Interview: Romain Schneider – Minister of Social Security, The Grand Duchy of Luxembourg



"Today, we need to focus on social dialogue by including all social partners"

23.11.2016

Tags: Luxembourg, Minister, Exclusive, Social Security, Insurance, Healthcare

In an exclusive interview, Romain Schneider, Minister of Social Security for Luxembourg, on the successes of the Luxembourgish social security system, areas for improvement, and Luxembourg's positioning within Europe.

You were appointed Minister of Social Security nearly three years ago now, in December 2013. What have been the main changes implemented during your tenure?

I have worked on several governmental programs. As the head of the Ministry of Social Security in Luxembourg, we are handling all issues pertaining to a comprehensive social security system. These include and are not limited to: reviewing of our pension system, balancing our budget of health insurance and maternity, examining our long care system etc. I am pleased to say that these initiatives have yielded tangible results. Now for other policies, I am guided by the current coalition government and follow the national direction.

The Luxembourg social security is 115 years old, most likely one of the oldest in the world! Even France only celebrated 70 years of existence of its Social Security… How would you introduce in a few words, the Luxembourgish social security system?

I actually participated in the 70th anniversary of France's social security, which was a big milestone for their country and for Europeans generally speaking. We indeed have one of the oldest and most complete systems. It has been built on five key pillars: health and maternity insurance, accident

insurance, pension insurance, family allowances and dependency / long-term care insurance. Financing operations vary for each component. Each pillar has its own administration, councils, and sub-ministry. The parliament and legislation guide new policy for each pillar, but management is generally conducted by a tripartite organization to ensure balanced governance. We have a national supervisory committee to oversee and discuss actions to take regarding health insurance. Today, we need to focus on social dialogue by including all social partners and this is a new way of functioning.

What works well and on the contrary, where is there room for improvement in the Luxembourgish social security system?

We are always probing into new ways to improve our system. Regarding health insurance we have audits every six months involving doctors, laboratories, representatives of various hospitals, pharmacists and civil servants of three ministries. We discuss the situation and new scopes of action. The government is always striving to modernize the social security system. We are for example preparing a reform on dependency insurance. It has been submitted to the parliament and the state council which will examine it before our parliament discusses it and passes the bill. We want to ensure an access to quality services for everyone and make our system financially sustainable beyond 2040. A review of the dependency insurance had already been performed before 2010. In 2012, we also conducted a budget reform. Finally, we have developed an innovative system to offer greater flexibility for the beneficiaries and reduce administrative burden.

Luxembourg has this particularity of having both a Minister of Health and a Minister of Social Security. What benefits can be drawn from this organization? Isn’t there an overlap of roles?

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Our government has purposely separated the two, which provides opportunities to concentrate on our methods. While the Ministry of Health will focus on hospitals, health prevention and other areas directly linked to health, my focus is more on financing and budgets. My objective is to make our social security system more efficient and sustainable. The health ministry places great emphasis on care, and we concentrate on technique. Both departments naturally listen to each other’s recommendations and we have a monthly bi-ministerial meeting to examine policies and integrated actions. The department of labor and the ministry of the family are also very involved in our discussions and work.

Luxembourg surely has one of the best healthcare systems in Europe, with universal and quality access to healthcare. However, looking to the future, with an aging population and rising medical costs, it seems a complicated equation to continue balancing the Healthcare Branch of the Social Security and the famous Caisse Nationale de Santé (CNS). What are the key actions your Ministry is currently taking to ensure the sustainability of the system?

We have to adopt new technologies and find new techniques to improve our financing systems. We work hand in hand with the health ministry and the ministry of research to explore new possibilities. We also collaborate with research centers and scientific universities. We put efficiency and new opportunities for treatment forward. For instance, the government created a few years ago the Luxembourg BioHealth Cluster. It brings together the key stakeholders whose activities are related to health sciences and technologies. The cluster is pursuing specialization on personalized medicine, molecular diagnostics, bioinformatics, therapeutics, medical device and telemedicine. This unique expertise and the involvement of all relevant stakeholders, offer us the opportunity to develop innovative solutions and techniques in life sciences and healthcare while developing another pillar of the Luxembourg economy.

Regarding more specifically the sustainability of the social security system, we have put in place regular evaluations and reporting to assess the situation and anticipate future evolutions. For instance, the pension system is being reviewed and the results will be discussed by a working group constituted by different experts. This allows us, together with the relevant stakeholders including the social partners, to continuously modernize the system and adapt it to cope with the challenges ahead.

As legislation evolves around issues like personalized medicine, with many states seeking to keep prices of innovative immune-oncology drugs down, what role should companies in the life science industry play in the drafting and revision process?

We have a constructive dialogue with the life sciences industry. We cooperate with laboratories and pharmacists. The social security ministry tries to mobilize every stakeholder in the health industry and it is our role to discuss with partners to find solutions and compromises.

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One of the key measures taken by the Luxembourg government in the past decade has been the focus on generics. What has been the impact on the system?

The impact has been notable. The introduction of generics has yielded tremendous results in one particular field for example, the one of cholesterol. In the first semester of 2016, in volume, 54% of reimbursable medicine available on the market were generics. I would say that generally speaking, generics have been greeted positively by patients and pharmacists, and I believe that pharmacists and physicians have the responsibility of informing patients on the benefits of generics.

Technology is revolutionizing medicine. The Luxembourg government launched the Plan d'Action eSanté, which culminated with the creation of the Agence eSanté in October 2011. Could you please tell us more about this initiative and what have been the results of this e-health plan and agency?

We created this economic interest group in 2011 and it has been an incredible platform to mobilize all stakeholders. Such an agency can aggregate all the information available to improve protection for patients. It must however be noted that of course, patients provide authorization for their information we gather to be used. We hope that by the end of 2017, we will be prepared to publish the first issues of this platform and the Dossier de Soins Partagé (DSP, individual digital health record that would be shared amongst different healthcare-related stakeholders). We are currently testing it and have received positive returns. There are still corrections to be made of course, but we are almost ready to launch. Our first mission focused on this shared health record, and once we release it, I am sure progress will be made in other areas.

Data protection and confidentiality of patients is a big question in Europe right now and of course in Luxembourg with the Dossier de Soins Partage you just mentioned. What role can a country such as Luxembourg play in finding the right solutions?

Luxembourg definitely has a significant role to play. In the 2nd quarter of 2016, there were 391 861 people employed in Luxembourg, including cross-borders who account for 45%. On the 1st of January 2016, 576 200 people lived in the country, so that's nearly 600 000 members of our healthcare system. It is obviously less than our neighbors but not neglectable. Confidentiality is critical to building trust with patients. Most citizens in Luxembourg will not cooperate on data gathering if we do not ensure a high level of protection and confidentiality in handling such sensitive data. It is therefore our role as government to oversee control and handling of health data to safeguard patients' interests.

Your ministry is also responsible for negotiating and administering Luxembourg's commitments at the EU and international level in the area of social security. How can Luxembourg contribute to the development of a social Europe?

I raised the need for a social Europe during Luxembourg’s rotating presidency of the Council of the European Union in the period July-December 2015. Most health ministries are faced with budget cuts and Europe needs to examine the social impact of fiscal imbalances. Ministers of social security must work hand in hand with finance ministers to determine the best areas for budget allocation.

Luxembourg provides an excellent platform for social protection to its citizens. Our ability to deliver on social aspects will determine the success of European integration. I must admit that it is hard to identify metrics and KPI’s to measure results in the social policy arena, but we somehow need new indicators and new approaches to interpretation statistics.

A few words to conclude?

Luxembourg is at the heart of Europe. It has an excellent relationship with its European neighbors and other members of the European Union. We want to export our culture of investment in people’s social protection, but we also want to explore the technology and innovation space.

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