



EU-China Social Security Reform Co-operation  
Project

**“Health Insurance Voucher Plans - Couverture maladie universelle  
complémentaire (CMU) in France”**

**Newsletter No. 3**

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## **“ Health Insurance Voucher Plans - Couverture maladie universelle complémentaire (CMU) in France”**

The health care system of France<sup>1</sup> provides comprehensive coverage to all residents and is mainly financed through statutory health insurance. The general scheme covers about 84% of the population (employees in commerce and industry and their families). The agriculture scheme covers farmers and their families (7.2% of the population). The scheme for self employed people covers 5% of the population.

The compulsory public health insurances finance about 75% of health care expenditures leaving to the patients a co-payment, which varies by type of care. Supplementary health insurance covers at least partially this co-payment which can be quite important. The part for certain services like dental care or eye care, especially for low income individuals. Especially for the hospital care, the part left to the patient can be significant for low income individuals (at least 16 Euro per day). The implementation of the Universal Health Coverage (CMU) mechanism in 2000 recognizes the importance of voluntary health insurance in assuring access to care by acknowledging that compulsory health insurance has not been sufficient to guarantee fair access for all (particularly for dental prosthesis and eyewear glasses).

The **main objective** of the health insurance voucher plan is to improve access to the voluntary health insurance for a larger population. The complementary insurance generally covers the co-payments (30% on average, but could be much higher for some services like dental care) that patients must pay under the basic health insurance scheme.

The health insurance voucher plan was introduced to complete another health insurance reform, the CMU, implemented in 2000 to provide free supplementary health insurance coverage to the poorest households. In 2002, about 9% of the French population did not have any supplementary health insurance. However, this rate reaches up to 30% for individuals with an income just above the upper income limit that gives right to the CMU. There were about 600.000 people in this population, without any supplementary insurance. Another 1.5 million people are estimated to be under-insured.

**The objectives of the reform** are to reduce income-related inequalities in access to health care by

- Improving access to supplementary health insurance lowering the price of contracts for those who cannot afford it otherwise
- Improving the average service range covered by the health insurance contract bought by low income population

and to regulate the voluntary health insurance market by enforcing the supplementary health insurance providers to align their contracts with the objectives of the public insurance reform that aimed at rationalising health care consumption (a gatekeeper system is being implemented since January 2006). In particular, the private insurers are asked not to reimburse extra fees for the consultations not prescribed by the General

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<sup>1</sup> HiT summary: France 2004

Practitioner GP gatekeeper.

**Type of incentive:** The incentives are financial. The tax credit plan entitles individuals within a certain income bracket to a voucher of which the actual amount depends on the number of individuals within the households and their age:

Since 01.01.2006:

From 16 to 24 =	100 Euro
From 25 to 59 =	200 Euro
More than 60 =	400 Euro

The entitled individuals can ask their local public health insurance funds (Caisse primaire d'assurance maladie) to calculate the yearly amount of the grant and obtain for them the vouchers from a central fund. They then have six months to use their voucher to purchase a contract from a list of private health insurance providers.

**Results of evaluation:** According to the reports provided by voluntary health insurers, 220.000 certificates of eligibility (covering 402.000 persons) were provided and 178.335 were used to purchase a contract at the end of 2005. The number of certificates provided monthly has been regularly increasing over the last year and during the first two months of 2006 where around 70.000 more people obtained a certificate of eligibility. Since the validity of the certificate of eligibility is six months, there is a lag between the number of certificates distributed and the actual contracts bought.

Around 40% of beneficiaries are under 25 years old (annual deduction 75 Euro), 45% are between 25 and 59 years old (annual tax credit 150 Euro) and 14% are older than 60 (annual tax credit 250 Euro). Thus, the average amount allocated per voucher in 2005 was 133 Euro.

**Expected outcome:** The health insurance vouchers encourage low income individuals to buy a supplementary health insurance contract or to improve for those who already got one. But they do not cover their entire cost. Providing a supplementary health insurance contract may not always solve the problem of access to care. Indeed, there are significant variations in terms of the numbers of services covered and their cost between contracts. Thus, future assessments will have to compare the coverage provided by contracts subscribed by vouchers beneficiaries with other contracts

While the use of vouchers is growing regularly, the uptake is still rather slow. Despite the large media coverage for this plan, after eleven months, only 20% of the targeted population actually benefit from a voucher. One reason for this might be the value of vouchers.

Given that the average cost of a supplementary insurance contract for an individual is about 430 Euro, the initial value of vouchers (between 75 and 250 Euro) might have been too low to be attractive for low income households. This is why the value of vouchers was increased at the beginning of the 2006. The rise is particularly significant for individuals who are over 60 years old which went up 60% (from 250 to 400 Euro), and 33% for all others individuals.

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HiT summary: France 2004