



# Press release

PB05-064  
27 May 2005  
9:30 AM

## ***Much smaller rise in care spending***

According to provisional figures from Statistics Netherlands, health care and welfare cost nearly 60 billion euro in 2004. This is 4.3 percent more than 2003. Spending on care still rose by as much 10 percent annually in the period 2001-2003. The decrease in care expenditure is partly the consequence of government policy.

One of the factors underlying the smaller increase in spending on care was a moderate increase in wage costs in the care institutions. Fees in the free professions also hardly rose. In addition, restrictions were introduced on reimbursements under the national health insurance scheme (*Ziekenfondswet*) and the act covering exceptional medical expenses (*AWBZ*).

## ***Care costs 3,661 euro per person***

Care cost 3,661 euro per capita in 2004. This is 4 percent more than in 2003, when it cost 3,521 euro per person.

As the growth rate of care expenditure was higher than that of GDP in 2004, the share of spending on care in GDP rose to 12.8 percent. In 2003 it accounted for 12.6 percent.

## ***Spending on health care 4.4 percent up***

Spending on health care rose by 4.4 percent in 2004, to 37.3 billion euro. Within health care general hospitals constituted the largest cost item. Spending on these hospitals rose by 5.8 percent to 9.4 billion euro.

More than 6.9 billion euro was spent on practices in the free professions (general practitioners, specialists, dentists, midwives and the paramedical professions). This is 1.9 billion euro more than in 2003. The increase is entirely on account of the specialists, and was caused by an incidental catching up in the financing of the fees for this category.

Spending on GPs, dentists and the paramedical professions fell slightly. For dentists and paramedics this was connected with restrictions introduced in the national health insurance scheme. Moreover, fees in the free professions hardly changed at all.

Spending on medicines (mainly via pharmacists) was at the same level as in 2003, namely 5.3 billion euro. This was caused by further restrictions in the medicines reimbursed by insurers and agreements on strong price reductions for generic drugs.

### ***Welfare spending up 4.3 percent***

Welfare cost 4.3 percent more in 2004. This small increase was caused by changes in the exceptional medical expenses act, resulting in restricted entitlements to nursing care, home care and care for the disabled.

Within welfare, spending on providers of care for the disabled showed the largest rise, more than 7 percent. Spending on nursing homes, care homes, home care providers and childcare providers showed smaller increases.

### ***Spending by private insurance companies rose more strongly***

The government and national insurance provisions (national health insurance scheme and exceptional medical expenses act) paid more than 40 billion euro for care in 2004. This is 3.7 percent more than in 2003. Spending by private health insurers rose by much more: 8.3 percent, to nearly 8.5 billion euro.

The larger increase for private health insurance companies was partly caused by the larger increase in the number of people with private health insurance than in the number insured under the national scheme. Furthermore, reimbursements under the national insurance scheme (dental treatment, paramedical treatment and transport) have been restricted and supplementary insurance has increased strongly.

Other payers contributed 10.7 billion euro to total care expenditure. This is 3.6 percent more than in 2003. These include households (own payments) and companies and institutions (including spending on childcare and spending connected with occupation health and safety).