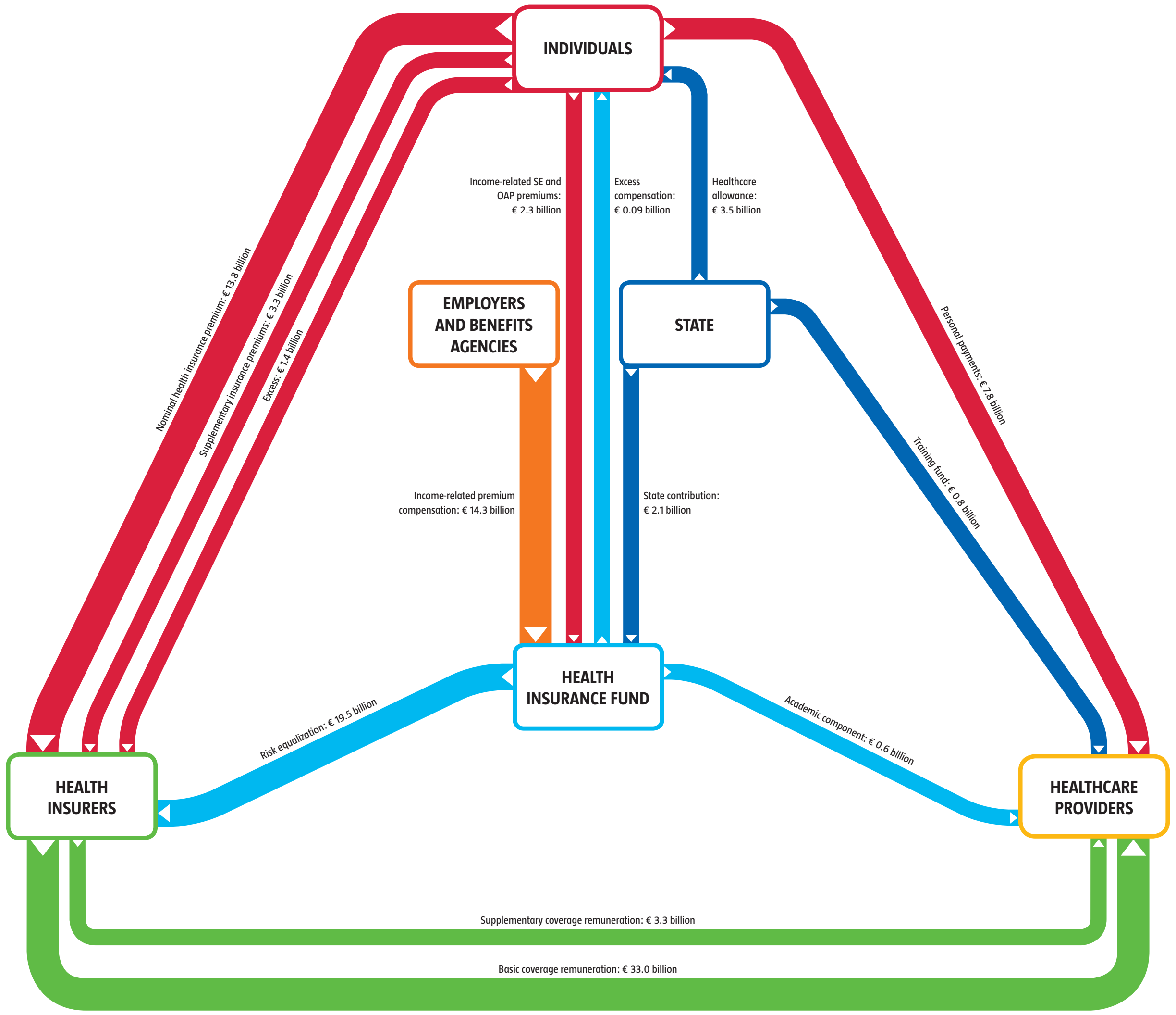
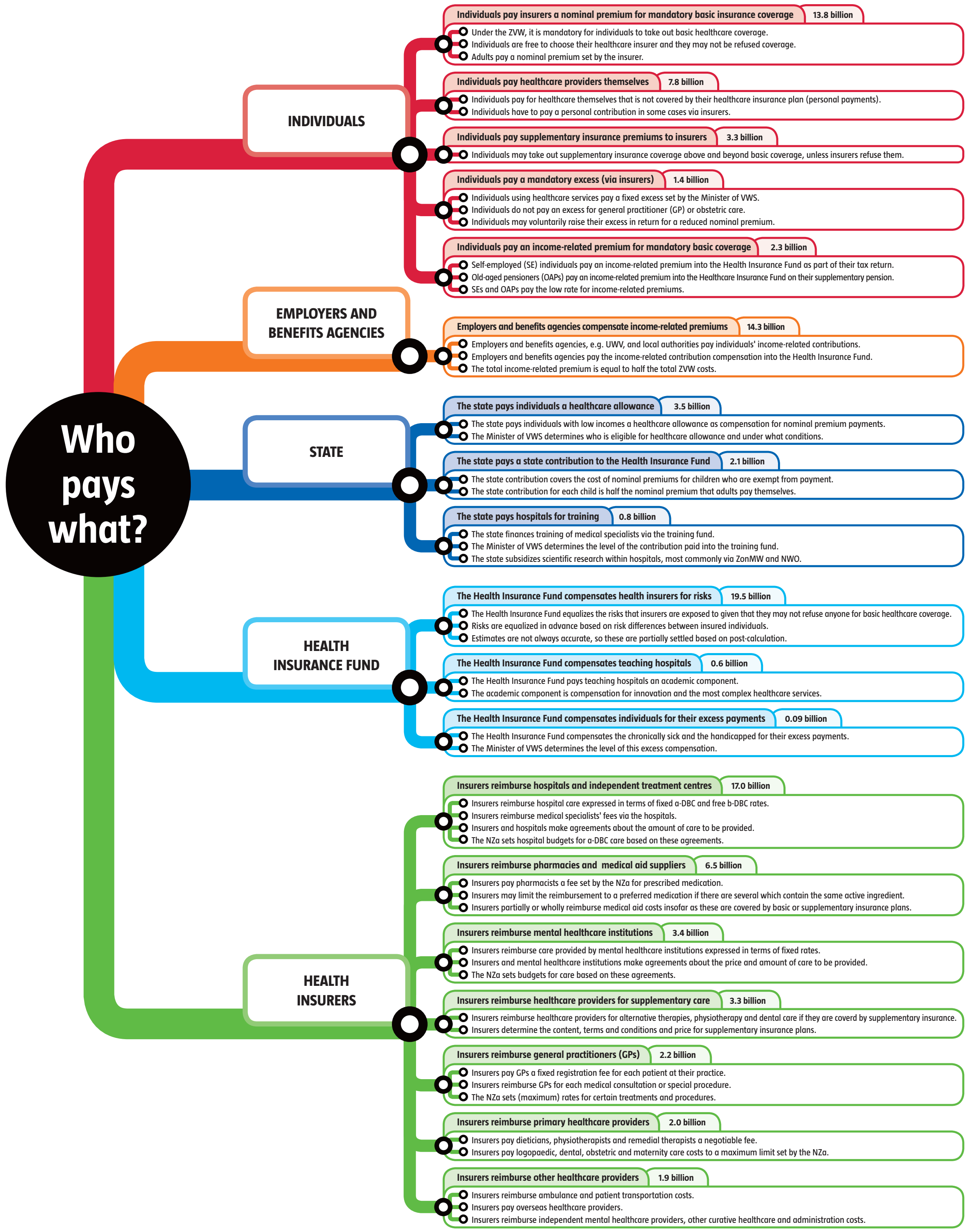

INDIVIDUALS
EMPLOYERS AND BENEFITS AGENCIES
STATE
HEALTH INSURANCE FUND
HEALTH INSURERS
HEALTHCARE PROVIDERS
Nominal health insurance premium: € 13.8 billion
Supplementary insurance premiums: € 3.3 billion
Excess: € 1.4 billion
Income-related SE and OAP premiums: € 2.3 billion
Excess compensation: € 0.09 billion
Healthcare allowance: € 3.5 billion
Personal payments: € 7.8 billion
Income-related premium compensation: € 14.3 billion
State contribution: € 2.1 billion
Training fund: € 0.8 billion
Risk equalization: € 19.5 billion
Academic component: € 0.6 billion
Supplementary coverage remuneration: € 3.3 billion
Basic coverage remuneration: € 33.0 billion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The state pays a state contribution to the Health Insurance Fund 2.1 billion
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The state pays hospitals for training 0.8 billion
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