Belgium plans an important hospital reform as part of a larger "whole system" transformation

ESPN Flash Report 2022/14

JEAN MACQ – EUROPEAN SOCIAL POLICY NETWORK

APRIL 2022

In January 2022, the Belgian Minister of Social Affairs and Public Health presented a plan for hospital reform. This is expected to change the hospital sector, through the constitution of networks of hospitals with new governance arrangements and new financing. The reform is expected to improve integration of hospital care within the new networks and with the first line of care (primary care). It should also improve equity of access to hospital care.

Description

At the end of January 2022, the Belgian Minister of Social Affairs and Public Health presented a major reform of the hospital sector to be implemented by 2025. The reform tackles the current hospital financing mechanisms. To date, hospital financing has relied heavily on fee-for-services of specialist medical doctors who pay back part of their revenue to the hospital system. This has consequences on out-of-pocket payments by patients because of the extra fees charged by medical doctors, justified by the need to ensure the financing of hospitals.

This reform of the hospital sector will take place through three major changes:

1) Network governance to improve the efficiency of the hospital system. The new form of hospital governance will be centred on local/regional networks. Each of these "loco-regional" networks must provide all hospital functions for the population in their territory (but not in every hospital in the network). This is to be done by structuring the internal organisation of these networks to provide both decentralised accessible services and specialised services requiring a high level of technicality.

2) Gradual development of bundled payment. The financing of hospitals will be reformed with a view to reinforcing a "care pathway approach", integrating all aspects of an individual's care, and to gradually developing an all-in financing system (excluding doctors' fees). In a first stage, this will be done gradually by adopting a mode of payment based on the case mix in the hospital and the cost per disease. The second stage will involve a move to a bundled payment, a predefined reimbursement for a package of services (or benefits), thus creating a care pathway "across hospital services" (including services before and after hospitalisation, notably for pathways for obesity, diabetes, perinatal care, etc.).

3) Reform of the mode of payment of medical doctors. The plan is also to "disconnect" the financing of hospitals from the payment of doctors working in the hospital. Running costs will in principle be paid from the hospital budget, and only the expertise of the medical doctor will be paid on a fee-for-service basis. Therefore, the system whereby the doctor repays part of the medical fees to hospitals will be phased out. At the same time, fee supplements, which are justified by the need to finance hospitals, will be monitored.

Finally, the intention is also to correct unjustified differences in fees between different medical specialties, including general practitioners.

Outlook and commentary

The transformation of healthcare systems is necessary to meet future challenges, such as the expansion of ambulatory and home care to tackle the consequences of ageing, chronic diseases and the need for equitable access to care. This requires a major reform of the role of hospitals and their functions within the system.

The reform is expected improve system integration through better positioning of the hospital within the whole system. The reform of financing mechanisms and of governance of (hospital) networks will make it possible to develop structured cooperation with other forms of care,

including primary care. The reduction in the length of hospital stays (including "one day" hospitalisation) and the increased risk of a break in continuity at the time of the transition between home and hospital, require hospital care to be considered as part of a broader care pathway. The plan is therefore to better connect the hospital with primary care and the mental health sector. Thus, various care pathways (not necessarily "hospital-centred") will be implemented (e.g. for obesity, diabetes, psychiatric care, etc.).

At the same time, reform of hospital financing is expected to improve equity (inter alia by reducing fee supplements).

Some stakeholders believe that the chances of success of this reform are greater than for previous attempts. On the whole, hospital specialists support this reform. Their main concern is that the hospital networks respect existing relations between hospitals (Le Spécialiste, 11/02/2022). For their part, hospital associations are hoping to see a reform finally implemented (Vleugels, 8/02/2022). However, the Flemish branch of the Belgian association of doctors BVAS, reacted with suspicion to the introduction of bundled payments per pathology, arguing that payments based on average costs would leave little space for personalised treatment. They are also opposed to granting the budgets for technical devices directly to the hospital, which they think could lead to cost saving decisions (BVAS, 01/02/2022).

However, the questions as to implementation are mainly due to the differences between the current situation and the expected one. Difficulties overcoming a "silo" logic (i.e. hospital organisations functioning isolated from the rest) and reducing the resistance of some professionals need to be taken into account when managing changes. One of the pre-conditions for the success of this reform is the creation of a climate of trust between the various actors in the hospital but also in the healthcare system as a whole. The uncertainties that such major reforms can generate may mean that change is perceived as a threat by stakeholders. For example, questions remain about the ability to calculate costs and, above all, to obtain "fair" funding for conditions treated in hospitals. This is still a prerequisite for the move from current to future financing. Another example are the uncertainties that may be generated by changes to the fees paid to medical doctors.

To create or reinforce trust, the phasing-in of this type of reform can be seen as a critical factor in its success (or failure). Therefore, strong leadership will probably be needed to make changes permanent in the light of the success or failure of implementation of the planned reform. This may be particularly challenging in a federal country with sometimes complicated distribution of competencies between federal level and federated entities.

The Minister of Social Affairs and Public Health is planning to implement part of the reform (strengthening the operationalisation of hospital networks) this year (2022). From 2023 onwards, more important measures concerning financing are planned.

Monitoring the implementation of such an important reform may provide many important lessons for other European countries.

Further reading

BVAS (2022), Vlaams Artsensyndicaat niet enthousiast over meer forfaitarisering en minder inspraak voor artsen, Persbericht, 01/02/2022.

de Regge, M., de Pourcq, K., van de Voorde, C., van den Heede, K., Gemmel, P. and Eeckloo, K. (2019), The introduction of hospital networks in Belgium: The path from policy statements to the 2019 legislation, Health Policy, 123(7), 601–605.

Le Spécialiste (2022), Des honoraires plus équilibrés sans menacer les revenus des médecins (Dr Donald Claeys), 11/02/2022.

Rillaerts, S. (2022), Derrière le "bon sens", une réforme aux conséquences insoupçonnées, JM-Hospitals, 14/02/2022.

The Brussels Times (2022), Health minister wants Belgium's hospital reform by 2024, 31/012022.

Vandenbroucke, F. (2022). Hervorming van de ziekenhuisorganisatie en -financiering, nota Minister Frank Vandenbroucke, 28/01/2022.

Vleugels, A. (2022), Hoe 'Operatie ziekenhuizen' kan slagen, De Standaard, 08/02/2022.

Author

Jean Macq (IRSS-UCLouvain)

The Flash Reports are produced by the European Social Policy Network (ESPN) established in 2014 to provide the European Commission with independent information, analysis and expertise on social policies in 35 European countries. The topics covered are identified by ESPN experts in the light of significant developments in their countries, or in some cases suggested by the Commission or the Flash Reports' editorial team (Eric Marlier and Slavina Spasova). The ESPN is managed by LISER (Luxembourg Institute of Socio-Economic Research), APPLICA and the OSE (European Social Observatory). More information on the ESPN: http://ec.europa.eu/social/main.jsp?catId=1135&langId=en.

Quoting this report: Macq, J. (2022), *Belgium plans an important hospital reform as part of a larger "whole system" transformation*, ESPN Flash Report 2022/14, European Social Policy Network (ESPN), Brussels: European Commission.