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The Healthcare System in France

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Like other European Welfare States, France has a system of universal health care. This is largely financed by the government through a system of national health insurance. However, there are some major differences in the structure of the French healthcare system and in its financing, versus its EU peers. Most crucially, France spends over 11 percent of GDP on health care, much higher than the EU average.

Primary Healthcare

Primary healthcare is provided in France by GPs (médecins généraliste). GPs refer patients to specialists and/or hospitals, acting as 'gatekeepers' according to a new coordinated consultation procedure ('parcours de soins coordonné'). They are also responsible for following diseases on a routine basis, that is, between acute phases which require specialist intervention.

GPs are legally obliged – based on a roster system – to contribute to night and weekend duty. In emergency care, GPs can be called by the SAMU, the emergency ambulatory medical service, to visit a patient's home. Such visits are also required when a patient cannot travel for consultation (for example, with the elderly or children).

GPs have freedom to choose where they wish to practice. France is, indeed, witness to considerable geographical disparities in GP distribution – with a high concentration in and around Paris and in the southern regions, once again in the larger cities. Such variations have long been a politically contentious issue, given that people in the northern regions have generally poorer health and higher mortality rates.

Nevertheless, over 80 percent of the French population live in a municipality served by one or more GPs. For those who do not, the median distance to a GP practice is 7 kilometres. The latter figure is however considered to be significantly higher in rural areas.

According to the World Health Organisation's latest figures (2006), French patients contact their GP 6.5 times per year on average – slightly behind Belgium (6.6) and Germany (7.0), but well ahead of the 4-4.5 times per year in Scandinavia, 5.4 in the UK and 5.7 in the Netherlands.

Hospitals in France

About 60 percent of French hospital capacity exists in publicly-owned hospitals. The remaining capacity is split evenly (about a fifth each) between private, for-profit hospitals and non-profit organisations (which are semi-public, and owned by religious organisations, trusts or insurance associations).

The French hospital system has been significantly impacted by recent healthcare reforms (see next article). One key issue is a growing level of concentration in capacity: 6 percent of French hospitals account for about 58 percent of total spending.

French hospitals provide secondary care, almost always after referral from GPs – as well as 24-hour emergency wards, to which access is obtained by both referrals and via public services such as the police and the SAMU ambulance service.

Care is provided at both in-patient and outpatient departments (which also provide pre-hospitalisation diagnosis as well as post-hospitalisation follow-up).

Bed Numbers

In 2008, licensed hospital bed availability in France was 6.9 per 1,000 inhabitants. Of this, just over half (3.5 beds) were in acute care – a ratio which has remained steady since the year 2000 (when the figure was 4.1 acute care beds out of a total of 8.0).

Psychiatric care accounted for a small share (0.9 beds per 1,000 inhabitants in 2008), which is relatively higher than Germany or the UK (0.5 and 0.6 beds), although the latter figure conceals the far higher ratio of psychiatric beds in the UK (where total hospital bed capacity is a mere 3.4 per 1,000 inhabitants).

Trends in Hospital Stay

The length of acute care hospital stay in France has traditionally been lower than its EU peers. Like other countries, it has also declined over recent years.

However, the pace of such a fall has been less dramatic than other major EU countries. In 2000, for example, the average length of acute care hospital stay in France was 5.6 days (5.2 days in 2008), as against 9.2 days in Germany (7.8 days in 2008) and 8.2 days in the UK (7.1 days in 2008).

Healthcare Financing

Financial responsibility for health care in France is borne by a statutory health insurance system, within the purview of the wider State system of social security and welfare. Since 2000, this statutory system covers the entire French population.

In turn, all French residents are obliged to pay health insurance. The Social Security Funding Act sets the level of contribution based on earned income, as well as capital gains and benefits (pensions and allowances).

The insurers consist of statutory funds. There are three main funds, which together cover 95% of the population.

Affiliation to a fund is based on professional status: workers in industry and commerce, workers in the agricultural sector, a national insurance fund for the self-employed (non-agricultural), a fund for civil servants and one for students.

Unlike some of their European counterparts (above all Germany), health funds in France have little strategic competency. Instead, the State is responsible for the financial and operational management of health insurance – in terms of establishing premium contributions and determining the levels of reimbursement.

In terms of financing, the statutory system only funds about three-fourths of health spending (78 percent in 2008). The balance is funded by private/complementary insurance, as well as out-of-pocket payments.

Supplemental insurance coverage is available from private insurers. However, the bulk of the latter are not-for-profit bodies, known as mutualities. Unlike some other EU countries, participation in supplemental insurance schemes in France is also widespread (about 85% of the population avail of it); as a result premiums are relatively modest.

Since 2000, the State also provides healthcare to those outside the statutory system (those who have never worked). This regime is financed via general taxation. It also provides a higher rate of reimbursement than the profession-based system, for those who cannot afford to make up the difference with supplemental insurance (or out-of-pocket payments).

From the 'user' side, patients are generally refunded 70 percent of most health care costs. However, the level of reimbursement is 100 percent in case of chronic diseases or expensive treatments.

Hospital Financing

The French hospital sector accounts for almost half total healthcare spending. Of this, just under half is directed at existing infrastructure, with 30 percent going to upgrades and renewal, and 20 percent to new projects. Overall, French hospitals have long been associated with a lack of transparency, along with little incentives for efficiency at individual facilities. Equally important is a sharp deterioration in the quality of buildings and other infrastructure. This is partly due to dwindling outlays on maintenance – ironically, a direct result of reforms in 1996. In the mid-2000s, for example, no fewer than six of 10 university hospitals were reported to have inadequate safety standards in as much as 25-75 percent of their surface area.

The Hospital 2007 reform plan (see next article) sought to target some of the more serious shortcomings in the hospital financing system. Public hospitals were provided incentives to create hubs of medical excellence – under the responsibility of individual doctors who contract with the

hospital management - in order to organise and regroup activities more efficiently.

This stipulated a stepped up introduction of activity-based (DRG-like) payments for both public and private hospitals, to replace the previous system by which public and private non-profit hospitals availed of global budgets dependent on historical costs (private for-profit hospitals had an itemised billing system).

Physician Payment

Most physicians have private practices but are paid from the publicly funded insurance funds. Consultations have a pre-set fee, determined annually by the government (and currently 22 Euros for GPs and 25 Euros for specialists). 70° percent of this is reimbursed to the patient.

Though the government fixes this fee and reimbursement rate, physicians are free to charge whatever fee they wish for a consultation or an examination. Specialists, in particular, with high levels of referral and reputation, often charge more than the pre-set fee.

Private Spending

As mentioned, reimbursements under the compulsory system are (with some exceptions) capped at 70 percent for physician consultations and 35-100 percent for prescription drugs.

The balance is met by supplemental insurance and out-of-pocket payments.

After declining in the early 2000s, outof- pocket payments have shown a rising trend in France. Their share was 7.1 percent of total healthcare spending in 2000, and 6.7 percent in 2004. Since then, the level has steadily risen, from 6.8 percent (2005), 7.0 percent (2006) and 7.1 percent (2007) to 7.4 percent in 2008.

Nevertheless, it is crucial to underline that the share of out-of-pocket payments in France is far lower than much of Europe. In 2008, the corresponding figure for Germany was 13 percent, for the UK 11.1 percent and for Italy 19.5 percent. The share of out-of-pocket payments is also far higher than France's in model Nordic Welfare State countries – about 15 percent in Denmark, Norway and Sweden, and almost 20 percent in Finland.

In constant PPP dollar terms, the out-ofpocket spend in France has also risen dramatically over the past decade – from 181 dollars in 2000, to 210 dollars in 2004, and 270 dollars in 2008.

Healthcare Staffing

Physician density in France has been stable in recent years, at about 3.3 per 1,000 inhabitants in the period 2000-2009. This is more or less in line with the EU average.

Nurse numbers have however risen sharply, in line with other major EU countries such as Germany and Italy (but unlike the Netherlands). One reason for this is the decrease in average hospital stay and a considerable increase in emphasis on ambulatory interventions. Nurse density has risen - from 6.7 per 1,000 inhabitants in 2000, to 7.6 in 2005 and an estimated 8 in 2008. This corresponds to a satisfactory ratio of 2.5 per physician. However, France has still some way to go. Nurse density per 1,000 inhabitants in 2008 in Germany was 11.6.

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