



This Is How Dutch Healthcare Works

**Atlas of
the healthcare
system in the
Netherlands**

Maaïke de Vries and Jenny Kossen

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preview



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Who's who and who does what in Dutch healthcare?

- 3.1 Who are the key players?
- 3.2 Who are the other players?

About the division of duties in healthcare

In this chapter we look at the various parties which play a role in Dutch healthcare and what it is they do. Who are the key players in the Dutch healthcare sector, who are the other players and what do the various acronyms mean?

It is a Monday morning and a young doctor is scanning the newspaper headlines. “Health Care Inspectorate has permission to view files without patients’ consent”; “ACM places bomb under concentration of emergency care”; “Dutch Healthcare Authority ‘rewards’ effective GPs”. He sighs, thinking: “All those names and acronyms ... I have no idea what all those organisations are and what they do.”

3.1 Who are the key players?

There are a large number of players in Dutch healthcare. In order to gain a better understanding of who’s who and who does what, we distinguish between private individuals, healthcare providers and healthcare purchasers – all three of which play a key role in Dutch healthcare – on the one hand, and the other significant players on the other. We will discuss each of these players in succession.

Private individuals

The Netherlands has a population of 16.8 million. As “policyholders” – i.e. having a contract with a health insurer – these private individuals are one of the three key players in Dutch healthcare (see Figure 3.1). As we will see in Chapter 5, all Dutch people are required by law to insure

All Dutch people are policyholders; many are care recipients, healthcare consumers, patients or clients.

themselves for medical expenses. Insurers and policymakers refer to private individuals who consume healthcare as “care recipients” or “healthcare consumers”, while healthcare providers refer to them as “patients” or “clients”.

The majority of Dutch people require healthcare services at some point in the year: according to Statistics Netherlands, seven out of ten Dutch people see their general practitioner at least once a year.

Healthcare providers

In addition to private individuals, healthcare providers also play a key role in Dutch healthcare. “Healthcare providers” are defined in this Atlas as all organisations, institutions and individual healthcare providers who offer healthcare, assistance and support. In other words, the term “healthcare provider” refers to more than merely an institution that provides healthcare services: healthcare providers also includes individuals employed in the healthcare sector – a substantial number.

Who are the healthcare purchasers for each act?

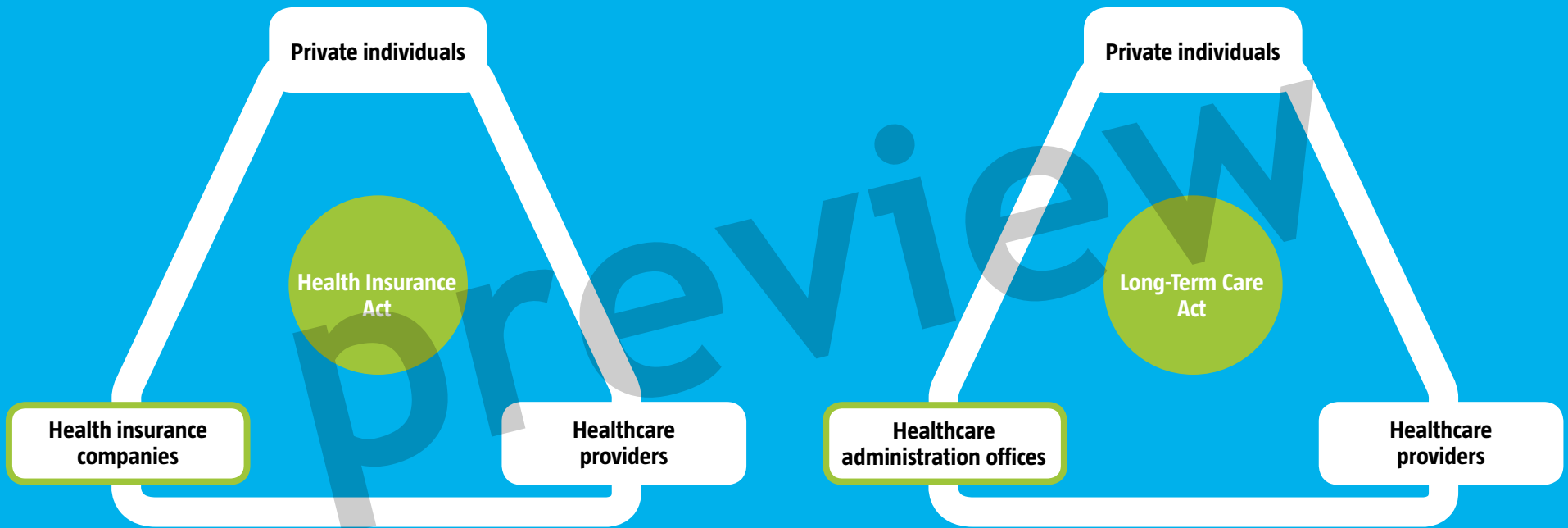
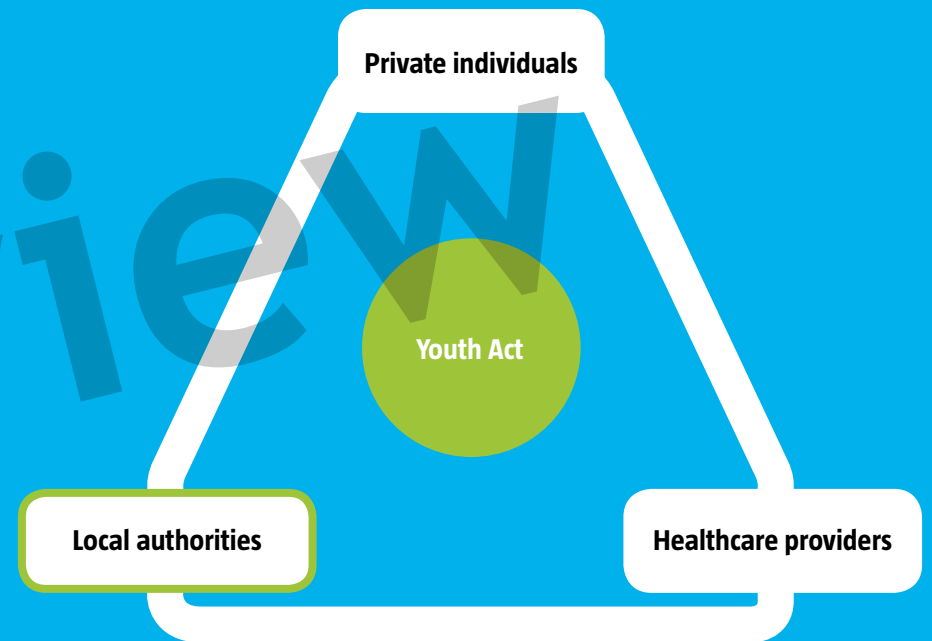
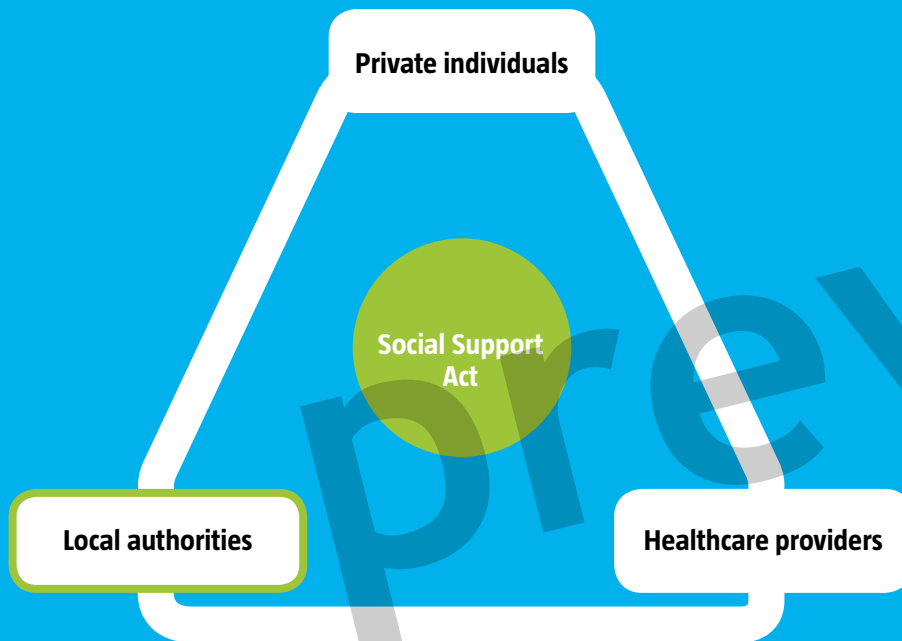


Figure 3.4



Healthcare insurers, healthcare administration offices and local authorities are responsible for implementing the core healthcare acts.

responsible for purchasing care from healthcare providers, at least where healthcare falling under the remit of the Health Insurance Act is concerned. In chapters 4, 5 and 6, we explain exactly how the Health Insurance Act and the other core healthcare acts work. Figure 3.4 shows who plays the third key role in the four core healthcare acts, i.e. that of healthcare purchaser. Health insurance companies purchase care provided under the Health Insurance Act, healthcare administration offices under the Long-Term Care Act, and

local authorities under the Social Support Act and the Youth Act. In the Netherlands, a total of nine insurance groups, 32 healthcare administration offices and 403 local authorities purchase healthcare. VGZ, Achmea, CZ and Menzis are the largest health insurance companies in the Netherlands. The largest health insurance company in the region usually serves as a healthcare administration office. Achmea, for example, is the concession holder in the county Drenthe, while Menzis has the same role in the county Groningen.

**How are
financial flows
organised in the
healthcare
sector?**

6.1 How is healthcare funded?

6.2 How is hospital care procured?

About the financial flows

In this chapter, we will first look at how the Dutch healthcare system is funded under the Health Insurance Act, the Long-Term Care Act, the Social Support Act and the Youth Act. How is healthcare in the Netherlands paid for? Who pays what to whom? How are financial flows organised? We will also look at the procurement of hospital care. How does that work?

Several studies show that many policyholders and professionals in the healthcare sector are unaware of the cost of healthcare. “One hundred euros a month” is what many people answer when asked about their healthcare expenditure. But in saying this, they only think of the nominal premium they pay their health insurance company for the basic insurance package and forget about their

income-related payments under the Health Insurance Act, the income-related Long-Term Care premium, any supplemental insurance policies and other co-payments. These payments cover items such as cough syrup, painkillers or paramedical care for which they have not purchased supplemental insurance.

In this chapter, we will first show how healthcare is funded under the four core healthcare acts. The funds received by healthcare providers for their services go through a large number of channels. We will look at the funding channels for care provided under the Health Insurance Act, the Long-Term Care Act, the Social Support Act and the Youth Act.

6.1 How is healthcare funded?

The three key players in the healthcare sector – private individuals, healthcare purchasers and healthcare providers –

People pay a nominal premium to the healthcare insurer of their choosing for their basic health insurance.

also provide a key role in funding healthcare, along with the players that make up the Central Government Parties: central government, the National Health Care Institute (Zorginstituut Nederland), the Dutch Healthcare Authority (Nederlandse Zorgautoriteit – NZa), the Central Administration Office (Centraal Administratie Kantoor – CAK) and the Social Insurance Bank (Sociale Verzekeringsbank – SVB). Although there are similarities to how care, assistance and support are funded under the Health Insurance Act, the Long-Term Care Act, the Social Support Act and the Youth Act, they are not the same.

Funding of healthcare under the Health Insurance Act

In Chapter 2, we saw that the Dutch collectively spent 41 billion euros on care services covered under the Health Insurance Act in 2013. Supplemental insurance purchased by people voluntarily, co-payments and other contributions are not part of the Health Insurance Act. Expenditure under the Health Insurance Act, co-payments, direct payments for healthcare, and premiums for supplemental insurance collectively make up the total expenditure for curative care.

When Dutch people purchase their compulsory basic health insurance, they can choose between two types:

a contracted care policy and a non-contracted care policy. Policyholders with a contracted care policy receive in-kind care purchased by the health insurance company. This means that they will normally only be fully reimbursed if they purchase services from a healthcare provider contracted by the health insurance company. In this situation, the health insurance company pays the healthcare providers directly. This restriction does not apply to policyholders with non-contracted care policies: they are free to choose their own healthcare provider. In this situation, the health insurance company pays healthcare providers directly or reimburses policyholders for all or part of the expenses they have incurred. In other words, a non-contracted care policy offers greater freedom of choice (see Figures 6.1 and 6.2).

People pay a fixed fee to the health insurance company of their choice for the basic health insurance; this is referred to as a “nominal premium”. In 2015, the nominal premium averaged around 1,200 euros annually. People can purchase supplemental health insurance in addition to the basic insurance package, either from the same or a different insurance company (e.g. to cover the fees charged by physiotherapists or dentists). Policyholders pay an

additional premium to the health insurance company for this supplemental health insurance.

People with low incomes can request what is known as a “care allowance” from the government, which they can use to cover part of the nominal premium. In 2014, the care allowance for a single person was approximately 72 euros a month.

In addition to the nominal premium, all Dutch people are required to pay an income-related premium to the tax authorities (Tax and Customs Administration). Those who earn a higher income pay more. For employed people it is the employer that pays this premium. This is known as employer healthcare insurance tax. Self-employed professionals pay the income-related premium to the tax authorities themselves. Benefits agencies such as UWV and local authorities pay the nominal premium on behalf of benefits recipients. Policyholders must always pay the nominal and income-related premiums, regardless of whether they make use of healthcare. However, in total policyholders who do not make use of healthcare pay less than their counterparts who do, as they do not have to pay the policy excess.

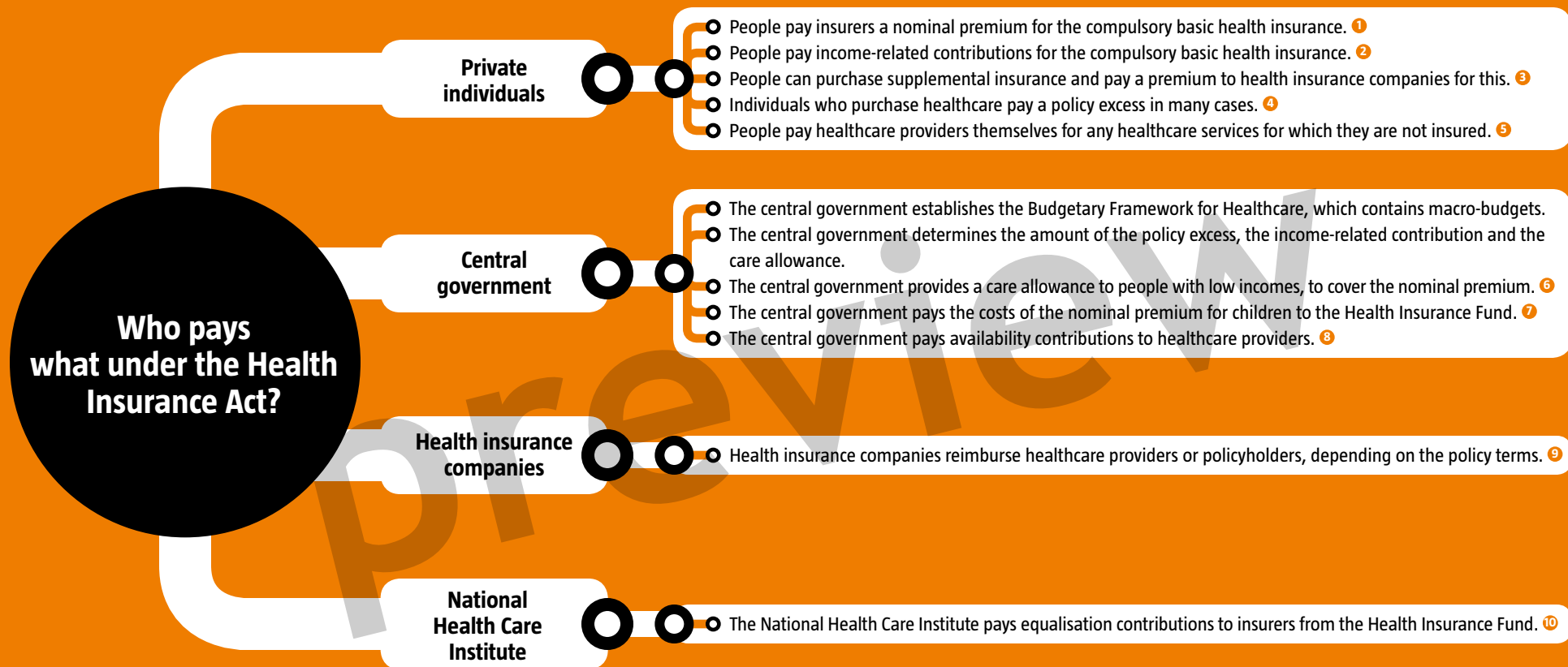
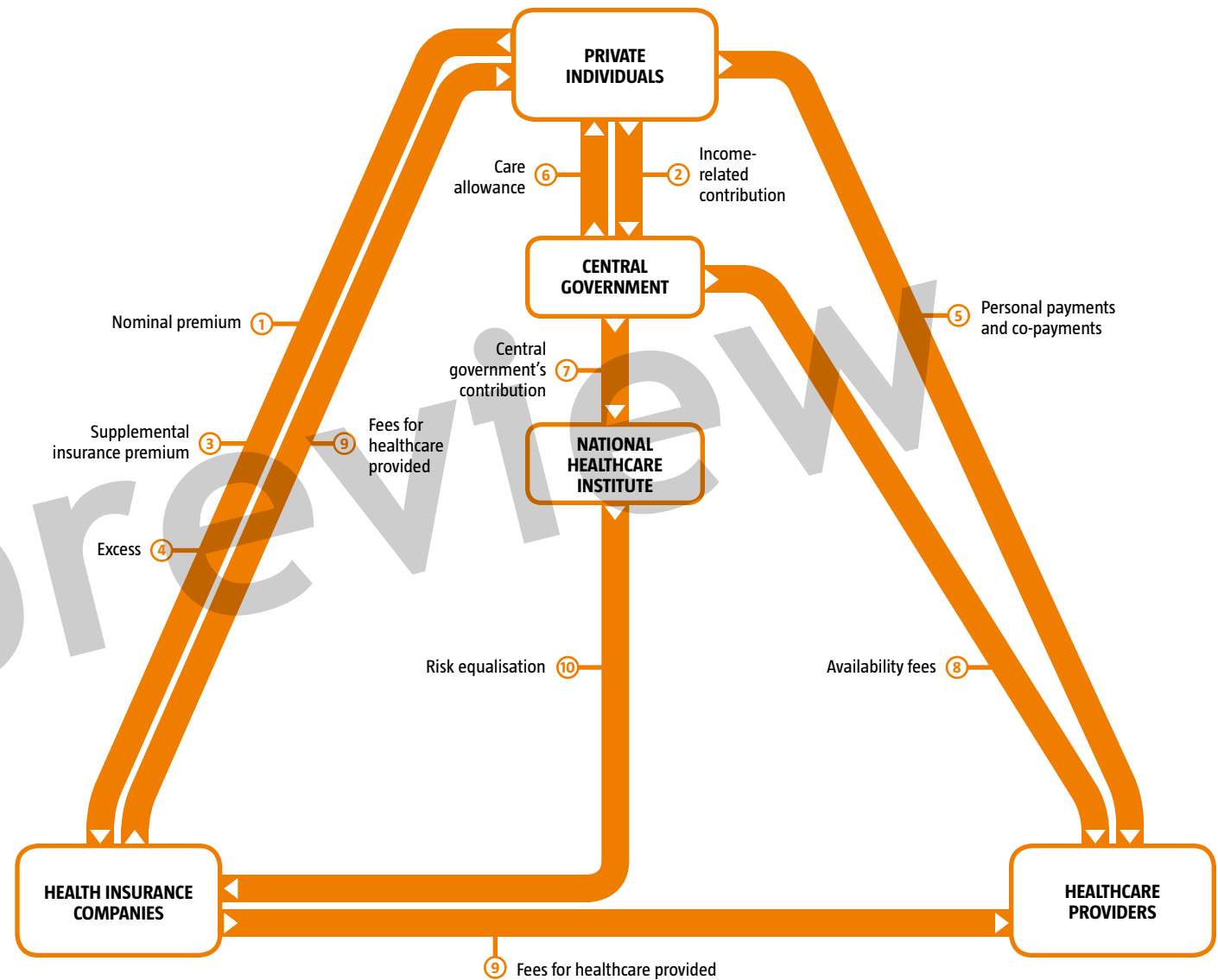


Figure 6.1 - 6.2

How are financial flows organised under the Health Insurance Act?

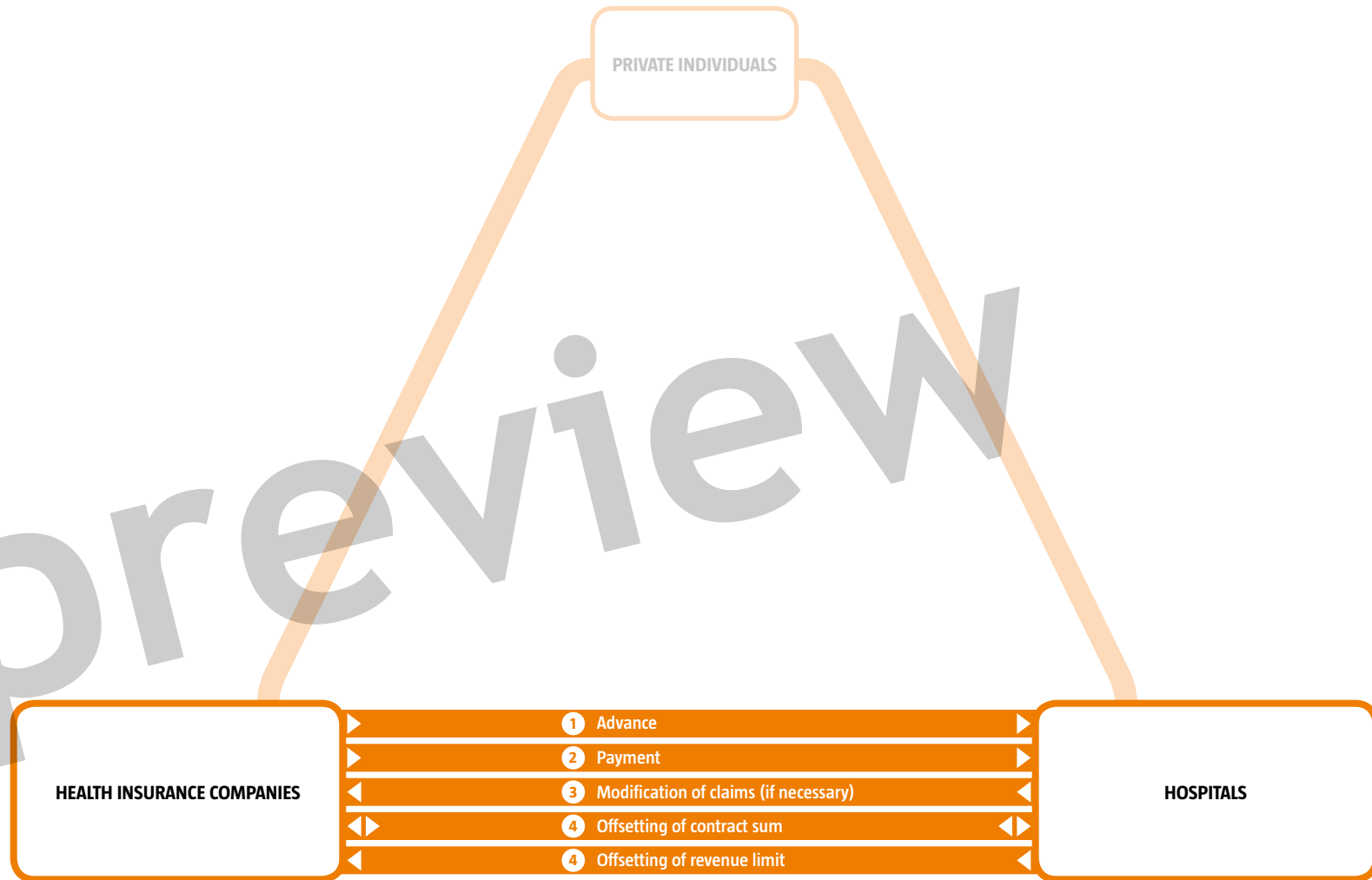


Who pays what in the procurement of hospital care?

- Health insurance companies sometimes pay an advance to a hospital based on ongoing services. ①
- The health insurance company reimburses the hospital for the care provided based on the insurance claims that are submitted. ②
- The health insurance company checks the claims that are submitted, with the hospital making changes where necessary. ③
- If a contract sum is used, health insurance companies and hospitals add or deduct the excess amount/shortfall. ④
- If a revenue limit applies, the hospital adds or deducts the claims that have been submitted above the revenue limit. ④

Figure 6.12 - 6.13

How are financial flows organised in the procurement of hospital care?



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The authoritative guide to the healthcare system in the Netherlands

Organisation,
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funding and
more

How does Dutch healthcare work?

This Atlas shows how the healthcare system in the Netherlands operates, using visualisations in combination with brief sections of text. In a clear and compelling way the book explains the workings of the Dutch healthcare system, the laws most relevant to healthcare, and how healthcare in the Netherlands is funded.

This book helps people who are interested in the Dutch healthcare system to better understand how it works. It describes the world of healthcare beyond the doctor's consultation room and addresses questions policymakers, doctors, nurses, paramedics, administrators, insurers and others need answers to, but were afraid to ask.

'This illustrative book provides a good insight for those who are interested in the Dutch healthcare system' – Edith Schippers, Dutch Minister of Health, Welfare and Sport

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