TEN 4 Health

Trans-European healthcare support network for Europe's mobile citizens

The Business Case for pan-European Healthcare Support

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1. Mobility of European citizens: responding to user needs

- **Travelling abroad has become a natural part of life for many, if not most European citizens**
- **Growing demand for healthcare services abroad:**
  - **In border areas like, e.g., Belgium, Netherlands, Germany (10s of thousands patients annually)**
  - **In holiday areas and beyond: about 400 million visits to other European countries in 2006 (vacation; work; study; retirement)**
- **Experience from 15 years of services to meet this demand:**
  - **Citizens do not travel abroad for treatment, if good quality services are available at home**
  - **Citizens do not go on holidays just to obtain treatment abroad**
  - **BUT Citizens want to be sure to be treated properly in case of illness when in another Union Member State**

Current demand for healthcare abroad: available evidence

- **Commission staff working paper (SEC 2003/900)**
  - **In Austria, the number of patients voluntarily travelling abroad each year to receive care: 58,000**
  - **Belgium accepted 14,000 patients from other Member States in 2000**
    - **in particular from the Netherlands, Luxembourg, and Italy**
  - **France treated 436,000 persons under the E-111 and E-112 forms in 2001, giving rise to claims totalling €300 m**
  - **In Italy and Luxembourg, annual requests for treatment abroad (E112) exceed 10.000**

Responding to user needs: forces driving the demand for healthcare abroad

- Citizens and patients become clients: increasing service quality and cost awareness, wellness boom
- National benefit baskets impose restrictions on which services are reimbursed – private payers search for cheaper services abroad (e.g. dental treatment in HU or SL, rehabilitation)
- Regional or national waiting lists
- Public healthcare buyers (Austria, Germany, Netherlands, UK, ...) buy services in other Member States
- Positive income elasticity of demand for healthcare
  - demand rises disproportionately with income
- Changing EU legal framework
  - reduced legal uncertainty regarding entitlement to (ambulatory/hospital) care in another Member State
  - plans for European centres of reference for rare diseases

2. The beginnings: services in cross-border regions

- The goal: healthcare services without borders (since about 1995)
- The partners: health insurances, hospitals, family doctors, specialists

- E 112 procedure with simplified access: Euregio service = (I)ZOM
- About 7,000 patients p.a. accessed cross-border care under IZOM

- GesundheitsCard international introduced in cross border regions of Germany/Netherlands for both ad-hoc and planned care
- based on a smart card as in Germany

- EuregioHealthPortal
- Internetaddress:
  - www.euregiogesundheitsportal.de
  - www.euregiogezondheidsportaal.nl

3. The business case: servicing clients wherever they are in Europe

Goal: Access to healthcare services across the Union like at home (*beyond border regions*), starting in 2002

- **A) GesundheitsCard Europa**
  - Internet/-server solution for Germans abroad (authorisation to reimbursement)
  - German partnership of AOK with Techniker-Krankenkasse (TK), other insurances are joining (already more than 10 m clients)
  - Insurance partners abroad in Belgium (CM) and Netherlands (CZ)

- **B) AOK Europa "EHIC-Portal“**
  - Access to medical services for foreign visitors to Germany

The base of the service: contracts with foreign healthcare providers

- Contracts are sought with providers in regions where clients travel
- Basis are national and international laws and regulations
- In addition to basic agreement on medical services and costs/reimbursement, these issues are agreed upon:

I.

- Service provision 24/7
- Assurance of language support
- Translation of patient information including local/national rules like co-payments
- Availability of service-hotline
- Identification of hospital as a service partner

II.

EuropaPortal/EuropaServer "Internet-/Server-Solution"

- Online status check and authorisation
- Reimbursement process
- Platform for Information

III.

- Liability and data protection

GesundheitsCard "Europa" – The administrative process

Assuring service provision:

- **Citizen presents HealthCard "Europa" at a partner hospital**
- **Verification via a firewall protected data repository**
  - **Health insurance number (input: hospital administration) and birth date (input by the patient, as his PIN)**
- **Immediate online confirmation and authorisation via Internet connection**

Reimbursement process:

- **Partner hospital submits claims to national health insurance (e.g. in NL und B = "virtual AOK" represented by a national [public] health insurance partners CZ and CM)**

  Alternatively:

- **reimbursement process directly with AOK/TK (e.g. Austria and Italy)**
- **Exchange of administrative data with AOK/TK via a Web-based solution**

Experience so far supports the business case

- **High acceptance by citizens because**
  - **assured quality services when suddenly in need while abroad**
  - **very limited financial burden (e.g. only standard co-payments in Member State where service is delivered)**
- **Highly motivated partner hospitals deliver excellent health services**
  - **100% acceptance of AOK issued insurance cards – GCE/EHIC – by hospitals**
  - **fast and reliable interoperable electronic reimbursement process**
  - **fast payment**
- **Competitive advantage for public health insurance company**
  - **vastly reduced need to reimburse advance cash payments of patients**
  - **happy customers**

4. A socio-economic impact assessment of the service: the approach

- An **economic perspective**
  - Benefits and costs – BC Analysis
  - All stakeholders considered
- **Three analysis periods**:
  - Planning and development
  - Implementation
  - Routine operation
- **Only first level impacts**

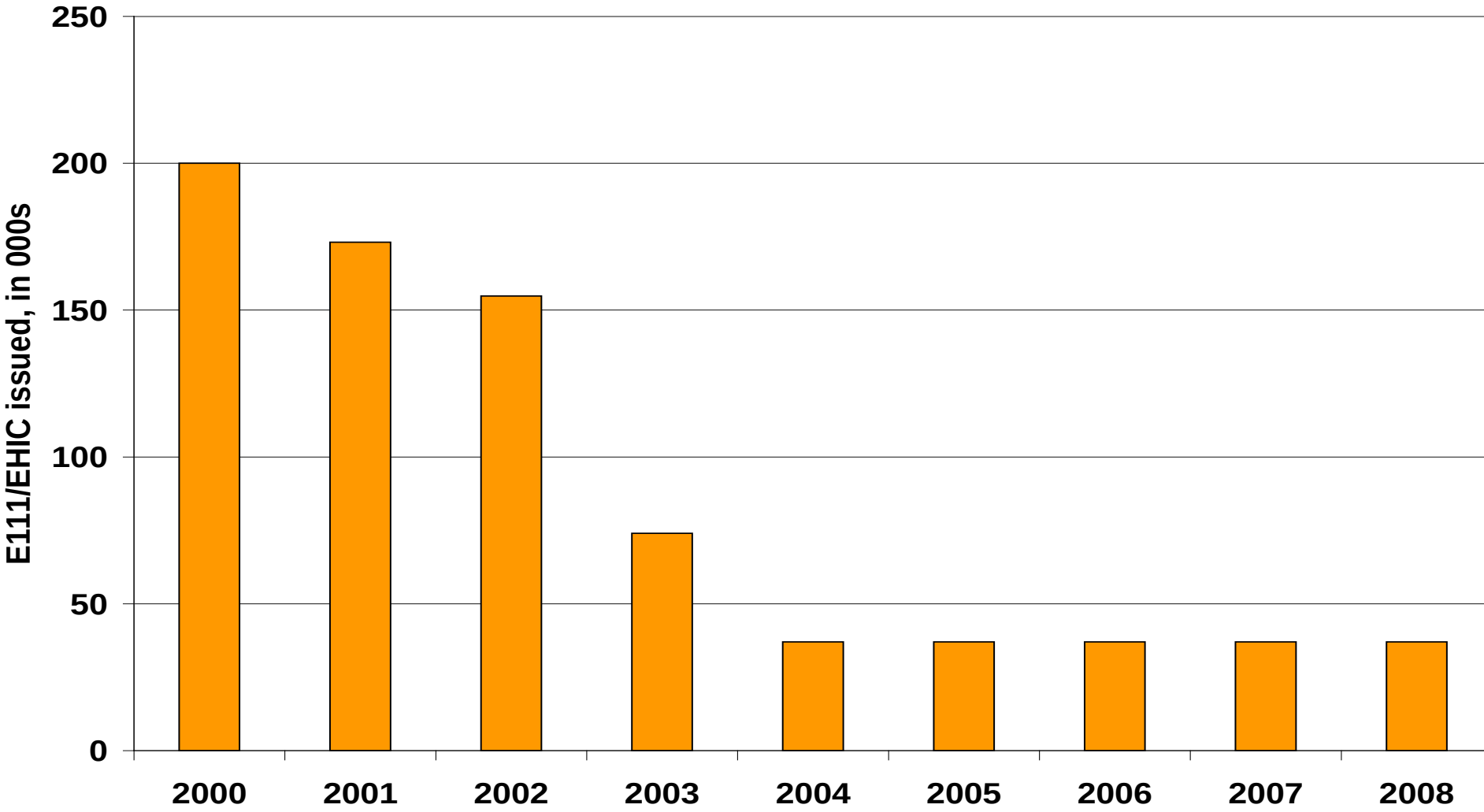
Estimating benefits & costs

- According to **stakeholders**:
  - Citizens
  - Healthcare providers and their organisations (HPO)
  - Third party payers
- **Benefits** - improvement of:
  - **Quality**: five factors
  - **Access**: spatial, social inclusion, other barriers
  - Overall **economic** efficiency
- **Costs**:
  - Investment (planning, implementation)
  - Change management
  - Sustained operation

Experience and outcomes

- **Acceptance by citizens is very high:**
  - requests for E111 form/EHIC down from 200 000 to 40 000 p.a.
- **Acceptance by hospitals is very high**
  - 100% acceptance of eGCE/EHIC by hospitals
- **Benefits to insurances**
  - fast and frictionless payment settlements due to full interoperability of electronic reimbursement systems
  - cost reduction – stationary materials, redeployment of staff
  - fraud reduction
  - satisfied clients

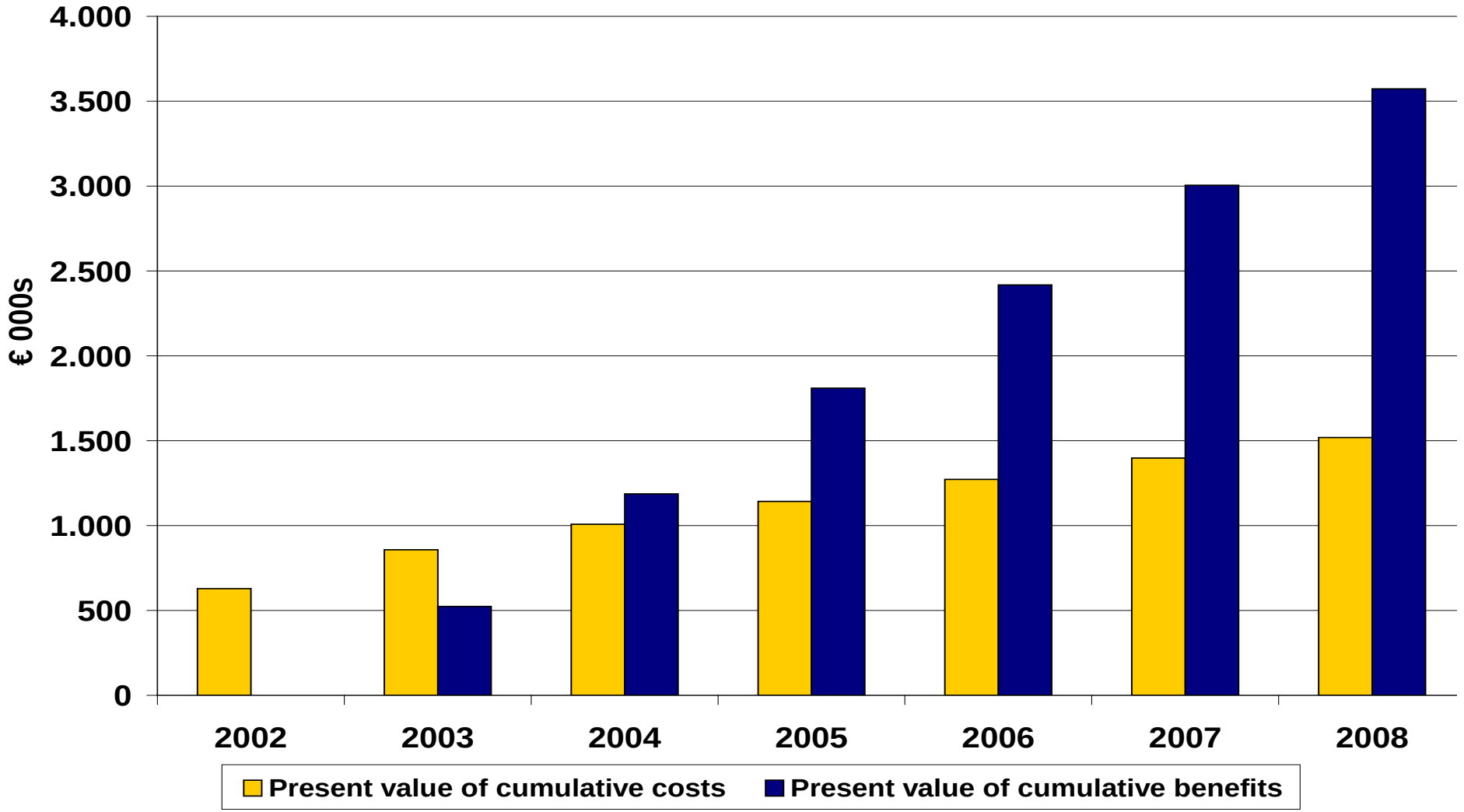
AOK saves on administration costs for 160 000 insurees each year



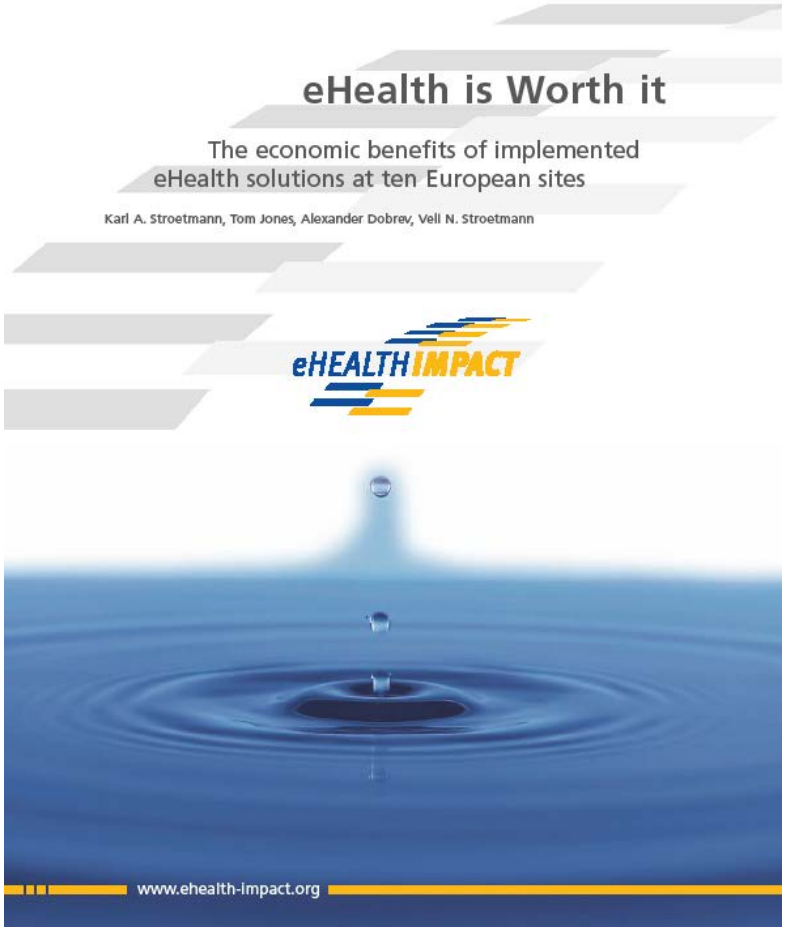
Example of a data summary sheet

Name of site	*1999*	*2000*	*2001*	*2002*	*2003*	*2004*	*2005*	*2006*	*2007*	*2008*
	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
Estimated COSTS										
eHEALTH INVESTMENT										
ICT application	0	0	0	250	562	936	1,560	2,496	4,056	6,240
Organisational activities										
ANNUAL OPERATING COSTS of service	130	260	520	1,073	2,646	4,801	8,640	14,585	25,030	40,901
Total estimated costs	**130**	**260**	**520**	**1,323**	**3,207**	**5,737**	**10,200**	**17,081**	**29,086**	**47,141**
PV of total costs	**130**	**251**	**520**	**1,193**	**2,795**	**4,830**	**8,298**	**13,425**	**22,088**	**34,589**
PV of cumulative costs	**130**	**381**	**901**	**2,095**	**4,890**	**9,720**	**18,018**	**31,443**	**53,531**	**88,120**
Estimated BENEFITS										
Citizens	0	0	0	30	285	840	1,860	3,698	6,783	11,773
HPOs	0	0	0	-	731	1,624	4,548	10,409	23,869	49,716
3rd party payers	0	0	0	-	1,052	2,338	6,545	14,981	34,354	71,554
eHealth provider (if not 1 of the above)										
Total Estimated Benefits	**0**	**0**	**0**	**30**	**2,068**	**4,802**	**12,953**	**29,088**	**65,006**	**133,043**
PV of benefits	**0**	**0**	**0**	**27**	**1,802**	**4,043**	**10,537**	**22,863**	**49,366**	**97,618**
PV of cumulative benefits	**0**	**0**	**0**	**27**	**1,829**	**5,872**	**16,409**	**39,272**	**88,638**	**186,256**
NET BENEFITS										
Net benefits not discounted	**-130**	**-260**	**-520**	**-1,293**	**-1,140**	**-935**	**2,752**	**12,007**	**35,920**	**85,902**
PV of net benefits	**-130**	**-251**	**-520**	**-1,166**	**-993**	**-787**	**2,239**	**9,437**	**27,278**	**63,029**
PV of cumulative net benefits	**-130**	**-381**	**-901**	**-2,067**	**-3,061**	**-3,848**	**-1,609**	**7,829**	**35,106**	**98,136**
Unit costs - cost per download					10.87	9.72	6.43	4.91	3.64	2.88
Service utilisation - Nr. of downloads	0	0	0	0	450,000	1,000,000	2,800,000	6,409,000	14,696,500	30,610,710

The socio-economic impact of GesundheitsCardEurope



More details in EU Publication 2006



Foreword

Healthcare is one of the most information-intensive sectors of European economies and can greatly profit from recent advances in information and communications technology. Given that the health sector currently lags behind other sectors in the use of this technology - eHealth - there is great potential for rapid, sustained growth.

The eHealth market is currently some 2% of total healthcare expenditure in Europe, but has the potential to more than double in size, almost reaching the volume of the market for medical devices or half the size of the pharmaceuticals market. However, unlike the products from these two other healthcare industries, eHealth applications are not yet routinely assessed for their impact, benefits and safety.

This study shows across a wide range of eHealth applications that clear evidence can be provided of the benefits of information and communication technology in routine healthcare settings. The benefits range from improvements in quality and better access of all citizens to care, to avoidance of unnecessary cost to the public purse. The methods used point the way to more formal certification of eHealth in future, and can support current efforts on both sides of the Atlantic to establish official certification mechanisms for electronic health record systems.

The European Commission Directorate General Information Society and Media supported this important contribution to methods for advanced evaluation and the collection of reliable evidence. The information gathered from 10 sites across Europe clearly shows that eHealth does matter, that it is well worth the investment, and can lead to very substantial benefits. An important lesson is that deployment of eHealth must be combined with appropriate changes in processes and organisation, and must be guided by appropriately skilled people.

I hope that this document will prove useful to all those with responsibility for health in Europe and will give courage to those who hesitate to invest in eHealth. The advice is simple: do not postpone innovation, but equally, do not take a leap into the dark; take small steps, carefully, and be guided by evidence now available of the successes and failures of others.

Brussels, September 2006

Viviane Reding
European Commissioner
Information Society and Media

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5. Outlook: Developing the business case further and expanding the service

- Supported by the *eTEN Programme* of the European Commission: Market Validation project
- Proposal very well evaluated (*First place* out of more than 100)
- *Duration*: June *2007* – May *2009*
- *Systematic assessment and validation* of current services and work processes
- *Improvement and extension* to
  - Italy
  - Austria
  - Czech Republic
  - other countries will follow
- Piloting application with direct *web-services* exchange via the Dutch Vecozo system
- Piloting use of *EHIC*
- *Development of a Business and Deployment Plan*

Forecasting future demand: who?

- **Mobile workers**
  - a currently underdeveloped market
- **Mobile citizens**
  - members of the age groups between 25 and 44 are the dominant travellers
  - share of older tourists increasing
- **Residential tourists**
  - wealthy elderly owning houses abroad, „snow birds“, retirement villages
- **Wellness and healthcare tourists**
  - depending on development of national benefit baskets and price differences (e.g. dental treatment, rehabilitation)
- **Difficult to find reliable data**

Primary target: major tourist flows

Country of preference by outbound tourists per country

Source: Eurostat, Statistics in Focus 5/2006, p. 5

Forecasting future demand: how many?

The potential demand is very high and expected to grow:

- **21 million supplemental health insurance policies for travel abroad were sold in Germany in 2006 (i.e. 1 for every 4th citizen – 25%)**
- **In 2004: more than 417 m trips lasting five days (four nights) or more were undertaken by European citizens**
  - **of which approximately 180 million abroad (Eurostat 2006)**
- **If only 3% of these potential clients are in actual need of medical care (figures from AOK), then there are**
- **more than 5 m foreign patient clients across Europe**

Thank you for your attention !

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