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Conference Abstract

French Healthcare under Financial Pressures: the Need for Shifting towards Integrated Care

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Abstract

In 2012 a survey was ordered by the national federation of public hospitals interviewing a representative panel of medical doctors, whatever their status (consultants in general practice of specialized medicine, or working in public or private hospitals). It ended up with most striking results: 24% to 32% of the procedures done were estimated as not justified by the interviewees themselves. This relevance issue is particularly acutized in a system that is collectively funded (i.e. via the mandatory contribution to the Social Security Fund) and in an era of public expenditures close monitoring aiming at cutting them down. Such a paradoxical situation tends to severely hamper the sustainability of the French model of healthcare system and its associated funding mode. The objective of the paper is to address this key issue. On the theoretical front we borrow from Elinor Ostrom's work on commons, which we use to both study the situation showing that it is not paradoxical after in-depth analysis and propose an alternative path to get out of this dead end by integrating care.

The French health care system has experienced increasing financial pressures for twenty years. This situation has led to introduce a DRG based prospective payment system labelled 'Tarification A l'Activité' (T2A) in hospitals from 2004 that has come to produce full effect since 2008. This reform has introduced a tough competitive mechanism within health providers leading to maximize health care production revenues: the more you produce the more revenues you get. Indeed the hospital sector has been incentivized in a similar way as the consultant one, including general practitioners and specialised medical doctors paid on the basis of the procedures they do. No doubt that the T2A reform has in first instance enabled to revisit unit organizations and to reallocate resources from over-equipped units to others, to put in common some competences to gain in flexibility and reactivity to the varying fluxes of patients. Nevertheless there is a large range of weak signals that points out the T2A impacts on clinical practices in ways that rely on ethics, organizing and financing inducing consequences in terms of patient safety, quality of care and non relevant care.

We resort both to empirical data and to a series of recent official reports ordered by the government on the French healthcare system to characterise the ways by which these emerging trends happens. We use Ostrom's theoretical lenses to find some key explanatory factors that highlight the misalignment of interests of healthcare providers with the collectively funded system

sustainability. We here give evidence of the limitations of the split between a care purchaser and competing providers that is specific to the quasi-markets inspired by New Public Management theses to reform healthcare. This leads us to propose to shift paradigms towards collective fundings considered as fiscal commons the use of which must be regulated to match general interest. We finally show why and how integrated care can provide a satisfying solution reconciling relevance of care, efficiency and patient safety.

Keywords

commons, DRGs, new public management, PPS, fiscal commons