Is our health system in danger? Dealing with the shortage of doctors (2/4)

By Gérard Cornilleau

Health is one of the key concerns of the French. Yet it has not been a major topic of political debate, probably due to the highly technical nature of the problems involved in the financing and management of the health care system. An OFCE note presents four issues that we believe are crucial in the current context of a general economic crisis: the second issue, presented here, concerns access to care, which could become more complicated due to a temporary reduction in the number of doctors.

The coming decline in the number of physicians, even if it is limited and temporary, runs the risk of developing medical deserts. Incentives exist to steer health professionals towards areas with a low medical density, but these are woefully inadequate, and the issue of more direct intervention is now on the agenda.[1] It will be difficult to avoid calling into question the complete freedom of doctors to install wherever they wish, which could result in a requirement for new physicians to go first to priority areas. But this would place a heavy burden on younger doctors, and inevitably involve some recompense. Would this mean accepting further increases in pay? To what extent? Should we allow further increases in physician surcharges ("dépassements d'honoraires")? The need for comprehensive negotiations with the profession is becoming clear: the past weakness of the *numerus clausus* restrictions on supply will lead for a while to some rationing in the supply of physicians; this reinforces the profession's market power at the very time when it is becoming necessary to call old compromises into question.

Ideally, it would be desirable to negotiate an increase in the income of doctors in training against a reduction in surcharges and constraints on their locations (possibly compensated by specific premiums). But this won't work for generations who have just completed their studies. So the only way forward clearly involves a strong upgrade in prices for medical acts (or fixed fees if, as would be desirable, doctors' incomes were calculated less on acts and increasingly on the size of their patient base [2]) as a counterpart for their acceptance of constraints on location (compensated) and a reduction in surcharges. These changes would constitute an additional burden on the health insurance system, which could be justified at least partially by the development of good practices. On the other hand, the increase in the individual remuneration of doctors will, for a few years, be partially offset by a reduction in their numbers.

The constraints of queuing should also encourage a better distribution of activity between physicians and a certain number of health technicians who can assist and even replace them in some situations (as is beginning to be the case in corrective optics). All these changes – the end of absolute freedom of installation, stricter regulation of surcharges, the sharing of medical activity with health technicians, the development of group work – are possible but would involve a major overhaul of the old compromise between the state and doctors. The main difficulty here is socio-political. To overcome it, we must also accept financial compensation for physicians, which will be difficult in a context of general rationing.

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[1] The HPST Act (Hospitals-Patients-Health-Regions) in July 2009 introduced a "public service commitment contract" that offers second-year medical students and interns an additional income of €200 per month for a commitment to move to a priority area for a period at least equal to the duration of

the receipt of the aid, with a minimum of 2 years. 400 contracts were offered in 2010-2011 (200 to students and 200 to interns), but only 148 were signed (103 students and 45 interns). This very limited figure is clearly insufficient in view of the forthcoming problems with doctors locating to areas in difficulty.

[2] Since 2010, Health Insurance has established a “Contract for Improving Individual Practice” (“CAPI”), which provides a lump sum of up to €7,000 per year for physicians who agree to follow certain rules on care and prevention. This scheme introduces a form of pay for performance that is distinct from pay for medical acts, which is in addition to the very limited pay related to the management of patients with a long-term illness (“ALD”) by the treating physicians (€40 per year and per patient).