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Conference Abstract

System-wide impact of chronic care payment schemes in Europe: evidence from an empirical analysis

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Abstract

Objectives: Different payment schemes have been implemented in Europe to stimulate integrated chronic care and to reduce health care expenditure. We aimed to investigate the impact of different payment schemes on national total health care expenditures.

Methods: We first identified European countries with payment reforms directed at integrated chronic care. Then, we conducted 15 interviews with chronic care experts in England, the Netherlands, Germany, Denmark, Austria, and France to get detailed information about the reforms and the facilitators and barriers for implementation. Last, we used difference-in-differences (DID) models to estimate differences in health care expenditure growth before and after the introduction of a payment scheme between intervention and control countries. Intervention countries included countries with a pay-for-coordination (PFC), pay-for-performance (PFP), and all-inclusive payments for integrated chronic care. We used OECD and WHO data from 1996 to 2010.

Results: The interviews showed that adequate financial to care providers, flexible task allocation between care providers, and stakeholder cooperation facilitate the success of payment schemes. However, misaligned incentives across stakeholders and gaming of the system by care providers constitute the most frequent barriers to their implementation. The results from the main DID models showed that PFC increased the growth of medication (12.43 US\$ per capita) and administrative (9.55 US\$ per capita) expenses while PFP and all-inclusive payment schemes reduced the growth of hospital expenditure by 26.30 and 59.54 US\$ per capita, respectively. Further, the growth of medication expenses was increased in the countries with PFP (by 9.30 US\$ per capita) and decreased (by 20.91 US\$ per capita) in countries with all-inclusive payments. Considering the cumulative impact of the payments on all expenses categories in the four years following their implementation, PFP, PFC, and all-inclusive payments reduced the growth of health care expenditure by 164.88, 143.09, and 72.4 US\$ per capita, respectively.

Conclusion: Payment schemes are potentially powerful tools to stimulate the delivery of integrated care and influence health care expenditure. A blended payment scheme that includes in a yearly tariff the costs of chronic patients in primary and secondary care, covers the costs of coordination between care providers, and depends on performance indicators would be powerful to control health care expenses.

Keywords:

financing, policy impact, chronic care, integrated care, difference-in-differences, financial incentives, barriers

Presentation available at <http://www.integratedcarefoundation.org/content/11-impact-financial-flows-and-incentives>