Mathilde Lignot-Leloup – Director, Direction de la Sécurité Sociale, France



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Mathilde Lignot-Leloup, director of the French Social Security, provides a fascinating look into the French social system and speaks about its ongoing transformation. She elaborates on change management processes within the social security system, including the pension system while getting back to budget equilibrium expected for 2019 (a first in 18 years!), and explains why the French government decided to totally reimburse

dentures, ophthalmology expenses and optics.

France has one of the world's strongest and best-funded social security systems. How would you describe the role the social security system plays today in French society and how it has evolved in recent times?

The French social system is comprehensive and covers several pillars including healthcare, work accidents, pensions and family support. Pensions take the most important part of the budget with more than EUR 300 billion (USD 342 billion), making up around 14 percent of GDP, whereas the healthcare spending amounts to more than EUR 200 billion (USD 228 billion), which is approximately 11 percent of GDP.

The French social security system is at the heart of the French social contract, and the question of social solidarity is subject to political preferences. These choices are brought up by the French

society, publicly debated and presented to political decision makers. What is important to see is that even though our social security system is now 70 years old, it has evolved over time and was able to adapt to the changing needs of our society. Today, one of our challenges is still to cope best with increasing needs for elderly care: the Minister of Health and Solidarities Agnes Buzyn most recently launched consultations on the future management of dependence with a new law expected in 2019, in order to find and agree on solutions for tomorrow.

You took the position as Director of the Social Security in June of 2017, almost one year and a half ago. How challenging has it been to step into such a role?

It is indeed a very motivating challenge. I took the office at a time when the new government of President Macron came up with a road map for significant transformations and reforms. The reforms main objective is to adapt our social security system to the needs of the population, to make it more efficient both in the way it is financed (less tax on labour in order to strengthen activity) and in the operational processes.

We have already implemented two concrete reforms to improve the social security processes: the elimination of the self-employment social security regime and the abolition of a very complex system of student complementary health insurances that obliged students to change their health insurance once they had become a student. Both self-employed and students are now integrated into the general security scheme. As a result, people can now change professional affiliations without having an insurance break because of a change of status.

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What are your strategic priorities and which reform projects do you seek to focus on?

First of all, we expect in 2019 a return to the social security’s financial equilibrium, yet the challenge is to keep it sustainable. It is our responsibility to our children to keep the social security system in balance and without debts: the social security was in deficit over the past 18 years, so it’s now an issue of stabilization and setting that right. We need to reign in control over our expenses while at the same time stimulating income in a way to ensure the long-term sustainability and endurance of the system. The latter is a key element to engender the trust of our

younger generations in our social system and of its continued value.

We have decided to push for evolution and invest more in the healthcare insurance system. We foresee additional expenses in 2019, but we will be investing in innovation and access to innovation as we press ahead with efforts to transform the healthcare system.

We live at a time where innovations enter the market at very high costs, but we do need to achieve budget balance. So, how can we orient ourselves so as not to leave out important innovations while at the same time ensuring that they are financed at affordable prices? The challenge is to maintain the specificity of our social security system and its excellent public coverage, but we simultaneously seek rapid access to innovation. This presupposes our ability to generate savings on old products and to develop the least expensive care in terms of generic or biosimilar drugs.

On September 25th 2018, the Ministry of Health & Solidarities released the 2019 *Projet de loi de financement de la Sécurité Sociale (PLFSS* – Social Security Financing Bill). The government is notably emphasizing a restructuring of the healthcare system, safeguarding the most vulnerable, and incentivizing employment. Could you please share with our audience the key takeaways of the 2019 PLFSS?

There are three core axes. The first one is the support growth to enable economic development. For example, we will remove all the social charges for the basic salary level. The same applies to entrepreneurship activities as we will free them from paying social security contributions.

The second axe will strengthen social rights especially for the most vulnerable people, who will gain the right for 100 percent reimbursement for optics, auditory, and dental prosthesis. Moreover, we will also strengthen the access to complementary healthcare insurance, which widens the scope of universal health care and other rights.

The third axe is to invest in a wholesale transformation of the entire healthcare system. We need to better organize healthcare in cities and in hospitals based on the strategic plan endorsed by President Emmanuel Macron and the Minister of Health & Solidarities Agnes Buzyn for 2022.

What challenges do you foresee in implementing the transformation strategy?

The “Transformation of the Healthcare System” focuses on prevention rather than the curative. Concrete measures are for example the vaccination of children, and we work also on preventive

measures related to tobacco consumption. But the issue of prevention is multi-dimensional and effects can only be measured in the mid- and long-run. It will take some time to demonstrate that preventive actions produce results such as a change in patients' and healthcare professionals' behaviour. We want to shift the French healthcare model towards prevention – so more prevention and less healing is inevitably a challenge that will take time. We, therefore, need to manage expectations. There is no magic wand that will accomplish this change overnight.

Meanwhile, even with those strong measures and an evolution that is starting to demonstrate results, we need to back those reform efforts by changing the way of financing healthcare services or professionals, paying less on action and more on quality and performance. We will pay more for "packages", especially when managing chronic diseases and care plans that have the dimension of prevention included.

One of the solutions to get back to balanced accounts could be the promotion of generics and biosimilars. Yet it appears that France is well-below of the European average of the consumption of generics. What steps can be taken to rectify this situation?

Indeed, our strategy for 2018 to 2022 includes the promotion of both generics and biosimilars. Concerning generics, we have taken measures, which encourage the prescription of generics at the same time as it defines the criteria for cases when the doctor believes that a patient cannot benefit from the generic. Concerning the latter, we will work jointly with doctors and pharmacists starting from 2019 so that we can identify precise criteria according to which a patient cannot benefit from generics. However, we can definitely learn from other countries such as the UK and Germany that are experiencing generic penetration rates of as high as 80 percent.

Should a patient refuse a generic, which medically is not justified, need to ensure that health insurances can reimburse the patient based on the price of a generic. This will happen from two sides: first we need to work with prescribers to make them more accountable for prescribing generic drugs, and second, we need to ensure that health insurances fund a non-generic when medically justified at a price of the generic.

As for biosimilars, France is starting to catch up and can show a significant increase of uptake over the past months. We have already put in place measures that aim at encouraging hospitals to prescribe more biosimilars. In addition, we will run an experiment in about 40 hospitals in October 2018 aiming at experimenting with an even more incentivized and targeted mechanism.

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When we met with Thomas Fatome in 2015 (former director of the Social Security), we had an interesting discussion on how France can contribute to the development of a 'Social Europe'. Since then, Brexit was voted, and we are witnessing a strong rise of populism throughout Europe. How can this current geopolitical situation be an opportunity for France to play a greater role in shaping a 'Social Europe'?

Indeed, we have obtained important achievements and experience with our social model. Of course, we need to find ways to better share our experience with other European countries, especially on how to integrate an important innovation into a country's social system. This concerns also the question of how to negotiate prices of medication as it happens in European consultation groups.

You have spoken publicly about combatting the issue of 'renunciation of care'. What do you mean by this?

First of all, I would like to underline that our healthcare system is very efficient in terms of care coverage. Compared to other OECD countries, France has some of the lowest co-payments at a cost of approximatively 1.4 percent. However, when we look more into detail, and especially at dentures, ophthalmology expenses and optics, most of the time households need to pay more than half of the costs out of their own pocket. These high costs lead often to a renunciation of care as households cannot bear such high expenses.

A key element of our reform is to reduce the high rate of renunciation of care. To achieve this, we need to better articulate what costs the social security (compulsory health insurance) versus what costs the complementary insurance cover, and the only way to get 100 percent coverage is the combination of both insurance schemes.

Firstly, we need to reprioritize what can and cannot be covered under a basic package. In other words, an agreement is needed on the fact that the cosmetic appeal of frames is less essential in terms of health needs, but eyeglasses, hearing aids and dental prostheses are. Secondly, we need to negotiate a price limit because obviously, we cannot support 100 percent if we have not defined

a tariff frame. So, between 2020 and 2021, this reform offers insured persons access to 100 percent coverage of hearing, dental prosthesis and optics, which will represent a radical change for the better in the standard and quality of care delivered free at the point of delivery.

When I talked with Julien Borowczyk, Secretary of the Social Affairs Commission at the Assemblée Nationale, he spoke about the "Shared Medical File" that will come into existence in November this year. It seems France will be one of the first European countries to launch it. Tell us about the significance of this move.

Yes, indeed. The "shared medical file" relies on the experience of eight pilot cases we have run in different regions of France. From November, we expanded the "shared medical file" experiment to the entire French territory based on the experience and lessons learned we have attained from the eight pilot regions. All medical files are fed with health reimbursement data, and that is really one of the strengths of our health insurance system that sets us apart from other countries because we can pre-fill this file. The experience from the eight pilot territories has clearly shown that once this data tool is integrated in the workflow of healthcare professionals in cities and at the hospitals, it is easy to use it and to feed data into it. Starting with 800,000 shared medical files in November, we've already achieved 3 million in December.

This tool is designed to facilitate the work of health professionals for the benefits of the patient; it should also help prevent non-relevant and non-pertinent medical acts. Finally, it also increases the quality and safety of care because when a patient needs emergency care one can immediately understand his medical situation and the medical drugs he is taking. The "Shared Medical File" will help us make the healthcare system more effective at all levels.

A few words to conclude, that you would like to send to our international audience on France and the French social security system?

The role of the Social Security is to protect people against risks without any complexity when switching professional careers. We have reformed our healthcare insurance in that way and one of our challenges is now the pension scheme: today, we have 42 different pension schemes inherited from the history of the construction of the social security, that again is 70 years old. All of them are based on professional rules, but the challenge is to allow people to choose and change their professional pathways: independent workers, civil servants, private employees, etc. to provide them with visibility on their acquired rights through a simple system that considers that the one

who pays one Euro into the system has the same rights as another person also paying one Euro into the system. It will also facilitate the calculation of acquired rights. This is a major transformation we are preparing with a law in 2019.

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