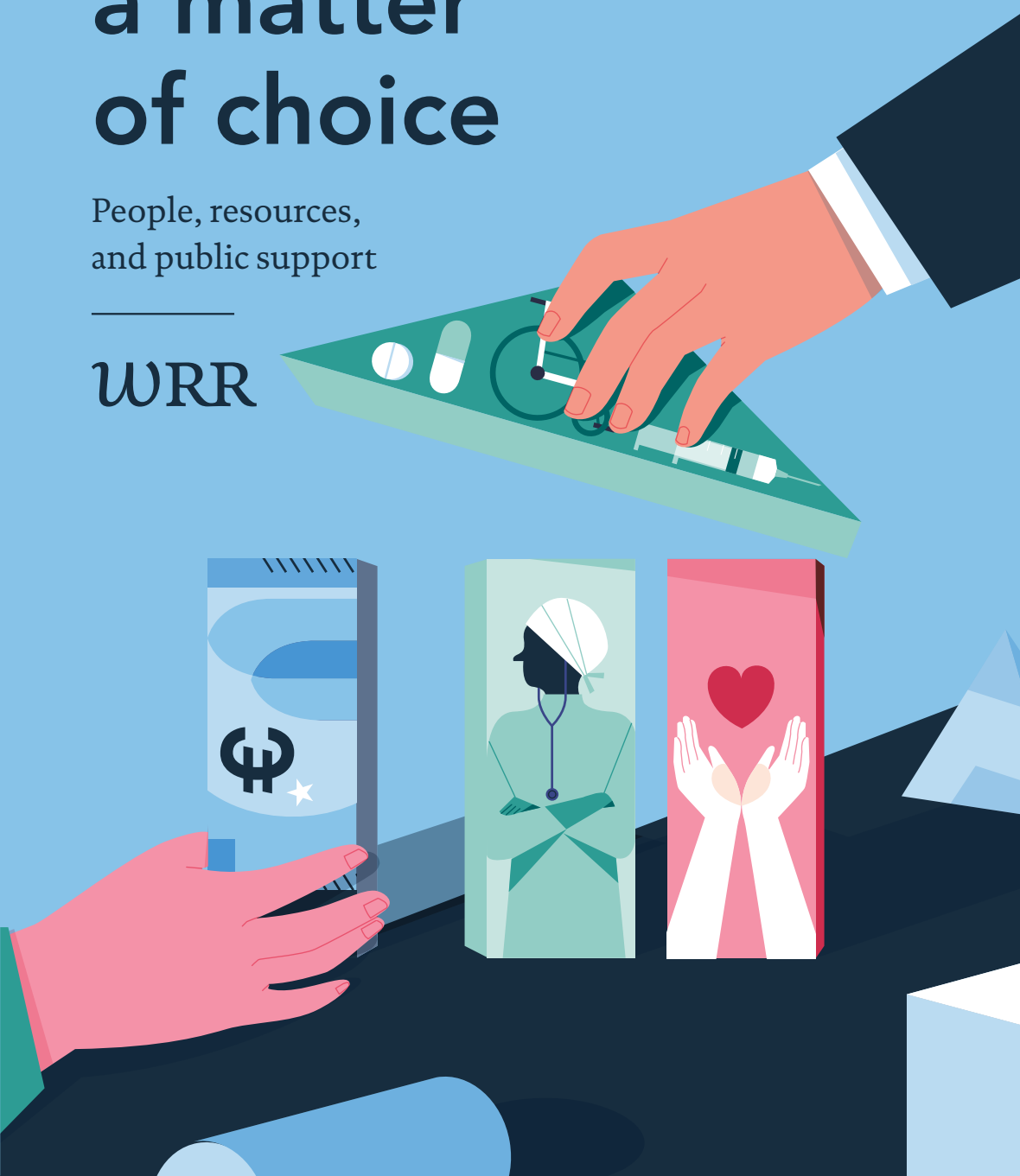
Summary

# Sustainable healthcare, a matter of choice

People, resources, and public support

WRR



*Sustainable healthcare, a matter of choice. People, resources, and public support* is a government advisory document prepared on behalf of the full Netherlands Scientific Council for Government Policy (*Wetenschappelijke Raad voor het Regeringsbeleid*, WRR). WRR Report 104 was prepared and written by:

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Summary

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THE NETHERLANDS SCIENTIFIC COUNCIL FOR GOVERNMENT POLICY

This publication is an English-language summary of WRR Report 104, *Kiezen voor houdbare zorg. Mensen, middelen en maatschappelijk draagvlak*. For substantiation of the conclusions and recommendations presented here, the reader is referred to the comprehensive analysis of policy and the scientific literature to be found in WRR Report 104.

The Council presented the report *Kiezen voor houdbare zorg. Mensen, middelen en maatschappelijk draagvlak* (ISBN 978-94-90186-97-5) to the Dutch government on 15 September 2021. The report may be downloaded for free at wrr.nl.

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# Content

## 1. Introduction

How can we ensure that healthcare in the Netherlands remains sustainable? Will we be able to afford its continued growth in the long run? Do we have enough healthcare staff? And is the Dutch population willing to put up the solidarity required to provide high quality and accessible healthcare to everyone?

Sooner or later every one of us is confronted with health problems. We trust that timely care will then be available, and that this will be of good quality and easily accessible. Therefore, the Netherlands Scientific Council for Government Policy (*Wetenschappelijke Raad voor het Regeringsbeleid,* WRR), considers quality and accessibility the fundamental public values of health care. Currently, Dutch healthcare generally scores well on both these values, but even now there are serious issues in specific sectors. For the Dutch healthcare system to be sustainable, however, public values of healthcare will have to be safeguarded for all sectors and across people's entire life course.

In this report, the WRR therefore takes a long-term view that projects relevant trends up to the middle of this century. We also take a wide perspective, looking at all sectors of healthcare. We distinguish three dimensions of sustainability: financial sustainability (is the current system of healthcare affordable?), the staffing dimension (can enough healthcare workers be recruited and retained?), and the societal dimension (is there broad public support for the healthcare system?). Only when all three dimensions are safeguarded and held in balance can the healthcare system be sustainable, since it is only under these conditions that the public values of healthcare quality and accessibility can be guaranteed in the long term.

## 2. Is the Dutch healthcare system sustainable?

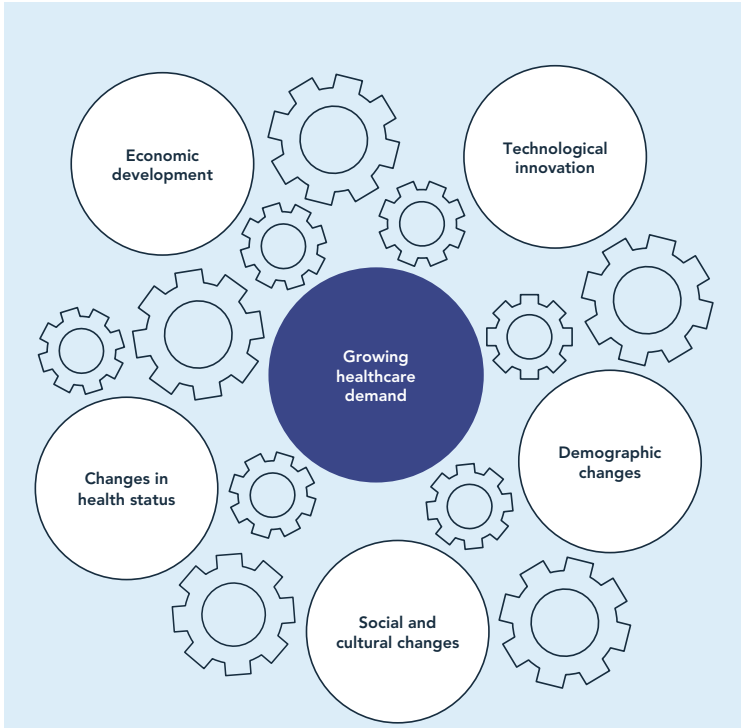
In general, accessibility and quality of healthcare in the Netherlands are of a comparatively high standing. However, citizens have made a steadily increasing use of its services. An ageing population, welfare growth, and technological developments are principal drivers of this increased use, and all are expected to increase further in the coming decades. The question is: what are the consequences?

*Curative healthcare performs well, but there are serious concerns in other parts of the system*

In comparison with other European countries, the Netherlands has for many years performed well in curative care – that is to say, healthcare directed towards cure. However, other healthcare sectors – youth care, for instance, in particular child protection and youth probation – are facing serious issues regarding quality and accessibility. In mental healthcare waiting times especially for the treatment of serious psychiatric diseases are dauntingly long. And vulnerable elderly people with no social or family networks of their own risk losing out on appropriate care.

*Healthcare demand keeps rising*

An ageing population gives rise to an increasing proportion of elderly people, and a rising average age: this is called 'double ageing'. Moreover, an increasing number of people suffer from more than one disease simultaneously, a situation that is referred to as multimorbidity. Economic development also plays a role: the wealthier people become, the more healthcare demand rises. Technological developments also form a driver of the increasing demand for healthcare, since these allow for (early) detection and subsequent treatment of diseases. Moreover, the demand for youth care services and basic mental health services is growing strongly, while socio-economic health disparities remain a persistent problem. Finally, society has increasingly high expectations of healthcare provision.




*Healthcare expenditure will displace other targets of public policy*

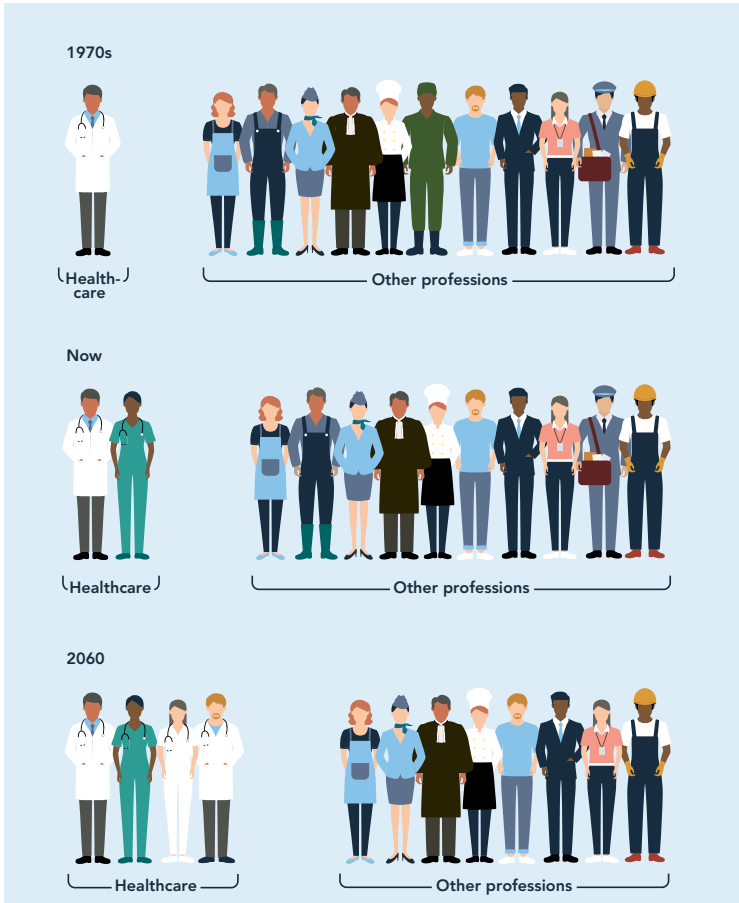
Average government expenditure on healthcare has been growing faster than overall income since the 1970s. Over the same period, the share of financial resources allocated to healthcare in total public expenditure has also increased – at the expense of other public sectors. With the increasing demand for more and better healthcare, often involving technologically-driven therapeutic options that are both new and expensive, its cost is set to increase further in the decades to come. Under existing institutions, incentives and budgetary mechanisms, total healthcare expenditure is expected to increase from 12.7% of GDP in 2015 to well over 20% by 2060. In absolute terms this amounts to a threefold increase in healthcare costs per capita.


This means that future expenditure on healthcare will displace expenditure aimed at other policy targets. At the same time, the financial burden of healthcare costs imposed upon Dutch households will steadily increase, as will healthcare-related taxes and premiums borne by employers. Well before the limits to affordability have been reached, we can therefore expect large detrimental effects on the quality and accessibility of healthcare, on funding for other public interests, and even on general welfare.

*Staffing levels are also under pressure*

Since the early 1970s the percentage of people working in healthcare has risen from less than 7% to over 15%. While currently about one in seven Dutch workers are employed in healthcare, in 40 years' time one in three people would need to work in healthcare in order to meet the projected demand.

Even if the employment rate were to rise strongly, the expected size of the working population will not be adequate to meet the increased demand for healthcare professionals. Such a large claim on the labour market, together with a workforce that is set to stagnate on account of demographic change, would also lead to increased competition from other public and private sectors for scarce labour. This makes staffing an even more urgent problem than the affordability of healthcare, even though in due course it is likely to spill over into the cost of labour, which on average makes up two thirds of all healthcare costs.

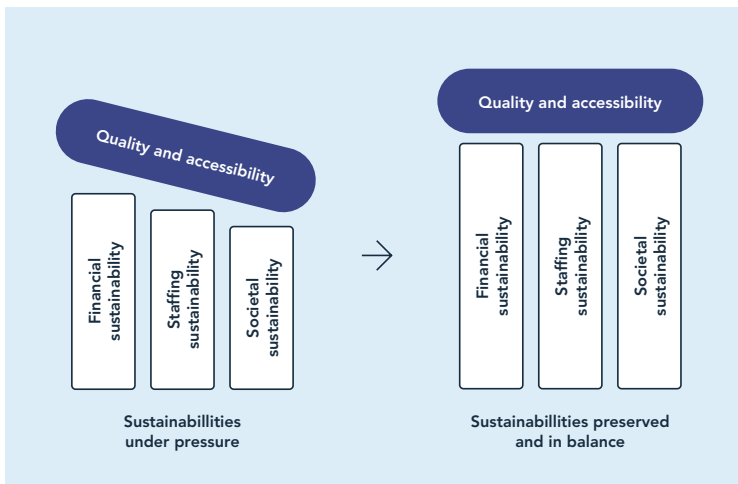



*The risks of decline of public support*

Studies show that the Dutch have strong views on the quality and accessibility of healthcare, on solidarity, and who they trust in the healthcare system. For instance, they are concerned about staff shortages and workloads in the healthcare system impacting the quality of care for the elderly, for young people in need of care, and for patients suffering from mental health problems. They are concerned about waiting times, and about the perceived high level of private costs, such as deductibles and wider out-of-pocket expenses. At the same time, their willingness to pay for others is also coming under pressure. This concerns particularly lifestyle-related conditions caused by smoking and obesity. In particular the frequency of the latter is expected to keep on rising and thus make greater demands on solidarity in the future. The Dutch do, however, have great trust in those who work in healthcare. This trust is greater than that extended to the institutions within the system and the healthcare system as a whole. All in all, a growing sense that quality and accessibility are declining while solidarity and trust in the system are under pressure could in due course jeopardise broad public support for the healthcare system.


*Key message: the sustainability of healthcare is under increasing pressure along three dimensions*

Over the coming decades, healthcare demand will grow faster than the economy, and much faster than the working population. The sustainability of the Dutch healthcare system will therefore come under increasing pressure. We identify three dimensions of a sustainable health care system: the financial dimension, staffing, and societal sustainability. To safeguard the quality and accessibility of universal healthcare it will be necessary not only to maintain its financial sustainability, but also its staffing levels and its public support. Moreover, the fulfilment of each of these conditions should not come at the expense of the others: they need to be balanced. Doing so is not just in the interest of the healthcare system but also in that of the wider economy and society. This is the first main conclusion of this report.



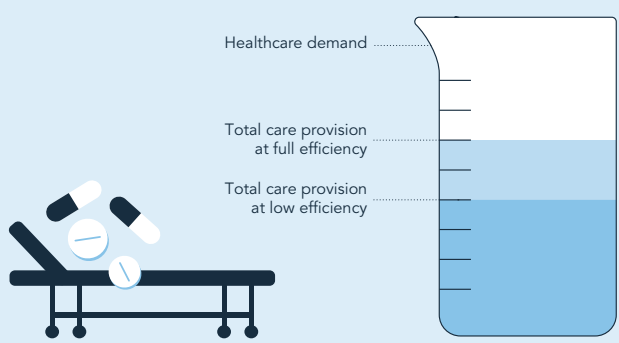
## 3. How do we solve the sustainability problem in Dutch healthcare?

The demand for healthcare will continue to rise in the coming decades, as will the associated costs, while the supply of healthcare professionals will stagnate. Organizing healthcare in a more efficient way means using fewer people and resources to deliver the same level of healthcare. However, is a sustained commitment to efficiency and staffing a future-proof strategy to realise a sustainable healthcare system?

*A commitment to efficiency is not enough*

In recent decades, 'sustainability through efficiency' has been a central pillar of Dutch healthcare policy. The Dutch Health Insurance Act (*Zorgverzekeringswet*, Zvw) of 2006, for example, was established to ensure competition among healthcare providers and among insurers in order to stimulate a more efficient provision of curative healthcare.

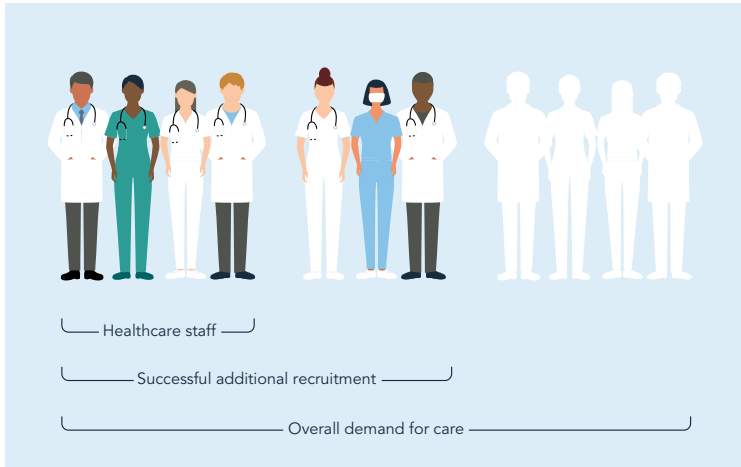
The continuous improvement of healthcare efficiency needs to remain part of the response to the challenge of healthcare sustainability, for instance through a more efficient design of the healthcare landscape. Greater efficiency aims at providing more healthcare with the same amount of resources and numbers of staff. This remains important, if only to mitigate the sustainability problem and to maintain public support. However, it cannot realistically be expected to fully absorb the expected rise in healthcare demand.



*A commitment to employ more healthcare staff is not enough*

Maintaining adequate staffing levels is the most acute and most pressing dimension of the sustainability problem in Dutch healthcare. There are various ways in which this can be improved: for instance, through better human resource management to retain staff, by persuading healthcare staff to work more hours (many currently work part-time; for instance, many nurses), or by encouraging more people to work in healthcare.

As with the strategy of increasing efficiency, this strategy will be essential but insufficient, given the scale of the staffing sustainability problem. Even if it proves possible to recruit enough additional healthcare workers, the issue then becomes its consequences for public values in other public sectors struggling to find enough staff. And in addition, the effects of the wage competition that is likely to ensue on the private and public sector. In short, given the stagnating growth of the workforce the numbers implied by the projection of demand are simply too large to be accommodated.




*Key message: a supplementary strategy is needed*

We must continue to make an effort to increase the efficiency of healthcare organization and to retain and recruit healthcare professionals, but neither of these strategies will in itself be enough to maintain a sustainable healthcare system. This is our second main conclusion. The potential benefits offered by the above strategies alone are too limited. A supplementary strategy is needed.

## 4. What should we do?

Healthcare provision cannot continue to grow at the present rate without increasing detrimental effects for other public sectors but also for public health and within healthcare itself. If existing strategies – no matter how important and valuable these are – are unable to deal with the challenge of sustainability, what should we do?

### *Making choices: the reality of increasing scarcity*

The necessary and urgent supplementary strategy is prioritization: making better choices in our health care system. The Dutch healthcare system faces a major challenge of healthcare staff and resources becoming increasingly scarce. Therefore, it is particularly important to deploy healthcare professionals and resources where they best contribute to the public values of healthcare, and where they deliver the greatest health benefits, in terms of extension of the (healthy) life expectancy. The WRR stresses that making choices in healthcare does *not* imply that it is necessary to make cuts in existing expenditure levels – whether in nominal or real terms. The main thing is to curtail and more efficiently steer the *growth* of healthcare expenditure by making better choices. This is our third main conclusion. In other words: not so much 'less healthcare expenses' as 'less *additional* healthcare expenses', by making deliberate, well-considered choices. Several different perspectives will be central to these choices.

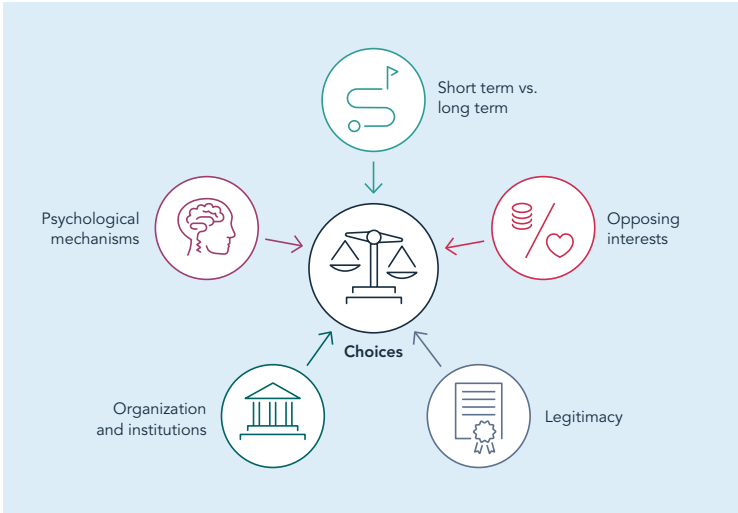
### *Better choices for a sustainable healthcare system*

Better choices will allow to increase health benefits and the quality of life, and to better safeguard minimum standards of quality and accessibility in the whole of the healthcare system. In some cases, this will involve making decisions that are contested by specific groups or interests. How, for instance, should we deal with so-called 'orphan drugs' that may offer real (though often limited) health benefits, but at an extremely high, perhaps socially unacceptable cost?

### *Legitimization through public deliberation*

Considered from a variety of persepctives, making choices appears to be challenging. A central recurring theme in all perspectives is the notion of legitimacy. Prioritization in healthcare will only succeed if it enjoys broad public support. Where such support is absent, prioritization will become untenable, and choices will be reversed or undermined. It is therefore important

that the need to make choices is the focal point of public and political debate. Society, politicians and regulatory authorities need to prepare themselves for a situation in which scarcity in the possible provision of healthcare relative to its demand are an inescapable and increasingly important fact of life.




Five different perspectives on making healthcare choices

*The principles of improved healthcare choices*

In order to be of practical use, the process by which choices in healthcare are made, including those on the allocation of human and financial resources, needs to be clarified. The WRR suggests the adoption of three fundamental principles:

1. Base choices on public values both within and outside of healthcare: safeguard minimum standards of quality and accessibility in all sectors of the healthcare system, including in those with less visible and lower numbers of patients. Prevent public values outside the healthcare domain from being compromised by the expansion of healthcare.
2. Base choices on potential health benefits: more than at present, deploy healthcare professionals and resources to promote health and yield greater health benefits.
3. Base choices on balanced long-term sustainability: monitor interactions and safeguard the balance between the three dimensions of healthcare sustainability – financial, staffing and public support - from a long-term perspective.

**Conclusion 1**
Three dimensions of sustainability - financial, staffing, and public support - are under pressure.

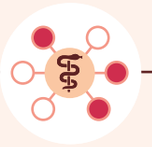
**Conclusion 2**
Efficiency measures and staffing increases are necessary, but not sufficient.

**Conclusion 3**
Limit the growth of healthcare through better choices.

**Pillar 1**
Ensure broad public support for tough choices.

**Pillar 2**
Make sharp and transparent political decisions to sustain public healthcare in the long run.

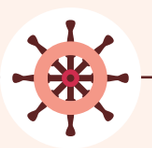
**Pillar 3**
Strengthen executive capacity to make better healthcare choices.



**Recommendation 1**
Prepare society for scarcity in healthcare and the need to make tough choices.

**Recommendation 2**
Develop a long-term vision for elderly, youth and mental health care.

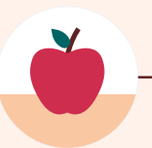
**Recommendation 3**
Ensure that citizens are engaged, for instance through a citizens' forum.



**Recommendation 4**
Base political decisions on the three dimensions of sustainability. Evaluate regularly and avoid the growth of red tape.

**Recommendation 5**
Strengthen political grip on collective healthcare expenditure using budgetary principles also applied in other public sectors.

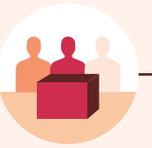
**Recommendation 6**
Do not accept levels of quality and accessibility in vulnerable healthcare sectors that drop below the norm. Estimate the broad effects of new policies in advance.



**Recommendation 7**
Pursue broad public health from a wide range of policy domains.

**Recommendation 8**
Mitigate staffing shortages through fiscal measures aimed at labour supply and work-life balances, and targeted recruitment from abroad.

**Recommendation 9**
Broaden assessment of the health benefit package: assess not only drugs on (cost-) effectiveness, but also other forms of healthcare.



**Recommendation 10**
Set out more clearly the roles of healthcare insurers, politicians and regulators in determining the reach of public reimbursement to stimulate decisive action by all parties.

**Recommendation 11**
Examine the cost-effectiveness of existing care in all healthcare sectors; stop reimbursing inappropriate care.

**Recommendation 12**
Place responsibility for the systematic collection, processing and use of outcome data in the hands of a single organization.

## 5. The three pillars of better healthcare choices

Providing good healthcare for everyone requires making choices. But how do we achieve better choices? What does this demand from Dutch society, from politicians, and from executive institutions?

In the present report, the WRR formulates a series of recommendations with regard to healthcare choices and prioritization (which direction should we take?), the process of choosing (how do we make better choices?), and the outcomes (what actually changes?).

The WRR does not offer ready-made policies in detail but sketches pathways by which public healthcare in the Netherlands can be made sustainable, now and in the future. Our recommendations are organized within three pillars. Concrete trade-offs are ultimately a political matter, but there is also a role to be played by society and the healthcare sector. The WRR's recommendations within the three pillars should be adopted in parallel; they are closely interlinked and mutually supportive.

**Pillar 1: Ensure broad public support for clear choices**

1. Prepare society for growing scarcity in healthcare relative to demand and the need to make tough choices.
2. Develop a broadly supported long-term vision for the collectively funded core of care for the elderly, for youth and for mental health.
3. Ensure that healthcare choices enjoy public legitimacy, for instance through use of a citizens' forum.

Broad-based public support is an essential precondition to better healthcare choices. Accordingly, prepare society for the increasing scarcity of manpower and financial resources in healthcare and include society in the process by which these choices are made. People are still insufficiently aware of the challenges ahead, and this is one of the reasons why the societal debate on the role of healthcare and a clear delineation of its collectively safeguarded and funded core has been lagging.

Develop a broadly supported long-term vision on the collective core of long-term care for the elderly, for youth care, and for mental healthcare. In all these sectors, it is crucial that fundamental questions are asked.

For instance: should minor forms of support for youth healthcare and mental healthcare be regarded as forms of collective healthcare? And should housing costs and residential care be included in the provision of elderly healthcare?

Wherever possible, a debate on such issues – and of their underlying principles – should include the whole of society. It is essential that the choices that are eventually made enjoy public legitimacy. This can be achieved, for example, through a broad citizens' forum making choices on priorities in healthcare. This will enable citizens, once adequately informed, to advise politicians on healthcare priorities.

**Pillar 2: Make clear political decisions for sustainable healthcare**

4. Make political choices taking all three dimensions of sustainability into account and with a view to the long term. Evaluate regularly and adjust where necessary but avoid excessive growth of red tape that has been a steady companion of healthcare policy design.
5. Strengthen the political grip on the growth of collective healthcare expenditure. Use the same budgetary framework applied in other public sectors.
6. The quality and accessibility of healthcare in vulnerable parts of the healthcare system must not be allowed to fall below the norm. To this purpose, publicly assess the effects of new policies in advance.
7. Pursue health benefits and broad public health from a wider range of policy domains, and be prepared to use legally binding measures.
8. Mitigate staffing shortages by making a political evaluation of all aspects of fiscal measures aimed at labour supply, work-life balances, and targeted recruitment of health care workers from abroad.

Government needs to shoulder its responsibility for the sustainability of healthcare by taking a more active role in setting priorities. In future political choices, the three dimensions of long-term sustainability should always be considered jointly. For new policies, this means *advance* assessment of their expected effect on staffing, financial and social sustainability, as well as on the quality and accessibility of healthcare. At the same time, it is important to make timely evaluations of healthcare policies. Ensure that the quality and accessibility of healthcare in all parts of the healthcare system do not structurally fall below minimum standards and avert an excessive growth of red tape. Consider that making changes to the healthcare system takes years and requires perseverance. So ensure that initiatives and healthcare providers are given time, and do not overload the sector with new programmes, campaigns and initiatives.

Government is also responsible for safeguarding the interests of policy domains other than healthcare. It must therefore strengthen its grip on the scale of collective healthcare expenditures. Healthcare funding should be bound by the same budgetary systems that are already used in relation to other public sectors, where expenditure growth is not automatic but subject to political considerations. A politically-determined norm for the growth of healthcare costs – index-linked to mean economic growth, if necessary – could represent a useful disciplinary instrument.

The WRR also calls for a consistently stronger focus on broad public health from other policy domains and on broad prevention. This means that impacts on health from policy in areas such as housing, infrastructure and social welfare should be a foremost consideration in those domains too. This approach will deliver more health benefits, support social viability, and slow down healthcare admission rates. To this end the government should present an overarching, long-term perspective, and make more funding available for prevention and public health, and either stimulate or legally oblige other parties in the health-care system to play their part. There can be no taboo on (legally) mandatory policies such as an obligatory reduction in salt contents of food, a sugar tax or emission standards. Research shows that such measures are extraordinary (cost)effective in generating broad health benefits.

Finally, to address staffing shortages in healthcare it will be necessary for government to include adjacent policy areas in its political considerations and provide an over-arching perspective. Specifically, this involves (1) fiscal measures addressing the incentives on labour supply, (2) work-life balances, and (3) the targeted recruit-ment of healthcare workers from abroad. Each of these three considerations has far-reaching implications, not just for healthcare but also for society, the economy, and government policy. This is why a broad-based political consideration is needed.

**Pillar 3: Strengthen executive capacity to make better choices in the demarcation of collective healthcare**

9. Broaden assessment of the health benefit package: assess not only drugs on (cost)effectiveness, but also medical devices and other forms of healthcare.
10. Set out more clearly the roles of health care insurers, politicians and regulators in determining the reach of public reimbursement to stimulate decisive action by all parties.
11. Examine the cost-effectiveness of existing care in all healthcare sectors; stop reimbursing inappropriate care.
12. Place responsibility for the systematic collection, processing and use of outcome data in the hands of a single organization.

In order to sensibly limit and manage the growth of healthcare provision a well-considered demarcation of collective healthcare benefits is necessary. This will require improved decisions about the health benefit package – which forms of healthcare should be included in the collectively funded basic healthcare package, and which should be excluded? This applies to curative healthcare and beyond. The WRR therefore advises that the (cost-) effectiveness of a larger part of existing and new forms of healthcare be explicitly assessed, not only within curative care (as covered by the Dutch *Zorgverzekeringswet*, or Health Insurance Act), but also in sectors such as long-term care, mental healthcare, and youth care.

Secondly, we need to clearly define and distinguish the roles and responsibilities of healthcare payers, politicians and regulators. Politicians should establish the general criteria for what is covered; an independent regulator then applies these criteria to concrete treatments; and healthcare payers (insurance companies and local governments) organize insured healthcare as efficiently as possible. The clear demarcation of roles and responsibilities will enable all three parties to better fulfil their tasks.

Thirdly, in all sectors we need to more actively assess the (cost-) effectiveness of existing healthcare, and where necessary employ independent legal power to halt the reimbursement of forms of healthcare which lack scientific evidence ('inappropriate' healthcare). Improved healthcare package management also involves the well-reasoned discontinuation of healthcare provisions that are no longer appropriate.

Finally, the WRR recommends the systematic collection, processing, dissemination, and use of data on healthcare outcomes in all sectors. To this purpose, the responsibility for the construction and publication of this data should be entrusted to a single organization. At present, the Dutch healthcare system is characterized by a plethora of data on performance and outcomes that frequently change in definitions. The fact that such data is gathered and maintained by multiple parties also creates a wanting level of accessibility. This limits our ability to monitor the effectiveness of healthcare and healthcare policy.

## 6. Better choices – no panacea, but an urgent necessity

The three policy agendas – higher efficiency, larger numbers of staff, and better choices – are not mutually exclusive. All three are needed, and all three can be improved upon. The first two policy agendas are less likely to encounter political and societal resistance than the third, that of making choices and setting priorities. Setting healthcare priorities unnerves politicians and their electorate alike. There is, however, no alternative; not having the courage or the will to make these choices will inevitably do damage to key values in healthcare and beyond – to the extent even that it may harm public health and our wider well-being. This is a inconvenient truth that needs to be recognized.

With this report, therefore, the WRR hopes to prepare society for a future in which it is vital that this challenge is debated. At the same time, involving the public in this discussion does not exempt politicians from the responsibility for taking decisions on the future of healthcare. Not choosing also is a choice – and one with distinct consequences at that.

# Sustainable healthcare, a matter of choice

People, resources,
and public support

Sooner or later every one of us is confronted with health problems. We trust that timely care will then be available, and that this will be of good quality and easily accessible. Currently, Dutch healthcare generally scores well in both respects, but even now there are serious issues in specific healthcare sectors. For public health care to be sustainable over the longer term, it must be viable in terms of financial resources, staffing, and public support. However, as a result of an ageing population, the emergence of new healthcare technologies, and rising rates of chronic disease, all three dimensions of sustainability are under increasing pressure. The WRR concludes that the sustainable provision of universal healthcare implies making some tough choices. We must set well-considered, clear, and sometimes painful priorities. First and foremost, this is a political responsibility, but it requires action from healthcare providers in all sectors, and from society at large. These, and other recommendations are made by the WRR in *Sustainable healthcare, a matter of choice. People, resources, and public support.*

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