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MARKET REFORMS IN THE FRENCH HEALTH CARE SYSTEM: BETWEEN REGULATION AND YARDSTICK COMPETITION

Abstract:

French cost-containment measures that traditionally consisted of price-control and a reduction in health care benefits have had a limited impact on the growth of health expenditures. Though the government pledged to cut the public deficit from 7.7% of the gross domestic product (GDP) in 2010 to 3% by 2013, thereby responding to EU Normative power (Diez, 2013), health expenditures continue to rise, since public demands are higher and more social problems are handled in the health care setting. With French budget deficit threatening France's credit rating, and therefore its membership within the EEC, novel instruments were needed. These included corporate management recipes (e.g. pay for performance contracts, patient volume targets, management by objectives, strict medical reviews and guidelines), new compensation mechanisms (e.g. activity-based accounting; a nationwide scale of health care costs) and far-reaching laws (e.g. the 2009 HPST bill). In the restructuring of health services, a French welfare elite pursued a hybrid strategy, regulating quasi-markets of care providers while creating supportive conditions for a vibrant private hospital sector and endeavored to streamline the delivery - rather than the financing - of health services.

Keywords:

Administrative Reform; Health Care; Public Private Partnership;

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