Interview: Thomas Fatome – Director, Direction de la Sécurité Sociale, France



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The Director of the Social Security talks about the need to strengthen the sustainability of the French social security system, how France is attached to its unique system combining a high level of public coverage, with the strong involvement of the private sector, helping to provide access to innovation for all, and how the high prices demanded for Hepatitis C drugs means it is maybe time for Europe to address this topic of price fixing and access to innovation on a more ambitions scale.



You have been heading the Social Security for almost four years now. What have been the main changes implemented during your tenure?

Our number one goal has been to strengthen the sustainability of the social security system. Following on from the crises of 2009 and 2010, which led to a large deficit, reducing our health insurance deficit has been a key aim. Today the deficit remains over 6 billion euros (USD 6.8 billion) and has been relatively stable for the last few years. The deficit has not been reduced at a faster pace due the low economic growth in France, which has impacted government revenues.

Since 2012 the government has not changed the level of public coverage. The Minister of Health Marisol Touraine believes in a high level of public health coverage, seeking to keep it at around 75 percent. Since 2012 we have met our targets without compromising on this objective. The French deficit, for its public health insurance scheme, has to be seen in perspective with the high level of expenditure. We have to bear in mind that it is 6 billion euros out of a total 180 billion euros (USD 204 billion).

Social Security has marked this year its 70th anniversary. Today, it has a budget which is larger than the state budget and is often at the centre of national politics. Can you provide us with an overview of its importance and role in French society?

Our system is based on the right to obtain health reimbursements for all those who are legally resident in France. There is a strong political will that the public system should keep a key role to play in this process. 75 percent of global health expenditures are reimbursed and this has remained relatively stable over the last 15 years. People with serious and costly diseases are 100 percent reimbursed – something which is important both financially and politically. We mix such a high level of public coverage with both public and private organizations, including GPs, hospitals and private clinics. This is something which is rather unique to France, where you have a high level of public coverage, with the strong involvement of the private sector. France is very attached to keeping this healthy equilibrium, ensuring there remains a level of competition between the public and private sectors. There is also an involvement of private insurance, covering 33 billion euros (USD 37 billion). With regards to a GP consultation, 65 percent is reimbursed by the public and 24 percent by private insurance.

The Social Security is sometimes criticized for being too big, unmanageable, and impossible to reform. Looking beyond those critics, what do you believe works well in the system?

Our operational costs are very low, at just three percent, which makes sense given that we have a monopolistic position. If you look at other systems with multiple private insurers, they have 15 to 25 percent of operational costs. I would also like to highlight the high level of access to innovation, which is one of the key strengths of our system. This has been most evident recently; when we look at the level and the speed with which we have provided access to hepatitis C drugs for a large percentage of the population, it is quite remarkable. Another strength is the free and easy access our system provides to ambulatory and hospital care.

When presenting the PLFSS (France's Social Security Finance Bill 2016), the Health Minister detailed four main priorities when it comes to controlling spending. Can you talk us through the various priorities?

We have constructed a three year vision so as to be able to meet our financial objective. The PLFSS 2016 has been built on four key pillars. Firstly, focusing on the efficiency of hospital expenditures, secondly, a focus on outpatient surgery, thirdly generics and drug pricing and lastly maintaining an efficient system with regards to prescriptions. This plan is to be implemented from 2015 to 2017.

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

The increasing use of generics in France over the last 10 to 15 years has delivered considerable results and remains an important focus area. At the end of 2014 we launched a national plan targeting not only pharmacists but also GPs, hospitals and patients. It is a comprehensive plan to mobilize all actors regarding the use of generics. We know that when compared to many other countries, the penetration of generics in France is still low. This is mostly because some doctors are reluctant to prescribe within a positive substitution list, and pharmacists cannot substitute an innovative product by a generic. It is not easy to change mentalities with regards to generics. A substantial percentage of public opinion still sees them as inferior to innovative products. Early next year we will launch a big communication campaign to highlight the fact to patients that generics are of the same quality as innovative products.

How confident are you that France will be able to continue granting access to the latest innovations for all?

There is a strong political will to ensure that a high access to innovation is maintained. Other European countries are cutting costs by limiting access to the latest innovations, but France will not contemplate going down this route. It is our job to manage both the deficit and ensure the financing of the latest innovations. I am very proud to live in a country which enabled 11 thousand people in 2014, suffering from Hepatitis C, to have access to the most innovative treatment available, and to ultimately, be cured.

Having said that, we can have all the regulatory tools possible in an attempt to manage costs, but a crucial issue remains the pricing of innovative drugs, which must be reasonable. I believe the prices asked for the latest Hepatitis C drugs were not, and this is a topic that France seeks to address with its European partners and with others.

How might this position impact the attractiveness of France as a production and research centre?

There is of course a trade-off to be found, but the key point is that a fair price for innovative drugs must be the rule.

Social Security is responsible for negotiating and administering France's commitments at a European Union (EU) and international level in the area of social security. How can France contribute to the development of a Social Europe, showcasing the benefits of the French system?

On this 70th anniversary of Social Security, we remain keen on promoting the French system. We believe that the values it stands for are universal and something all countries should strive for. In Europe, such issues are decided at the country level and this should remain the case. However, we do believe that convergence at the fiscal and social level is an objective that the EU must continue to work on. We are concerned by the fact that any EU citizen within certain conditions can come to work in any country, but pay the social charges not of the country where they are employed through "the posting process" but the country where they are from. Given that there are very different levels of coverage across Europe, this is an important topic of discussion for France, a question of social dumping and fairness.

We were disappointed that we do not manage to have further discussions with our European partners regarding the pricing of hepatitis C drugs, which would have been a major breakthrough. France attempted to put this subject on a political European level in 2014. It would never be a question of pooling together all our competencies on such matters, but merely of having a common strategy regarding the discussions we have with the pharmaceutical industry. If the EU does not have any influence on such issues, then people will start to question what is its raison d'être. Many countries in Europe, including France, are often frightened of taking such discussions too far, wanting to keep our system and country specific rules. In the future, we will have similarly expensive drugs come to market and I hope we can take some new European initiatives.

What would be your final message to our audience?

France should be seen for what it really is and not as it is often perceived! French policy is to create business friendly conditions, with for example the "pacte de responsabilité et de solidarité" and a series of measures announced by President Francois Hollande in December 2013 to create incentives for growth. This is a key issue for the Social Security. If you have more investments, you have higher employment, which leads to better revenues for the Social Security.

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