

A GENERAL APPROACH TO THE PROBLEM OF MEDICAL AND
DENTAL CARE FOR THE ENTIRE POPULATION OF THE NETHERLANDS.

Objectives

- I. That each member of our society be able to make use, according to his own need, of the resources medical science can provide.
- II. That medicine and the practice of medicine undergo further development in consultation with and according to the needs of the individual patient.
- III. That the concept ziekenfondspatient (health insurance patient) disappear.

The basic advantage of a restitution system.

It is taken here as accepted that differences in earned income, whether justifiable or not, for the time being offer the only guarantee that urgently required human capacities and working power reach the highest possible level.

But differences in earning power mean differences in buying power; in other words, an individual with a higher income can have the disposal of more labour power and/or more education than an individual who earns less.

In creating a system for health care we must keep clearly in mind that, in essence, equality in the availability of medical services and knowledge means equalization of income with respect to the obtaining of medical care. To put it differently: the presently unavoidable differences in income would be completely eliminated as far as medical buying power is concerned.

Some consequences of this approach.

The energy resources required to attain this objective will have to be drawn from the direct productivity of the total community, i.e. the gross national product. As a result, those who supply this energy must be given the following guarantees:

- I. The proposed health-care system must function as economically as possible. (In the present system a high proportion of work requiring

less education is still performed by the highly educated. The physician should perform only medical work and not be burdened with superfluous administrative work serving only for the perpetuation of an unnecessarily complicated system.)

II. Misuse of the system must be impossible at all levels.

III. Deliberate evasion for personal benefit must be regarded as abuse of the good intentions of the community and thus be subject to severe penalties.

Considerations concerning the economic aspects.

The share taken by the community in the costs involved in the health care of a member of that community must be carefully adjusted to the financial capacity of the individual. The present system in which an individual with an annual income of 22,000 guilders pays the same amount as an individual with an annual income of 8000 guilders is illogical and improper.

Contributions amounting to a full 100 per cent of the costs are applicable only in exceptional cases. The reason for this is that when the individual's share in the cost of his medical care is based on his capacity to pay, two cost-regulating factors are automatically brought into play: first, the patient checks the bills; and second, undesirable and not strictly desirable treatments are eliminated.

On this basis every individual in the national population is considered to possess some amount of purchasing power with respect to medical care, since the system thus becomes self-regulatory.

This self-regulation will reduce costs to such an extent that rather than have anything impede it, it would be better to raise the minimum wage than to view the lowest paid as unable to share in the cost of their own medical care.

The system under discussion would eliminate the independent organization now responsible for the collection of health-insurance premiums and management of these funds. This would be possible because the services would be financed by the community as a whole and the existing fiscal system could not only guarantee much greater efficiency, but also abolish the economically unjustifiable duplication of the present administrative structure.

The advantage of making use of the fiscal system.

In the first place, the governmental department responsible for the collection of tax revenues already has all the necessary information concerning the income and property of every member of the community.

These data would serve as the basis for the determination of the standards indicating the restitution percentage for each individual. The internal revenue service is considered the proper organization to make reimbursements because its original function makes the outlay for expensive computers economically justifiable.

In other words, since the income/property combination is considered determinative for the individual's contribution and both this information and data on communal funds are collected by the revenue service, this service is clearly the most suitable to take over the function of the health-insurance organizations.

Considerations respecting the determination of restitution percentages.

Here the premise is that each individual should pay a proportion of the costs of medical care based on his income and the value of any property he may possess, in order to insure 1) the self-regulation of the system, and 2) that the cost to the community will not be unnecessarily high.

To arrive at a reliable restitution percentage, it is proposed that the progression curve of our taxation system be applied in reverse. This curve may be considered representative of the contribution to be made to the community on the basis of income and property.

When, conversely, the community is to make contributions for certain purposes, it is considered logical that this taxability curve be applied in reverse. Thus, the higher the income/property combination the smaller the governmental contribution and vice versa.

It is proposed that the highest restitution percentage be put at, for instance, 95 per cent, to be lowered in steps of whole per cents with increasing income/property value down to 0 per cent for the highest income/property combinations, which would be considered excluded from reimbursement.

The objective of the maximalization of the restitution percentage is, as already mentioned, to provide for self-regulation of the system.

For purposes of illustration, the following example: 5 per cent of the cost of a physician's house call would mean that the patient paid 0.75 guilders if the physician's bill came to 15 guilders. On the one hand the amount would be so low that payment would never be a burden but on the other hand it would be sufficiently high that those in the lowest income group would not expend it unless necessary.

The restitution percentage determined by the taxation department according to law would be conveyed to those entitled to reimbursement in the form of a card showing the individual's name, address, and the percentage, which would also be applied to the card in a magnetic code

so that all transactions at any local office could be checked via the central computer in Apeldoorn.

Reimbursement could be made, for instance, as follows. The physician would supply a duplicate of his bill on special watermarked paper supplied by the government. The patient could take this duplicate and his restitution card to any government office, post office, or tax office, turn in the duplicate bill and have the card checked immediately by the computer. He could then be helped to calculate the amount of his own contribution and pay it, after which the local office could make over the total amount to the physician and send the duplicate bill to the central tax office in Apeldoorn.

Advantages of the system.

A much sounder form of restitution, completely adjusted to the individual's ability to pay.

Drastic reduction of the existing administrative and supervisory structures.

Restitution would be made directly from taxation funds, which would make the present complicated forms of collection superfluous. The manpower thus freed could be used in more beneficial ways.

Costs would be effectively controlled and supervised because the patient would pay a share.

Because of the active participation of the patient, medicine would develop in the direction where the need for care is the greatest.

The unfortunate concept ziekenfondspatient (health-insurance patient) would disappear.

Some additional proposals.

For the selfregulation of the system, 100 per cent restitution should be limited to exceptional cases. There are, however, circumstances that could require it, such as prolonged hospitalization or unusual forms of treatment like heart transplantation. Cases of this kind could be decided by a small commission of experts.

Legislation would have to be passed to prohibit insurance companies from providing total-coverage policies. Policies covering high risks could be available, but again not for 100 per cent coverage.

With the system outlined here, everyone could take out insurance for his share of medical expenses, because this share and thus the amount to be insured would be smaller the lower the capacity to pay, and the premium would therefore also be low.

J. Hupkes.

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