



Quick Guide to Dutch Healthcare

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Preface

Most countries in Europe and elsewhere have the same objectives when it comes to their healthcare systems: the care provided must be of a high quality, available to all, and affordable in the long term. Yet there are also major differences in the organization of the healthcare systems through which countries attempt to achieve these objectives.


This ranges from nationalized healthcare systems (paid for through income tax payments; also known as the 'Beveridge Model') and social insurance systems (paid jointly by employers and employees through payroll deduction; also known as the 'Bismarck Model') to systems based on 'regulated' or 'managed' competition (known as the 'Enthoven Model').

How is the Dutch healthcare system organized? What makes the Dutch healthcare system unique? This is a question asked by people from other countries about the Dutch system, along with people who temporarily move to the Netherlands for work, researchers studying the Dutch system, and policymakers looking for inspiration from this system. This *Quick Guide to Dutch Healthcare* – in which we use eight visuals to outline how

the Dutch system works – is intended for this audience. How is this guide structured? We start by showing the fundamentals of the Dutch healthcare system and the laws governing this system. We will subsequently show some key data regarding the scope and expenditure of the Dutch healthcare sector, after which we will analyze the outcomes: what is the public health impact of the Dutch healthcare system? We hope you find this publication as helpful and informative as it is intended to be!

Highlights of the Dutch healthcare system

- The Dutch healthcare system is a system of 'regulated' or 'managed' competition in which the government sets the rules.
- Dutch healthcare expenditure annually accounts for approximately 10 per cent of the country's GDP.
- Healthcare and welfare is the second-largest sector in the Dutch economy.
- The Netherlands is home to a relatively large number of general medical practitioners.
- The Dutch healthcare system has a relatively low number of preventable deaths.
- Life expectancy in the Netherlands is in line with the European average.



Overview of the Dutch healthcare system

1.

The Dutch healthcare system regulates healthcare provision for the population of 17.5 million. The government's primary responsibility is creating the conditions for good public health, while people are personally responsible for their health and wellbeing. The government enables people to take care of themselves and supports them if they are unable to do so either on their own or with help from friends and loved ones or other people in their network.

On the next page, we explain which five laws provide for this support and care.

What is the rationale behind the Dutch healthcare system?

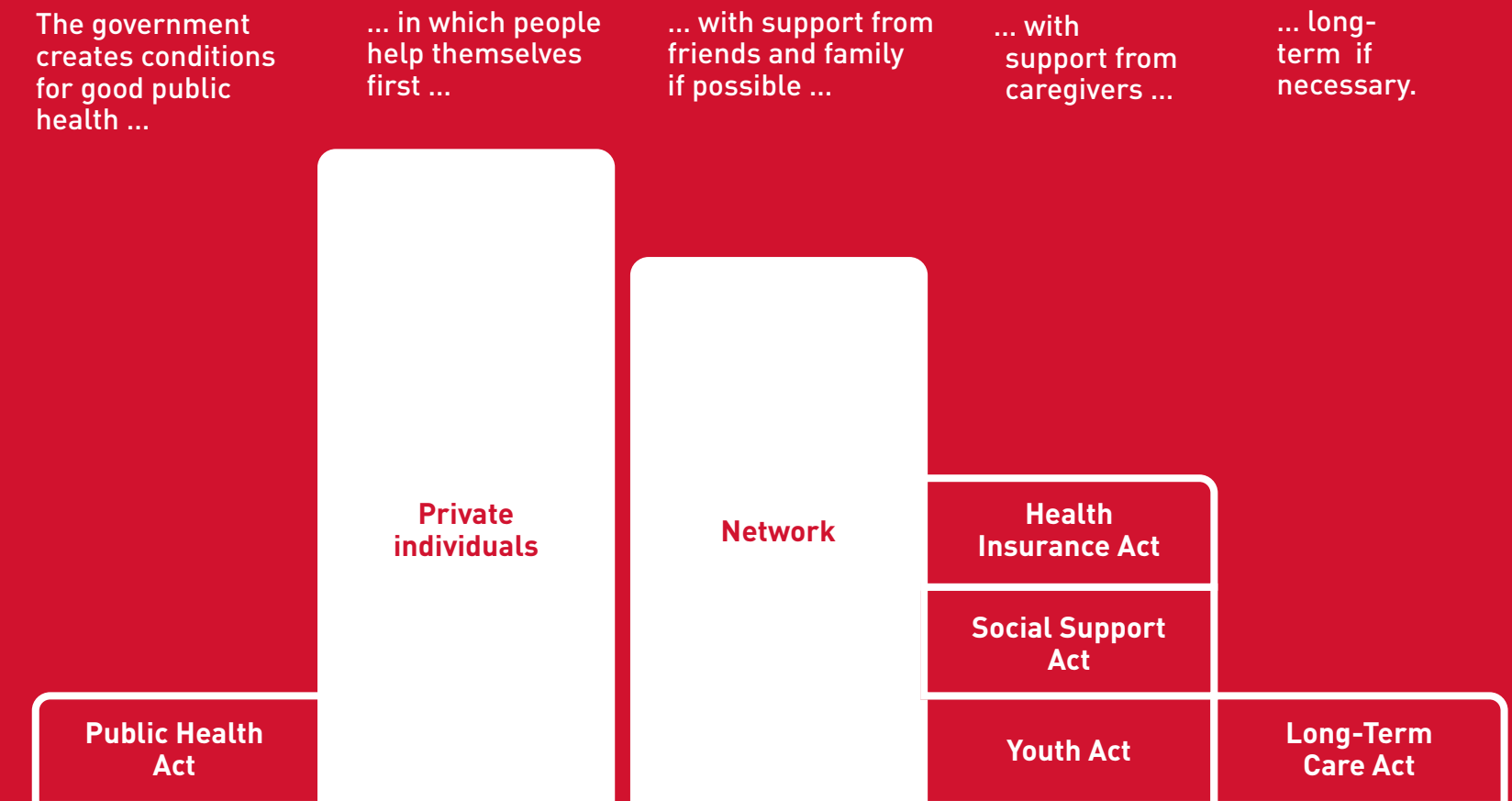


Figure 1

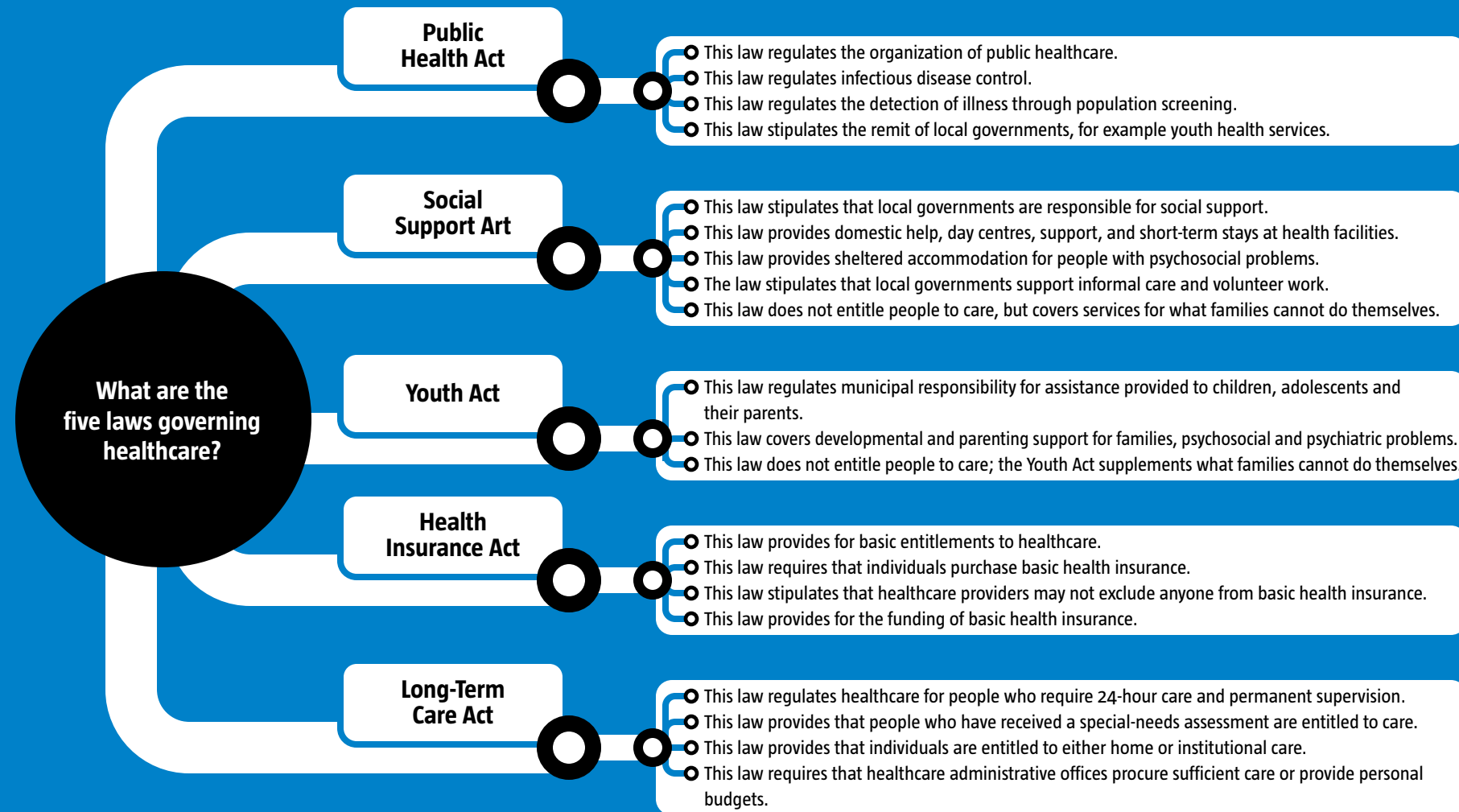


Figure 2

2.

The fundamentals of good public health are enshrined in the Dutch Constitution. The *Public Health Act* provides for the structure within which the government protects, monitors and promotes the population's health. The control of infectious diseases is an important part of this protection.

The *Social Support Act* and *Youth Act* are designed to support vulnerable and potentially vulnerable people, including people with disabilities and the elderly. The *Social Support Act* provides for assistance and support, allowing people to participate in society and live as independently as possible. The *Youth Act* provides for the care and support of young people and their parents, so that young people can grow up in health and safety and are given opportunities for self-development. Note that both of these laws do not entitle people to specific forms of healthcare, but rather oblige the government to provide an appropriate form of support.

The *Health Insurance Act* and *Long-Term Care Act* both do provide a package of healthcare services established by law, and together they cover the bulk of healthcare facilities in the Netherlands. The *Health Insurance Act* is designed to cure or resolve health issues and

includes facilities such as GP care (care by primary-care physicians) and hospital care. The *Long-Term Care Act* regulates long-term and intensive care for people who require round-the-clock care and supervision; this type of care is designed specifically for people with long-term healthcare needs.

3.

The four objectives underpinning the Dutch healthcare system are good public health, with high-quality care that is available and affordable to all, both now and in the future. In order to achieve these objectives, the Netherlands maintains a system of regulated (managed) competition.

The government sets the rules with which new and existing players must comply in order to enter the healthcare market, there must always be sufficient care available and the care provided must be regulated. This is how the Dutch government guarantees the quality of public health in the Netherlands and the quality of the care provided.

In order to guarantee solidarity, the government determines that everyone, by paying taxes, pays their share of curative and long-term care, irrespective of how many people use this care themselves. In order to keep the increase in healthcare expenses in check, the government enters into what are known as 'outline agreements' with the sector; these agreements contain terms on the maximum increase in healthcare expenses. Within these agreements, the main players determine the price, quality and service of the care, based on supply

and demand; these players are healthcare purchasers, healthcare providers, and the general public. How they relate to each other is explained on page 13.

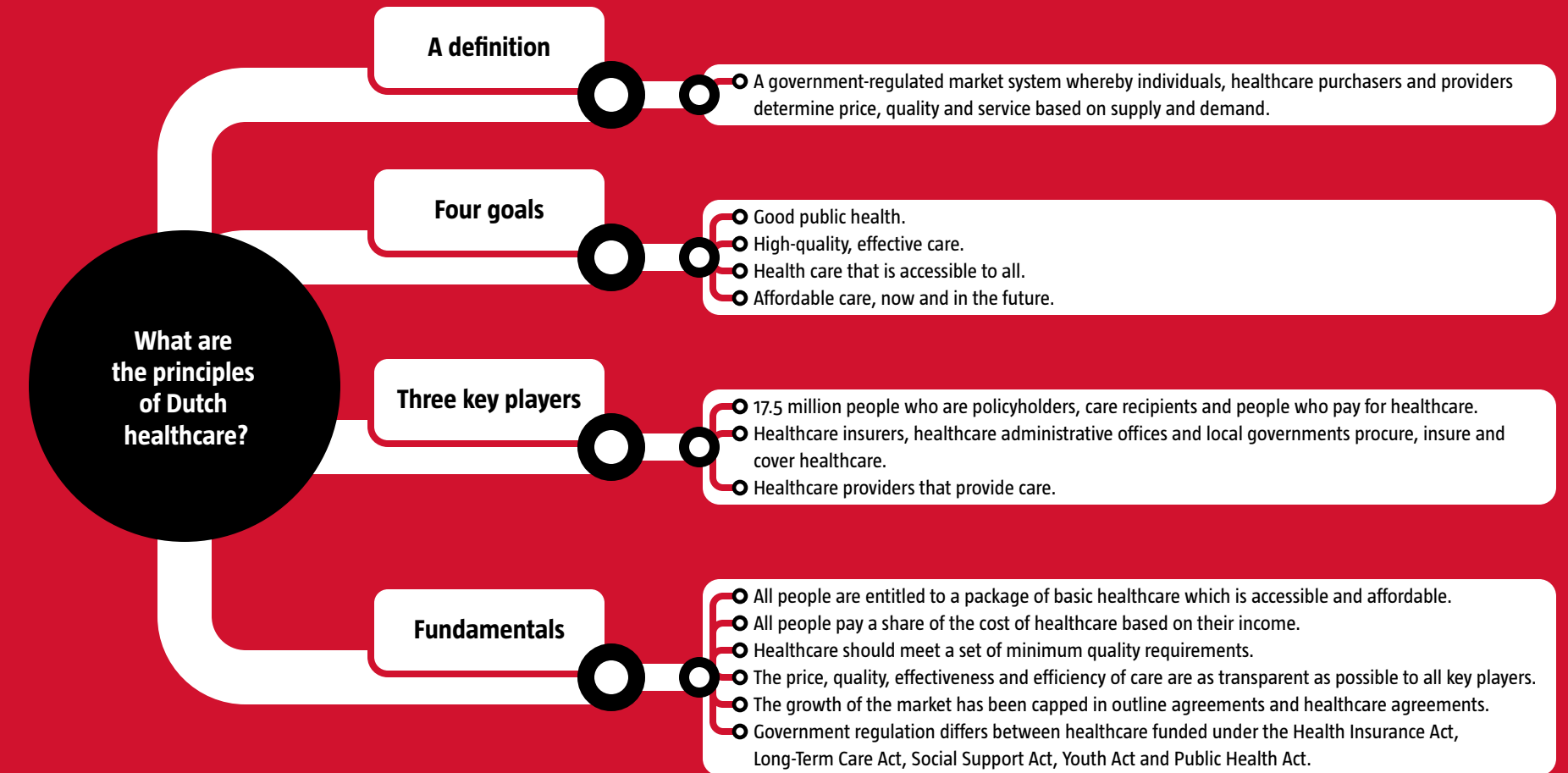


Figure 3

Who are the key players in the Dutch healthcare sector?

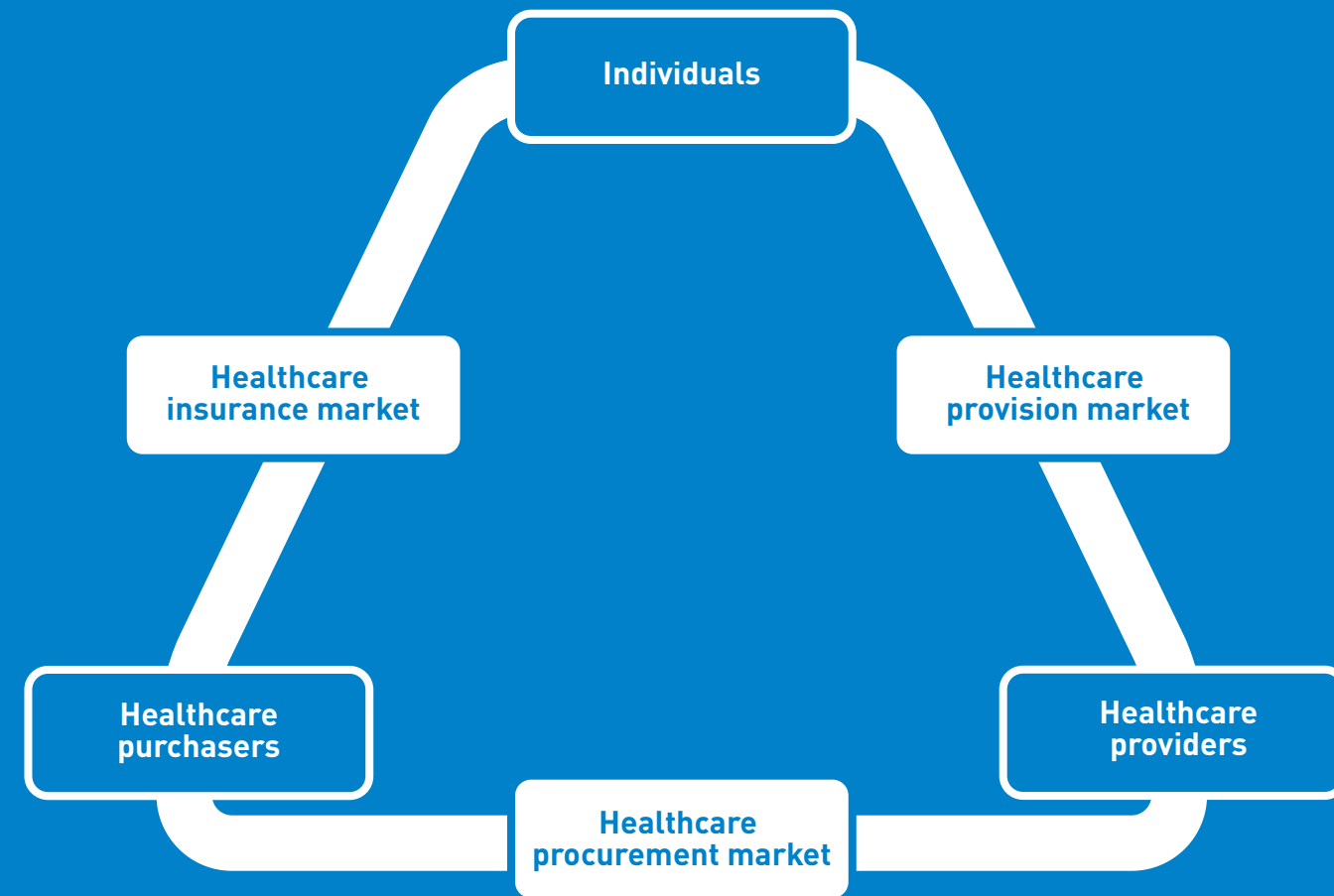


Figure 4

4.


Healthcare purchasers, healthcare providers and the public together comprise the three main players in the Dutch healthcare system: Who fulfils the role of healthcare purchaser depends on the law in question. The 352 local governments are responsible for this under the *Social Support Act*, *Youth Act* and, to an extent, the *Public Health Act*.

Health insurance providers act as the purchasing party under the *Health Insurance Act*. In 2021, the Netherlands is home to a total of 10 health insurance groups, which includes several health insurers. Under the *Long-Term Care Act*, there are a total of 31 healthcare administrative offices that act as purchasers.

The main players operate in three 'markets'. The first of these, the *health insurance market*, applies exclusively to the *Health Insurance Act*. Private individuals can decide every year from which health insurance provider they want to purchase their health insurance. Health insurance providers compete on aspects such as price or policy terms. The insured package is the same for the entire population. The other two markets are relevant to all healthcare laws in the Netherlands. In the *healthcare procurement market*, health insurers, healthcare

administrative offices and local governments decide with which healthcare providers and under what terms and conditions (within the rules set by the government) they purchase healthcare. Finally, members of the public operating in the *market for health providers* decide from which healthcare provider they would like to receive care. If they choose a provider with which the healthcare procurement organization has not signed a contract, it sometimes happens that their care is not, or not fully, covered by their policy.

Now that we know how the Dutch healthcare system works, we will cover several key data relating to this system.



Key figures of the Dutch Healthcare system

1.

According to the international definition of healthcare expenditure (set out in the System of Health Accounts), the Netherlands spent a total of 81 billion euros in 2019.⁹ This amount differs from the broader definition used by the Netherlands-based agency Statistics Netherlands (CBS).

According to the Health Bills published by Netherlands Statistics, we spent 91.6 billion euros on medical care and long-term care in 2019. Dutch healthcare expenditure increases annually.⁹ This discrepancy is due to the fact that the two standards use different classifications for 'health expenditure'. The System of Health Accounts only includes expenses for activities whose main purpose of which is healthcare provision, while the wider definition also includes providers for whom healthcare is not the main focus.

According to international standards, healthcare expenditure in the Netherlands has increased by more than 16 billion euros since 2010. However, this expenditure has remained roughly the same when expressed as a percentage of Gross Domestic Product (GDP). In 2010, healthcare expenditure accounted for 10.2 per cent of GDP, versus 10 per cent in 2019.

Dutch healthcare expenditure is relatively high compared to that of neighbouring countries; the European Union countries spent an average of 8.3 per cent of their GDP on healthcare in 2019.⁹

Dutch expenditure on long-term care is relatively high compared to other countries, while the cost of medications and medical aids in the Netherlands is relatively low.⁹

How do we spend our healthcare funds?

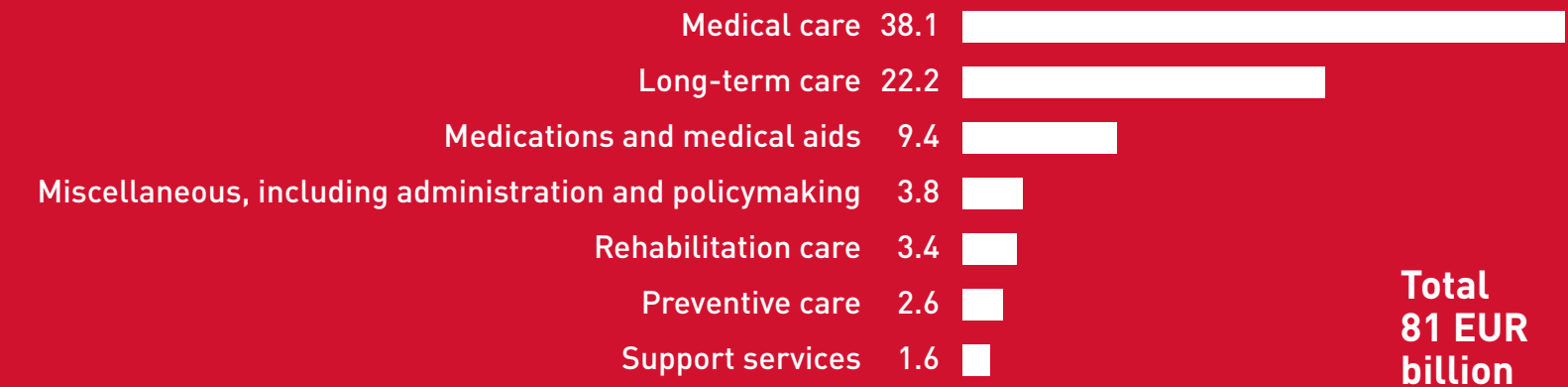


Figure 5
Healthcare expenditure in billion of euros in 2019, based on the internationally accepted definition.
Source: CBS Statline, 2021. Zorguitgaven.

How much does the average European spend on healthcare?

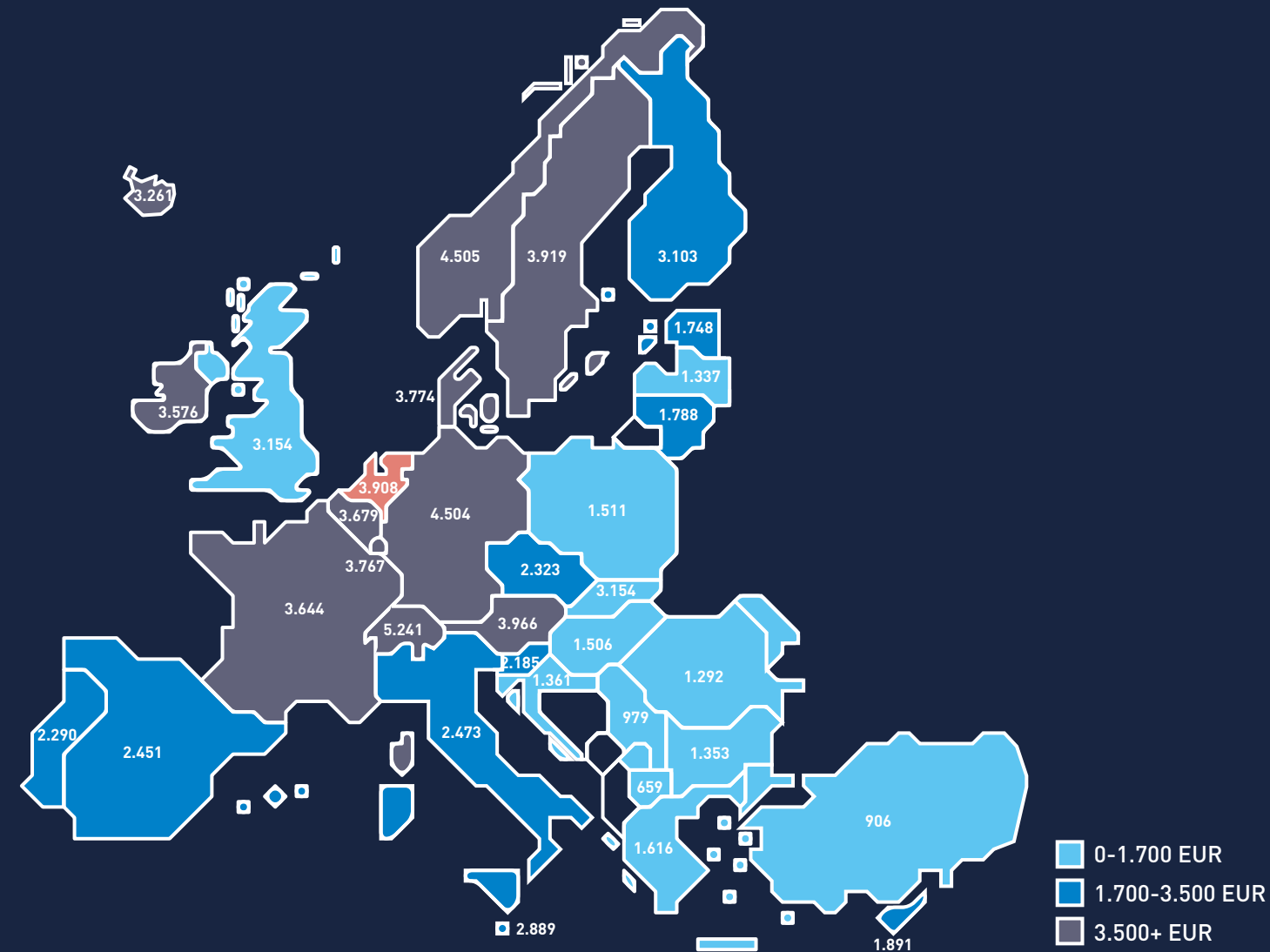


Figure 6
Health expenditure per capita in European countries adjusted for purchasing power parity in 2019 (or nearest year).
Source: OECD, 2020.

2.

In order to be able to compare individual healthcare expenditure in the Netherlands with expenditures in other European countries, we use numbers that have been adjusted for purchasing power parity (PPP). Based on this calculation, every Dutch person (spanning all age groups) spends 3,908 euros on various forms of care annually. For European countries, the average amount is 2,572 euros per person.[•]

So what is the actual per-capita healthcare expenditure in the Netherlands? Only numbers for the adult population have been documented: adults in the Netherlands will spend an average of 5,900 euros on care in 2021, as calculated by the Ministry of Public Health, Welfare and Sport.[•] The largest expenditure per adult are the means-tested taxes and contributions withheld from salaries and benefits, which adds up to an average of almost 3,000 euros a year. Depending on income, these means-tested taxes and contributions could increase to more than 7,400 euros a year.[•]

In addition, adults spend an average of 1,473 euros per year in contributions to their health insurers for the basic insurance, plus an excess (deductible) of up to a maximum of 385 euros a year. For long-term institutional care, people pay a co-payment of between 24.40 euros and 2,469.20 euros a month, depending on their income and personal assets in 2021.[•]

People with a gross annual income of up to 40,000 euros receive a healthcare allowance from the government of a maximum of 1,248 euros a year. This is how the government ensures that the healthcare provided is affordable to all. Around 40 per cent of the adult Dutch population receive a healthcare allowance.

3.

More than 1.4 million people in the Netherlands are employed in the health and welfare sector, making it the second-largest economic sector in the country. This involves more than 16 per cent of the Dutch workforce (page 23, figure 7).⁹ The healthcare sector is faced with growing staff shortages. Demand for healthcare workers is increasing, due to changes in demographic trends (such as an ageing population) and other factors. In addition to staff shortages, the ageing population has also created shortage of informal carers.⁹

On page 24, we will look at the further breakdown of the number of working people in each healthcare subsector.

What is the size of the Dutch healthcare system?

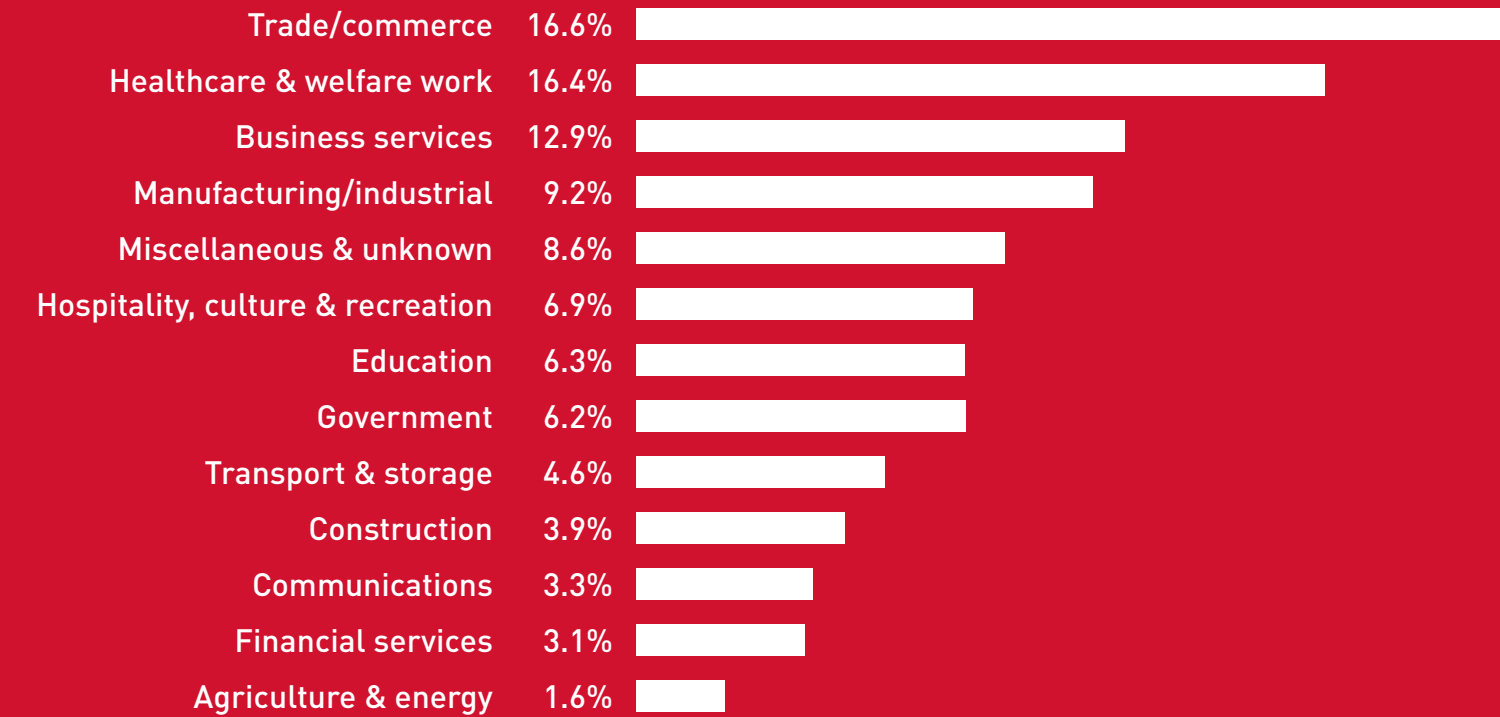


Figure 7
Professional population broken down by sector as a share of the total professional population in 2019.
Source: CBS Statline (2021). Werkzame beroepsbevolking.

Where are healthcare workers employed?

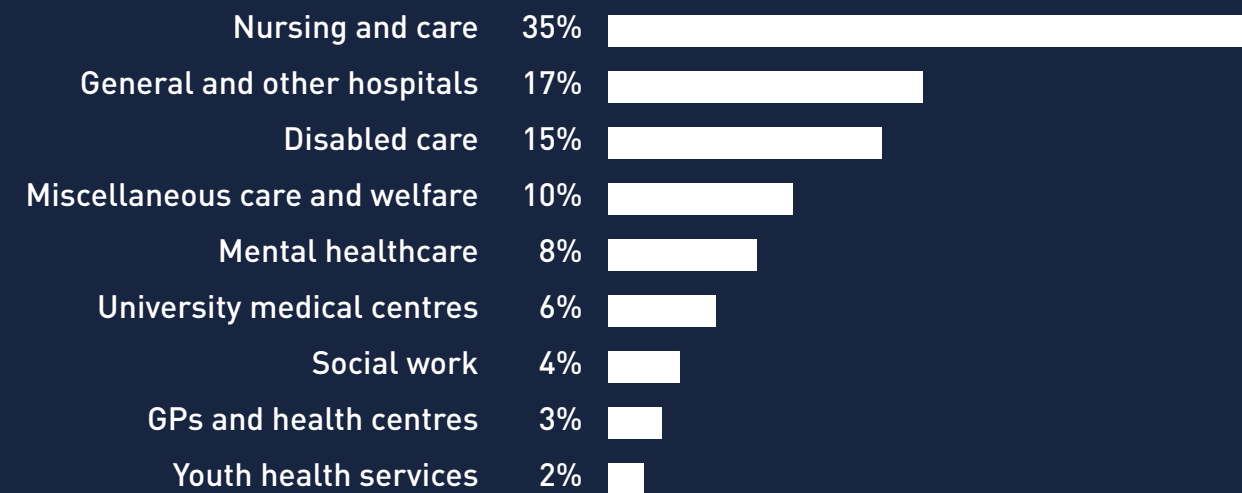



Figure 8
Breakdown of healthcare workers in 2020.
Source: AZW Statline (Webpage). Arbeidsmarkt zorg en welzijn.

4.

Of the 1.4 million people employed in the healthcare and welfare sector in the Netherlands, a total of 35 per cent are employed in nursing and care. The second group of workers (17 per cent of the total) are employed in specialized medical care (hospitals and university medical centres).⁹

Compared to other European countries, the Netherlands has a relatively small number of medical specialists and a large number of medical generalists, including general practitioners (GPs), geriatricians and physicians specializing in treating people with intellectual and learning disabilities.

According to data provided by the Organisation for Economic Co-operation and Development (OECD), a total of 45 per cent of physicians in the Netherlands were employed in general medical care in 2018, compared to an average of 28 per cent for the 32 OECD member countries at that time.⁹ Only Ireland and Portugal have a larger number of generalist physicians. A possible explanation for the large percentage of generalist physicians in the Netherlands is the fact that people do not have direct access to specialized medical care but require a referral from their GP.



Outcome of the Dutch healthcare system

1.

Now that we have reviewed the organization and scope of the Dutch healthcare system, we will take a look at its outcomes. A commonly used metric for healthcare outcomes is 'amenable mortality', deaths that could have been prevented through medical care.

The Netherlands is one of the highest-performing countries in Europe when it comes to amenable mortality. In particular, death as a result of ischemic heart disease, stroke and diabetes is often prevented in the Netherlands. However, a relatively large number of Dutch people die of colon cancer and breast cancer, which collectively account for 40 per cent of all deaths from curable diseases.⁹

In addition, the vaccination rate has been in decline in the Netherlands in recent years. The vaccination rate for measles, hepatitis B, diphtheria, tetanus and polio were all below the European average in 2019, the main reason being concerns regarding the effectiveness and potential side effects of vaccines.

How does Dutch healthcare score compared to other countries?

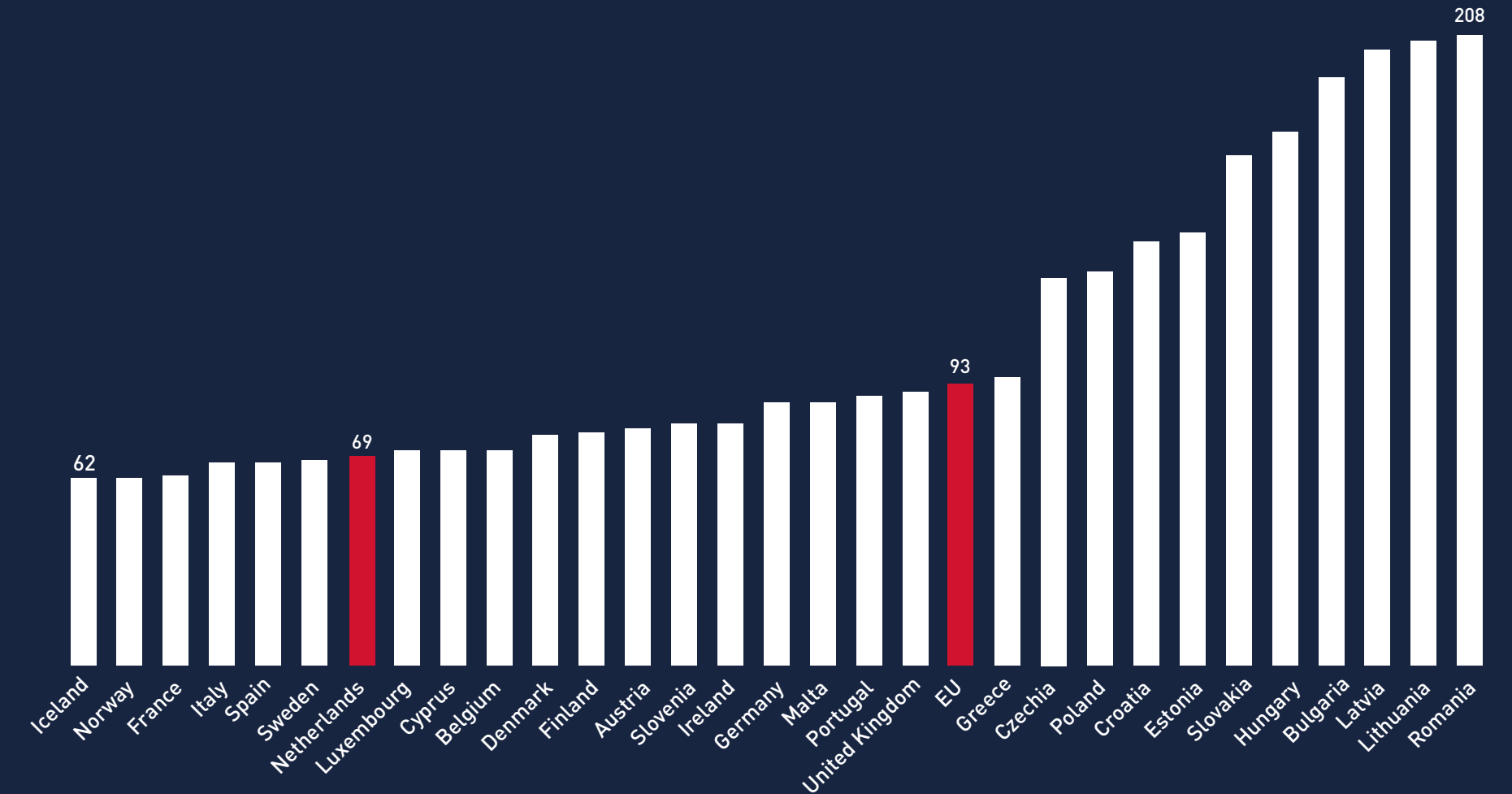


Figure 9
Age-standardised mortality rates per 100 000 population in European countries in 2016.
Source: OECD/European Observatory on Health Systems and Policies, 2019.

How long do we live and how long do we feel healthy?

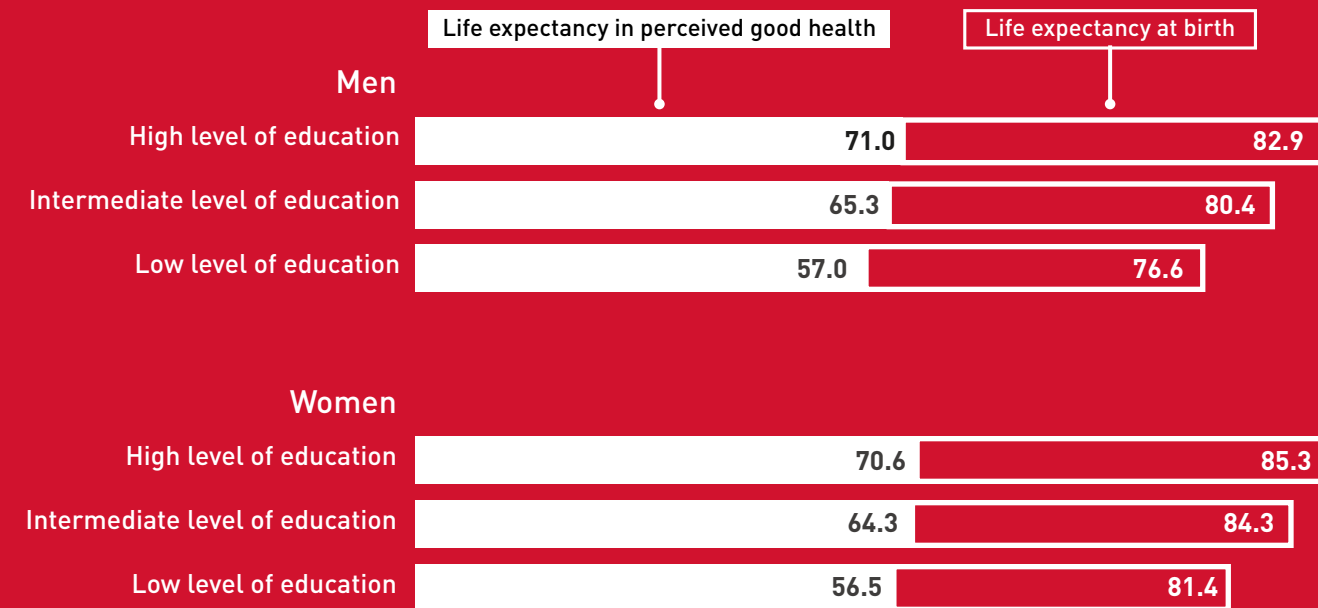


Figure 10
Life expectancy in years at birth and life expectancy in perceived good health, by formal education level and gender, 2018.
Source: De staat van volksgezondheid en zorg (Web page). Levensverwachting in goed ervaren gezondheid.

2.

In 2019, life expectancy at birth in the Netherlands was 80.5 years for men and 83.6 years for women.⁹

Life expectancy in the Netherlands is related to people's level of formal education: people with a low level of formal education live an average of 4.5 years less than their more educated counterparts (figure 10, page 30).⁹

When we look at people's perceived health, the discrepancies are even larger: people with a low level of formal education live 14 years less in good perceived health than their counterparts with higher levels of education.⁹ This means healthy life expectancy in the Netherlands is more than four years less than in other European countries. Cardiovascular disease, dementia and lung cancer are the main causes of death in the Netherlands.⁹

Appendix

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Afterword

One of the main questions we asked when creating this Quick Guide to Dutch Healthcare was ‘What definitions and data/statistics should we use for a publication intended for an international audience?’ As with all products developed by This is How Dutch Healthcare Works platform, objectivity and reliability come first.

We exclusively used public sources for this publication, with Dutch sources including Statistics Netherlands (Centraal Bureau voor de Statistiek/CBS) and the website Volksgezondheidszorg.info. For international comparisons, we used CBS, the OECD and Eurostat as our sources. We also used updated information contained in our 2018 publication *This Is How Dutch Healthcare Works*.

Specifically for this publication, we use internationally accepted definitions as much as possible, including on healthcare expenditure and healthcare outcomes, so as to facilitate a reliable comparison between the various European countries. This does mean, however, that the data and statistics in this publication deviate from the data and statistics contained in our Dutch-language ‘This is How Dutch Healthcare Works’ publications. According to the international standard for healthcare expenditure (set out in the System of Health Accounts), Dutch healthcare

expenditure totalled 81 billion euros in 2019, whereas according to the ‘comprehensive healthcare expenditure’ metric used by Statistics Netherlands, this amounted to 91.6 billion euros. This discrepancy is due to the fact that the two standards use different classifications for ‘health expenditure’. The System of Health Accounts only includes expenses for activities the main purpose of which is healthcare provision, the wider definition also includes providers for whom healthcare is not the main focus.

In describing, selecting and checking the information contained in this publication, we were fortunate to be able to draw on the expertise of the partners of the *This is How Dutch Healthcare Works* platform (for further information on this platform, see page 32), who acted as consultants on this publication.

De Argumentenfabriek bears ultimate responsibility for the content of the publication, including any errors.

More information on the Dutch healthcare system

If you are looking for a more detailed explanation of the Dutch healthcare system, *This Is How Dutch Healthcare Works* (a 176-page publication containing more than 40 images) will introduce you to the main players, laws, funding, competition and knowledge generation in Dutch healthcare.

About the Quick Guide to Dutch Healthcare

The Quick Guide to Dutch Healthcare has been facilitated by the commitment and expertise of our partners in the *This Is How Dutch Healthcare Works* platform; a partnership of 17 organizations operating in the Dutch healthcare sector. Our mission is to explain the workings of the Dutch healthcare system, using clear and impartial information.

Who are the platform partners?

The platform consists of a mix of private parties – including healthcare providers, healthcare purchasers and representatives of public parties and research and educational institutions.

The platform partners collectively facilitate access to the impartial information generated about the Dutch Healthcare system and work to ensure that this information reaches healthcare professionals and health-related programmes at colleges and universities.

What is the role of the platform partners?

It is the partners that make the platform and its products possible, both financially and in terms of the content. They jointly commission work from De Argumentenfabriek, which serves as their executive partner.

What is the role of De Argumentenfabriek (The Argumentation Factory)?

De Argumentenfabriek is the creator of the products created under the *This Is How Dutch Healthcare Works* banner and, as such, bears ultimate responsibility for the content and for monitoring the accuracy, impartiality and clarity of the information. De Argumentenfabriek is available to answer any questions you might have.

For more information, please visit:
www.zowerktdezorg.nl.



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