

# Health Care and Competition Policy in the Netherlands

Presentation for St. Martin Conference  
Brno, 14 November 2012

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Netherlands Competition Agency



# Agenda

- Developments and Main Issues in the Dutch Health Care System
- Role of Health Care Insurers in the system
- Enforcement of Competition Law since 2004
- Recent hospital merger cases

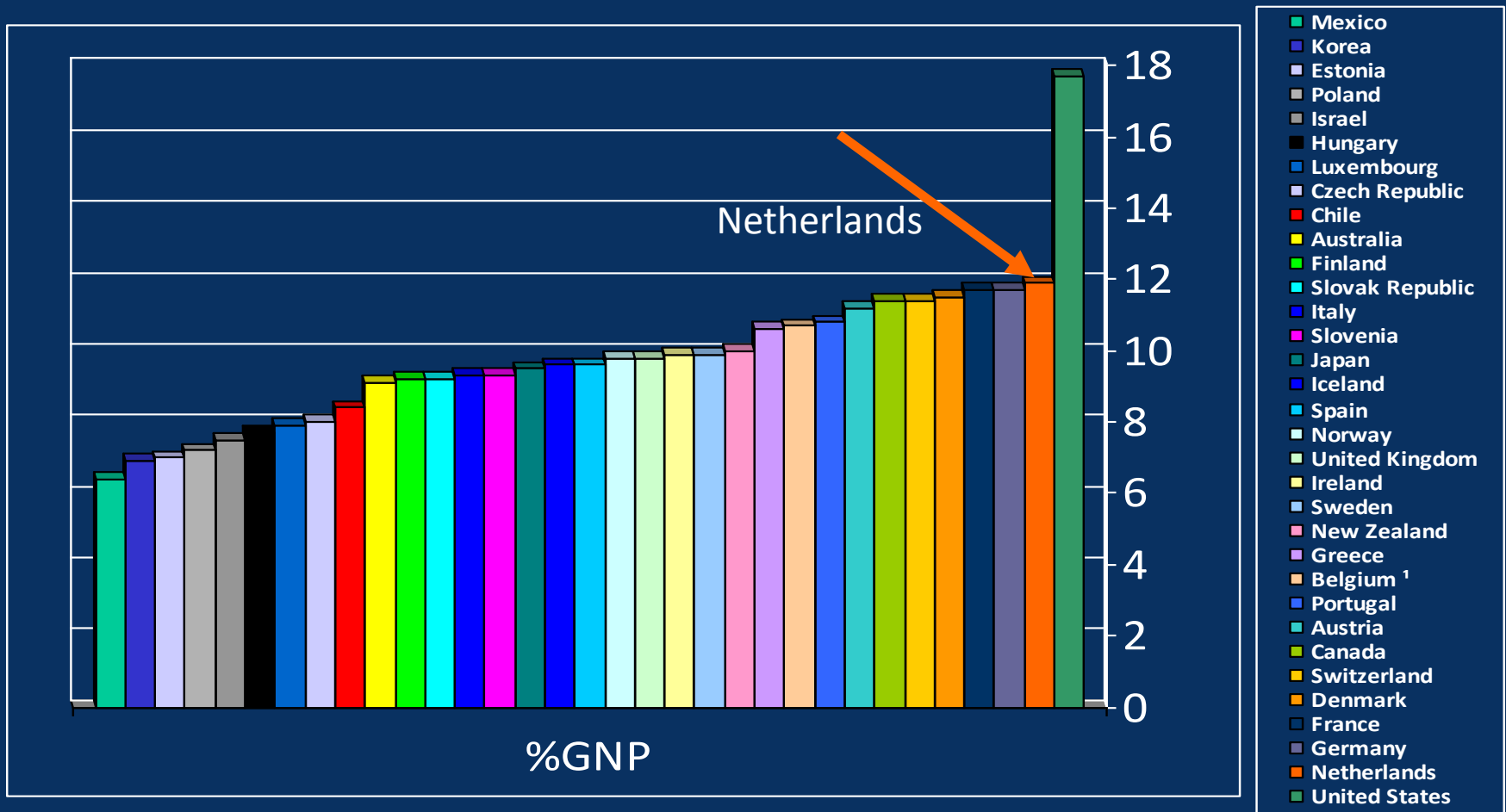


# Recent developments in Dutch Health Care System and some main issues

- Increase in expenditure
- Three pillars – central role for health care insurers (HCIs):
  - Health Care Insurance
  - Health Care Purchasing
  - Health Care Provision
- Competing HCI's have an incentive to reduce costs by offering adequate care to their customers at the lowest cost possible. The latter is obtained by purchasing from the providers at the lowest cost possible.
- Expensive system. Too much or too little competition?  
Transitional period.



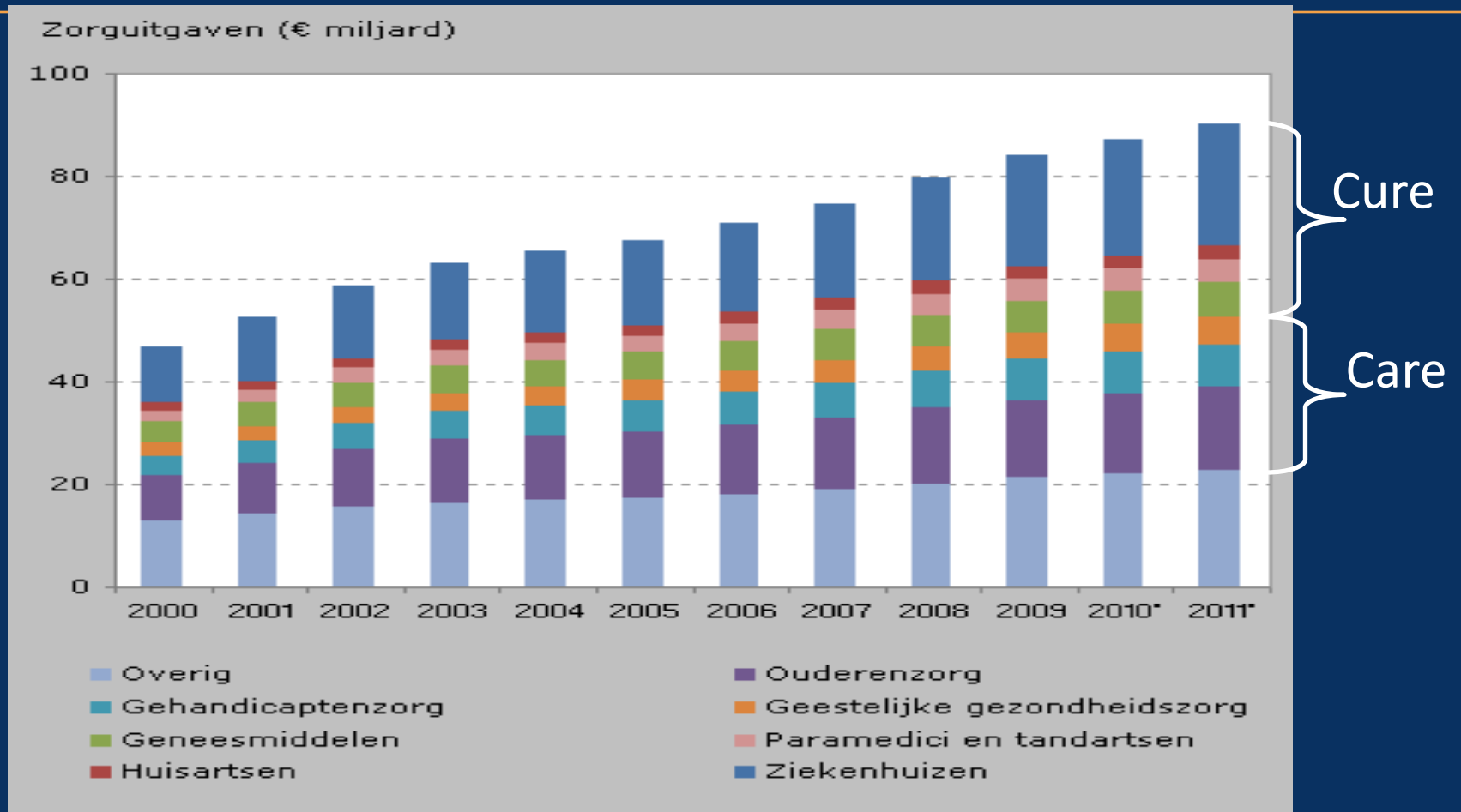
# International Comparison of Health care costs (perc. of GNP)



Source: OECD



# Developments in costs of cure and care



Source: CBS

# Enforcement of Competition Law

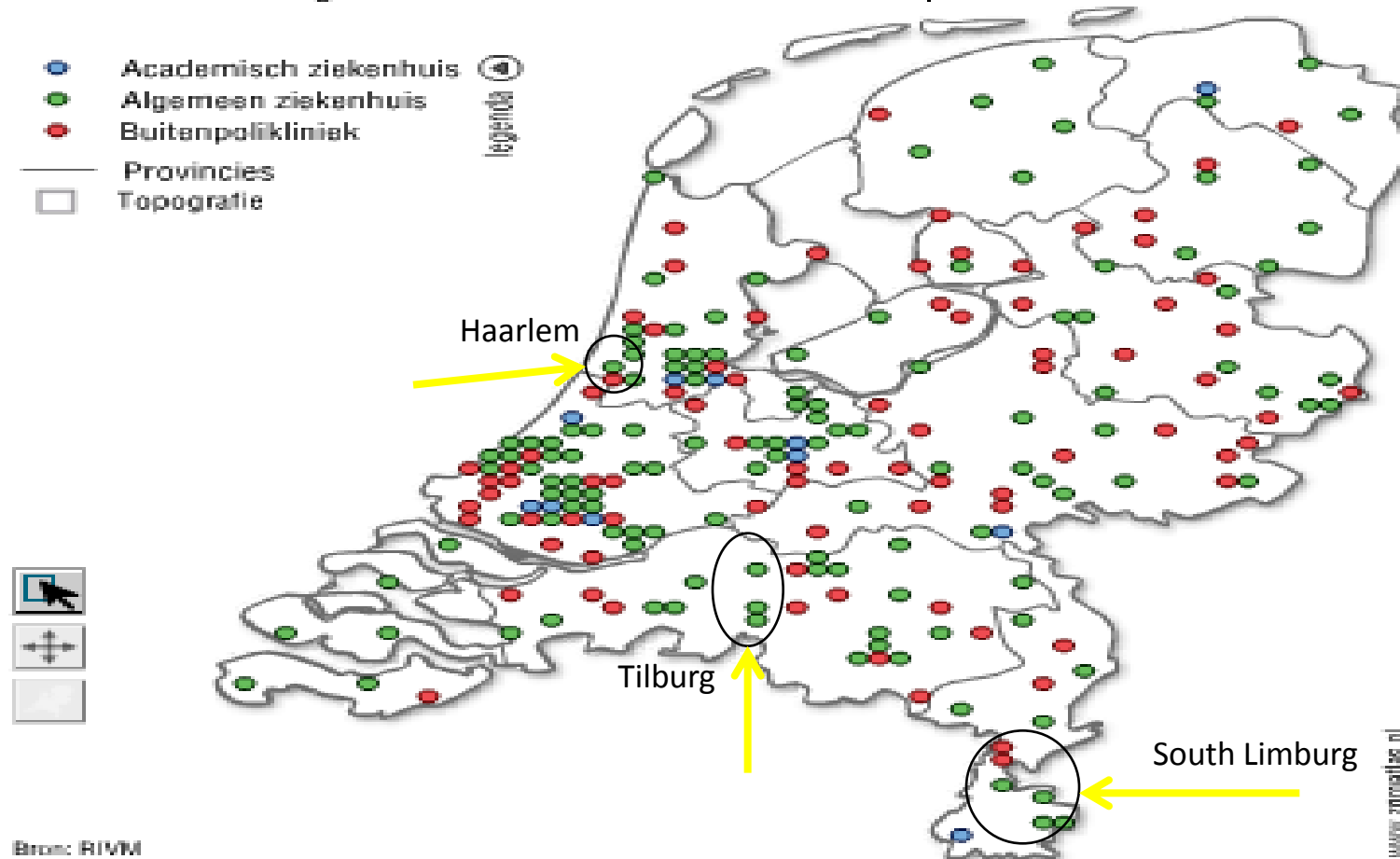
- Since 2004, NMa is fully involved:
  - More than 150 mergers:
    - Domestic care, Intramural elderly care, Disabled care, Mental Health Care, Hospital Services, HCI's
  - Several Cartel cases
    - Domestic care, General Practitioners , Hospital Services



# Three recent hospital mergers

## Locaties ziekenhuizen november 2010

academische en algemene ziekenhuizen inclusief buitenpoliklinieken



Bron: RIVM

# Geographical market definition

- Geographical market is key issue: Narrow market: problematic / broader market: no problem
- How to define these markets?
  - Shipment data (based on travel behaviour by patients)
  - Simulation models (to circumvent defining exact boundaries)
  - Willingness to travel further than currently (based on a SSNIP)
    - What happens when there is a SSNIP? Patients do not pay, HCIs do.
    - What happens at the negotiation table?
  - Case-specific circumstances
    - Haarlem: densely populated area: Amsterdam, Leyden hospitals nearby
    - Tilburg: Comparable nearby city (Breda) has only one hospital, other hospitals in 's Hertogenbosch and Eindhoven (travel distance approx. 30 minutes)
    - South-Limburg: other hospital in area offers academic care. Alternatives in nearby Belgium and Germany?
- Outcome of the cases. Approval including price cap for the hospitals.
  - HCIs all in favour of mergers. Do not foresee negative influence on future negotiations. Stay disciplining force after the merger.

