

Abstract

Estimate and monitoring of health care expenditure

Health care cost is estimated to be one thousand million euros more this year than in 2005. Compared with the 2000 figure the budget already increased by one half, that is 6 thousand million euros (from 12,4 to 18,4 thousand million euros). It is therefore generally admitted that the only way to keep the prevailing health care system affordable is to keep the cost trend under control.

Nonetheless, as soon as 1994 two logical principles were put in place to counteract the growing expenditure trend : the growth rate allowed for any yearly budget increase is established by law and various procedures make it possible to curb the expenditure trend in case of a risk of budget excess. In spite of all this health care expenditure could hardly be kept under control and in 2005 Government was even granted "full powers" by Parliament to impose new measures.

Against this background the Court of Audit decided to investigate to what extent the procedures for estimating and containing expenditure had been used efficiently in the last five years. Its report pointed to the possibilities left unexploited, the buck-passing of responsibilities between the various stakeholders and the laborious interpretation of expenditure trends. As a result the issue was more to adapt the budget to the expenditure than a budget monitoring it.

- In spite of the capping of the budget annual growth rate since 1994, as provided by law, the legislature systematically raised this ceiling between 1999 and 2005 to make up for the growing health care cost. As a result, in 2004, about 3 thousand million euros more were spent on health care than if the initial growth norm had been followed.
- Although various procedures were worked out to ensure quick reaction to forthcoming budget excesses, ultimately hardly any action was taken. Consequently, budgets between 1999 and 2005 were exceeded by a total of 2,28 thousand million euros ; this amount was somewhat mitigated because 1,07 thousand million euros had been saved as a number of sectors had not spent the whole amount of their forecast expenditure
- Even if all stakeholders were assumed to take up their responsibilities to contain expenditure within the concertation bodies set up to this effect, the buck was often passed to Government. This was because no unanimous agreement could be reached within the concertation bodies on essential courses of action such as priority needs, savings required and possible funding modalities. These decisions were therefore most often framed informally and on a hardly transparent basis.
- Although numerous data and statistics on health care were available, they were insufficiently exploited to explain or forecast expenditure trends. Supply of data by health care providers and mutual associations should also be better organised and checked, as these data were all too often contested, thereby preventing action in due time.
- Despite the fact that with each and every budget draft-up a whole range of budget savings measures and new initiatives were announced, concrete implementation or their impact on the budget was not followed up. Nevertheless, these measures represent the keystone of each budget and should thus support the expenditure control policy.

The Court reviewed its findings in the light of the new amendments enacted with the 2006 budget by virtue of a royal order issued under the “full powers” act. The stakeholders were once again placed before their responsibilities and various procedures were made more functional, more particularly to allow effective action in due time as soon as there is a risk of budget excess.

It should, however, be underscored that the “full powers” order imposes obvious obligations for which stakeholders could or should have taken the initiative themselves. They are, for instance, the obligation to also frame a proposal about the funding needed for new initiatives and to report at regular intervals on the effect of savings measures. The Court emphasized therefore that the effectiveness of the amendments introduced depended primarily on the willingness to keep expenditure trends within the constraints of the existing budget caps.