

Convention on Health Analysis and Management

CHAM 2014

To redesign Health Capitalism

Julian Le Grand, Jean de Kervasdoué

Moderator: Philippe Leduc

1. Health inequality

Health inequality is both external (social background, place to residence) and intrinsic (nutrition, tobacco consumption, etc.) and both can be linked. Public policy to reduce this inequality is ineffective, with no link between the measures imposed and the objectives they are supposed to achieve. In France, there is disparity in life expectancy of 7 years between the most disadvantaged social classes and the most fortunate ones. This fact must be weighted according to place of residence, given that working classes in the south of France have a higher life expectancy than middle and upper classes in the northern region.

In the United Kingdom, the disparity in life expectancy between the poorest and the most affluent is 10 years. There, the most affluent classes receive greater care and are able to convince specialists to prescribe better treatment. This fact came as a shock to British society, where the public health system is supposed to care for all citizens equally. Lastly, the increase in taxation on tobacco, with the greatest impact on the least affluent classes, means that more of these are quitting smoking than the richer classes, which is helping reduce health inequality.

2. Supplementary insurance, a vector of inflation

Supplementary insurance generates inflation. The most expensive systems are those where the policyholders pay most out of their own pockets. Insurers are not looking to reduce physicians' tariffs, but to create margins. Patients are looking for trust and opt for expensive physicians and luxury hospitals. This system creates inflation in the field of health. From this perspective, a universal health system would be able to limit this inflation.

3. Health capitalism, pros and cons

It is in the market economy that health has progressed most and has enabled populations to live better for longer.

Even taking into account public service constraints, private hospitals are 30% more efficient than their public counterparts. At the same time, developments in medicine are very closely linked to the pharmaceutical industry, even though the latter is much more interested in markets than in diseases.

On the whole, the market economy is the least poor system for ensuring the production of health goods and services, even though there is scope for debate on regulatory system.

4. Private players must be health providers and not funders

We need to be open to private suppliers providing care but not funding it. However, there is strong hostility towards private players, even though private hospitals are much more efficient than public hospitals. Yet if an entity is more efficient, it must be accepted, since its role consists in providing services while maximising the benefits in terms of care.

5. Patients remain hostile towards private providers

The profits of private suppliers are financial and their redistribution to shareholders makes society uncomfortable. The latter is essentially hostile to big groups. For populations, the dividends paid to shareholders are a loss to the health system. However, in practice, these dividends are limited to 4% or 5% of the private group's turnover. The latter are suffering from a lack of trust.

Patients think that these groups only provide care to maximise their profits. From this perspective, one of the foundations of capitalism, i.e. the shareholder, is an awkward factor. Conversely, society can be reticent towards a system that is too closely controlled by the State, too centralised.

6. The French case, a public system, supplemented by private organisations

On the whole, the public system in France benefits from the contribution of private clinics, which make it possible to limit, even eliminate waiting times. Moreover, it seems necessary to carry out an objective evaluation of public policy, so that change can occur. Lastly, hospitals must be truly autonomous and be able to compete, with a view to increasing efficiency and further promoting equal access to care.