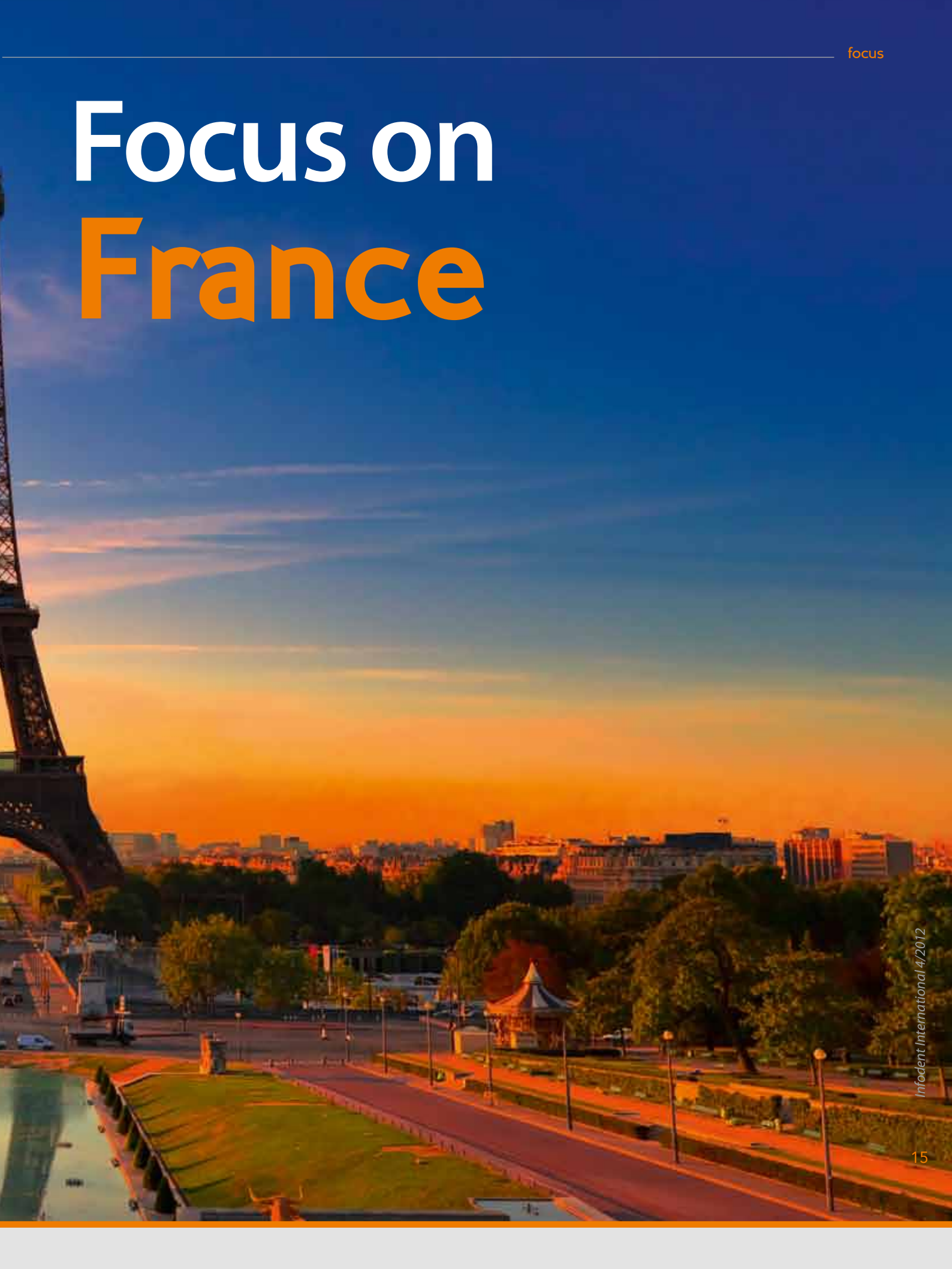
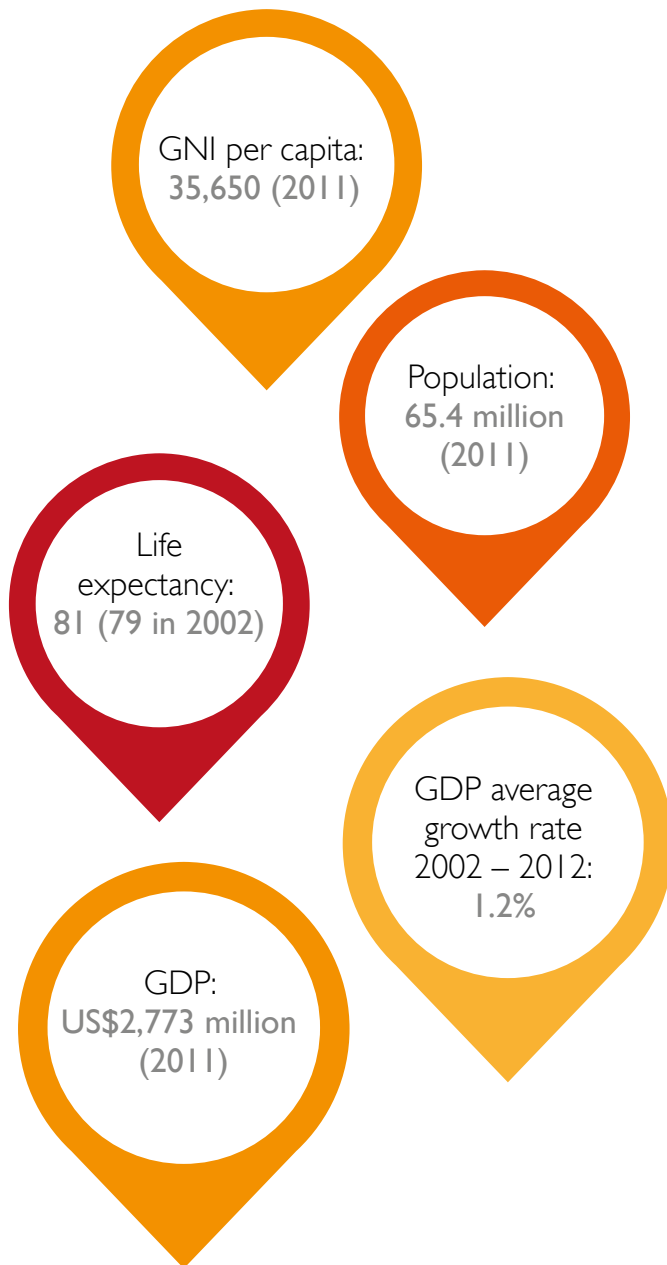




# Focus on France



## Facts & Figures



Source: World Bank

**F**rance is made up of a metropolitan territory covering part of Western Europe and a collection of overseas islands and territories that were once part of the former French colonial empire. They include five “overseas departments” enjoying the same status as the metropolitan departments (Guadeloupe, Martinique, French Guyana, Réunion and Mayotte), “overseas collectivities” with a high degree of autonomy, a territory with special status (New Caledonia) and “overseas territories” including French Southern and Antarctic lands.

**The French economy is going through a stagnating period due to common problems of the Euro area** such as the efforts to reduce sovereign debts, bringing in fiscal tightening to face high public expenditure, high unemployment rate (10%) and pressure put on governments to introduce reforms that may incentive investments by reducing the cost of labour and bureaucracy.

Moreover, the country is striving to reduce its budget deficit by both freezing spending and selecting some tax measures that might also be on a temporary base. Economic analysts forecast that, although France is likely to begin the 2013 in the midst of a mild recession, **the country will experience modest growth in 2013, estimated at 0.8% according to French president Mr Hollande.**

## Healthcare in France

**The social insurance system** - Healthcare in France is mainly delivered through a public social insurance system (SHI), requiring all French citizens to pay income-based contributions for health insurance. **The SHI was introduced in France right after the World War II, and currently covers about 95% of the population** with three main schemes based on occupation: the general health insurance scheme for employees in commerce and industry and their families and civil servants; the agricultural scheme; and the national insurance fund for self-employed people.

**The patient bears the initial cost and is then reimbursed for 75%-80% by the public insurance fund** on the basis of a benefit package including specific procedures and technologies for hospital care, ambulatory care and prescription drugs, while minimal coverage is provided for outpatient vision and dental care. Covered outpatient services are stated in three official lists of reimbursable health care procedures, drugs, and devices.

In 1999 the Universal Health Coverage Act (known as CMU, *couverture maladie universelle*) established universal health coverage by creating a special CMU Fund based on residence in France that extended the traditionally work-based SHI coverage to include people with income below a certain level and not eligible for SHI allowing them to receive **free public coverage**. The state also finances health services for illegal residents who have applied for residency through the *Aide médicale d'état* (AME).

**Voluntary health insurance** – as part of the expenses borne by patients are not reimbursed by the SHI, 92% of the population have a voluntary health insurance (VHI) covering part of the co-payment share to top up the social insurance coverage. VHI is provided mainly by not-for-profit, employment-based mutual associations (*mutuelles*), that increase the level of coverage for services on the SHI list on the basis of contractual agreements.

**Extra billing** - Self-employed professionals (GPs, specialists, dentists, nurses, physiotherapists, midwives, ambulance personnel, speech therapists, orthoptists and laboratory technicians) provide the vast majority of outpatient services and a large proportion of services in private hospitals. They are paid directly by patients on a fee-for-service basis partially reimbursed by the SHI or VHI at a later stage, on the basis of a reference price set after negotiation with the providers or, in the case of drugs and devices, by the governmental national pricing committee.

Doctors and dentists may charge above this reference price, which is known as extra billing, according to their level of professional experience. The extra amount is charged to the patient and it may be covered by complementary private health insurance, depending on the contract.

According to the European Observatory on Health Systems and Policies, extra-billing has reached around €10.6 billion in 2008 and half of the population pays at least one extra-billing charge per year, with significant cross-sectoral variations:

- **Outpatient sector:** €1.5 billion in 2008; frequent, ranging from a few euros to a few tens of euros.
- **Inpatient sector:** extra-billing ranging from a few hundred to a few thousand euros, increasing if patients are not covered by VHI.
- **Medical devices sector:** €8.8 billion in 2008 in an overall medical device market of €19 billion. About 50% is covered by VHI, but with great variations according to medical devices and contracts.

**Physicians** - primary care physicians or specialists who are not working in public or not-for-profit facilities are office-based or based in private, for-profit clinics (or both). Office-based physicians are self-employed. According to the Commonwealth Fund report "The French Healthcare System 2011", self-employment, which averages 59%, is more prevalent among general practitioners (68%) than among specialists (51%). Both categories are mainly in solo practice and do not employ nurses. Self-employed practitioners are paid on a fee-for-service basis. The cost per visit is identical for specialists and GPs, and is based on negotiation between the government, the public insurance scheme, and the medical unions. Depending on the duration of their medical training, physicians may charge above this level. Hospital physicians in public or not-for-profit facilities are salaried.

**Health inequalities** - There are some issues that concern the ability of patients in remote rural areas or with limited financial capacity to choose their providers. In particular, some difficulties were reported in regions with a low density of professionals in getting an appointment with a physician who does not extra-bill on the official SHI-covered fee. Patients that cannot afford to pay extra-fee are too often refused by private physicians, specialists or dentists and the cost of specialist and dental care is still too high for a relevant part of the population. Despite universal coverage and access to health care, in fact, health inequities are a significant issue in France. The extent of reimbursement varies by income group, as wealthier people are more likely to be covered by VHI and pay higher premiums that offer better coverage for, among others, optical and dental care. A special fund was created in 2000 to provide VHI to 4.3 million people low-income individuals and their dependents known as CMU-C. The fund provides vouchers that can be used to obtain coverage from a variety of insurers, although most opt to obtain this additional coverage from SHI. However, access to care differs between patients covered with commercial VHI contracts and beneficiaries of CMU-C: 21% of CMU-C beneficiaries did not seek eye or dental care, versus 14% of patients with commercial VHI and 30% of patients without any supplemental insurance.

## Healthcare Expenditure

### Health resources trend over the last decade

	2002	2010
Health expenditure per capita	US\$2,485	US\$4,691
Share of health expenditure on GDP	11%	12%
Share of private health expenditure on GDP	2%	3%
Share of public health expenditure on GDP	8%	9%
Public health expenditure as share of government's expenditure	16%	16%
Share of public health expenditure on total health expenditure	80%	75% (2011)
Share of out-of-pocket expenditure on private health expenditure	34%	33%
Physicians per 1,000 people	3	3
Hospital beds per 1,000 people	8	7
Nurses and midwives per 1,000 people	8	8

Source: ADA, US Department of Labor

According to the French Ministry of Health, the country's expenditure on health was **€240 billion in 2011**, that accounts for **12% of GDP**. This share has remained fairly stable across the last decade, as it was **11% in 2002**. About **75% of health expenditure** are expenses for treatment and medical goods, that totalled €180 billion, an increase of **2.7% on 2010** that shows a slowdown from the **+3.3% registered in that year on 2009**.

The average price for hospital treatments and medicines has slightly decreased compensating the growth of outpatient treatment average prices. Outpatient care **in 2011 was valued at €45.7 billion**, accounting for over a quarter of the total consumption of medical goods and services.

In 2011 the public insurance system **covered 75.5% of the costs**, while **13.7% was covered** by other institutions and **9.6% was composed** of out-of-pocket payments, whose share has remained unchanged since 2009. **51% of out-of-pocket expenditure** is accounted for by medical goods, 13% by hospital care and **36% by payments** to self-employed health professionals.

The public hospital system registered consumptions for **€63.8 billion in 2011**, with a decreasing trend compared to the first half of the 2000s. On the other hand, in the private hospital system the figure was **€19.8 billion**, registering a slight increase. As regards outpatient care provided by general practitioners, it was valued at €19.2 billion (excluding external consultations from public hospitals and fees paid in private institutions).

### Outlook on the medical industry

- France accounted for **18% of European health expenditure** in 2009 (1.78 trillion US\$), and for **20% of the European medical technology sales (€95 billion)**.
- France spends less than **3% of its GDP** on medical devices, below the European average of over 4%

- **Market size** US\$8,280 million (2011 estimate)

- **Imports** US\$10.3 billion (2009)

#### Main Suppliers (%)

USA	Switz.	Germany	Belgium	Italy	Ireland
22.2	21.9	11.6	5.6	3.7	3.1

- **Exports** US\$9.2 billion (2009)

#### Main destinations (%)

Neths.	Germany	USA	Italy	Spain	Belgium
17.6	14.4	9.1	8.2	7.0	6.8

Source: EUCOMED

In a study published by an interministerial agency (PIPAME), the French medical industry is described as a prevalently small and middle-sized one, with **94%** of the companies involved employing less than **250 people** and **45% less than 20**. Almost **64,900 people** work in the medical device supply chain with a total market size valued at €19 billion.

The industry counts **1,079 companies**:

- **820** conducting manufacturing and/or R&D activities;
- **259** manufacturers carrying on sales and commercialization exclusively in France (90% are branches of large multinationals and 10% are French manufacturers sub-contracting R&D and production);
- **350** sub-contractors;
- **354** distributors.

The French medical manufacturing sector enjoys relevant expertise in the field of implants and prostheses, technical aids, minimally invasive surgery, imaging diagnostics, radiology and electromedical equipment and in-vitro diagnostics, **with a total turnover estimated at €15 billion**. The domestic demand is significant due to the size of the population, exceeding 60 million inhabitants, and the ageing demographic trend. However, such demand is met for a relevant part by imports coming from the USA, UK and Germany, and also by sales of branches of the big multinationals such as Johnson & Johnson, GE Healthcare and Becton Dickinson. Although there is also a consistent export-oriented production towards Germany, UK and Japan, the trade balance for medical device and consumables is negative.

It is worth mentioning that **France is the 4th country in the world for number of medical device manufacturers**. On the other hand, unlike Germany, France does not have any particular research and industrial cluster specifically dedicated to the medical device sector. Among the 71 cutting-edge industrial centres, R&D projects in the medical technology domain are carried on in 8 centres for healthcare research and 14 comprehensive centres (including health, micro- or nanotechnologies, logistics, materials). In particular, the competitive centres System@tic, Medicen Paris Region et Cap Digital decided to establish a network to join their work on health IT in order to cluster together the most innovative players in telehealth research.

#### Medical manufacturers by sub-sector:

- **696 manufacturers** of medical devices for individual use, including single-use disposable materials, reusable materials, active and non-active implants, ophthalmic and optical materials, dental materials and technical aids;
- **229 manufacturers** of medical equipment including anaesthetic and respiratory devices, electromedical apparatuses, hospital equipment, diagnostic x-ray equipment and therapeutic devices, medical IT products;
- **151 manufacturers** of in-vitro diagnostic devices;
- **27 manufacturers** of e-health equipment and products.

#### Medical manufacturers by origin:

- **790 companies** originally from France
- **285 branches**, about 80% of which belong to companies from USA, Germany, Switzerland and Japan.

#### Regional distribution of medical manufacturers:

- **Île-de-France, Rhône-Alpes, Provence – Alpes – Côte d'Azur, Alsace** are the four main regions for concentration of medical manufacturers;
- **Île-de-France and Rhône-Alpes** host more than half of the total medical manufacturers in France and concentrate 80% of the business generated.
- **Rhône-Alpes, Lorraine, Franche-Comté and Champagne-Ardenne** host the majority of sub-contractor carrying more than 50% of their activity in the field of medical devices;

Source: PIPAME

## A profile of the dental sector

**Oral healthcare is only partly covered by the reimbursement schemes under the various social, voluntary and complementary insurance schemes.** The vast majority of dentists work as self-employed practitioners paid on a fee-for-service basis.

**In the dental sector, consumption has increased by 3% in 2011 reaching €10.3 billion, the lowest rate registered since 2002.** 24% of dental expenses go for conservative and surgical treatments (caries, extractions, devitalisations) while 62% for prosthetics. The remaining expenditure is on consultations, orthodontics and x-rays. Conservative dentistry, surgery and consultations are generally reimbursed by 70% on a fixed tariff established by the "convention nationale dentaire". However, it must be noted that medical insurers have significantly reduced their coverage in the dental sector, as shown by the share of dental treatment in medical insurance expenditure that decreased from 6.9% in 1960 to 2.7% in 2010.

When it comes to the costs for accessing dental services, giving up treatment for financial reasons is more common than in other areas of healthcare. According to the Ministry of Health, among the 15% of adults that cannot access medical services because of financial barriers, 10% of them give up dental care and only 4% and 3.4% renounce to optical treatment or other medical consultations. The reason lies in several factors, such as the prevalence of dental practitioners establishing their own fees and the low level of insurance coverage. In fact, people give up dental treatment more frequently in those departments where fees are higher, and people who do not have any complementary insurance give up treatments included in the general scheme twice more than the others.

#### Demographic profile of dentists, ONCD, 2011:

- **40,061 dentists**
- **64 dentists per 100,000 inhabitants**
- **36,126 independent practitioners (90%)**
- **Slightly less than 4,000 are salaried professionals (10%)**
- **2029 are specialists (5%)**
- **Average age: 48**
- **40% are female**
- **5% are older than 65 years old**

Source: ONCD

# Distribution of dentists by departments, 2011

Legend: ● significantly above national average ● significantly below national average

AREA	Region	Department	Number	Density	% Self-employed	% Specialists
	Ile-de-France	Paris	3,043	138	81	4
		Essonne	670	55	92	7
		Hauts-de-Seine	1,235	79	89	7
		Seine-Saint-Denis	710	47	72	5
		Val-de-Marne	859	65	85	5
		Val-d'Oise	561	48	90	4
NORTH	Nord-Pas-de-Calais	Nord	1,374	54	91	6
		Pas-de-Calais	636	44	92	5
	Picardie	Aisne	222	41	95	5
		Oise	318	40	92	3
		Somme	198	35	95	6
	Haute-Normandie	Eure	221	38	90	6
		Seine-Maritime	497	40	90	5
	Basse-Normandie	Calvados	313	46	88	4
		Manche	185	37	90	3
Orne		108	37	84	3	
EAST	Champagne-Ardenne	Ardennes	199	47	89	5
		Aube	156	52	91	5
		Marne	369	65	85	6
		Haute-Marne	85	46	86	5
	Lorraine	Meurthe-et-Moselle	529	73	92	4
		Meuse	80	41	84	5
		Moselle	651	63	93	4
		Vosges	205	54	92	4
	Alsace	Bas-Rhin	908	83	92	6
		Haut-Rhin	480	64	88	4
	Bourgogne	Côte-d'Or	290	56	91	3
		Nièvre	109	49	94	4
		Saône-et-Loire	261	47	93	5
		Yonne	134	39	97	3
	Franche-Comté	Doubs	282	54	92	3
Jura		136	52	80	3	
Haute-Saône		88	37	91	0	
Territoire de Belfort		81	57	75	4	
WEST	Bretagne	Côtes-d'Armor	339	59	96	4
		Finistère	582	66	92	3
		Ille-et-Vilaine	655	68	89	7
		Morbihan	456	64	96	6
	Pays-de-la-Loire	Loire-Atlantique	877	70	92	6
		Maine-et-Loire	390	50	95	4
		Mayenne	128	42	89	5
		Sarthe	232	41	89	6
		Vendée	324	53	92	5
	Centre	Cher	143	45	93	3
		Eure-et-Loir	175	41	90	6
		Indre	93	40	88	2
		Indre-et-Loire	310	53	93	3
		Loir-et-Cher	141	43	89	4
		Loiret	294	45	92	4
	Poitou-Charentes	Charente	180	51	90	6
		Charente-Maritime	364	60	93	4
Deux-Sèvres		136	37	90	2	
Vienne		178	42	97	3	



# Distribution of dentists by departments, 2011

Legend: ● significantly above national average ● significantly below national average

AREA	Region	Department	Number	Density	% Self-employed	% Specialists	
CENTRE	Limousin	Corrèze	187	50	85	3	
		Creuse	43	35	86	5	
		Haute-Vienne	187	50	85	3	
	Auvergne	Allier	192	56	92	4	
		Cantal	78	53	95	1	
		Haute-Loire	113	51	98	3	
	Puy-de-Dôme	495	79	93	4		
SOUTH EAST	Aquitaine	Dordogne	210	51	98	3	
		Gironde	1152	81	93	7	
		Landes	241	65	94	5	
		Lot-et-Garonne	190	58	89	4	
	Midi-Pyrénées	Pyrénées-Atlantiques	599	93	92	5	
		Ariège	93	62	96	2	
		Haute-Garonne	Aveyron	176	64	93	3
			Gers	116	63	94	4
			Lot	98	57	95	6
			Hautes-Pyrénées	165	72	96	3
			Tarn	216	58	86	3
			Tarn-et-Garonne	127	54	94	3
	SOUTH	Rhône-Alpes	Ain	333	57	92	6
Ardèche			158	51	98	3	
Drôme			315	66	94	3	
Isère			740	62	92	4	
Loire			411	55	85	4	
Rhône			1275	75	87	5	
Savoie			282	69	91	5	
Haute-Savoie			534	75	91	4	
Languedoc-Roussillon		Aude	222	64	94	5	
		Gard	500	72	89	6	
		Hérault	920	90	92	7	
		Lozère	35	45	97	0	
		Pyrénées-Orientales	300	68	96	3	
Provence-Alpes-Côte d'Azur		Alpes-de-Haute-Provence	105	67	85	7	
		Hautes-Alpes	103	77	84	4	
		Alpes-Maritimes	1237	114	91	6	
		Bouches-du-Rhône	1744	88	90	6	
		Var	807	80	94	6	
Corse		Vaucluse	408	75	89	5	
		Corse-du-Sud	119	84	93	7	
	Haute-Corse	110	68	90	5		
OTHER	Overseas departments	Guadeloupe	173	43	98	0	
		French Guiana	48	22	96	0	
		Martinique	157	39	95	0	
		Mayotte	12	6	75	0	
		Réunion	428	53	99	0	

## Dental prosthetics market and issues

### Market figures:

- 3,950 laboratoires
- 17,550 employed
- 13,200 salaried
- €1,165 billion turnover (2010)
- 30% import market share by volume
- 12.5% import market share at current prices
- 62% (€5.6 bn) share of fixed prostheses on total turnover
- 30% share of mobile prostheses on total turnover

Source: UNPPD

There is currently a debate on whether the absence of a mandatory ceiling to fees imposed by dentists on prosthetic treatments threatens the ability of patients to access such treatment, provided that dental prosthetists aren't recognized as medical professionals and therefore cannot put in place the prostheses they produce.

**Prosthetic treatment is reimbursed by 70%** like other types of treatment on the basis of a tariff fixed by the "Convention Nationale" between dentists and insurance providers, which is often inferior to the real cost borne by the patient, as only treatment included in the references provided by the "nomenclature générale des actes professionnels" (NGAP) is reimbursed.

Therefore, treatment such as implants, which have a higher cost but are on a growing trend. **Out-of-pocket payments for prosthetics range from €212 to €527**, depending on type of VHI and contract. However, the Ministry of Health reported that for an average expenditure on dental prostheses of €970.7 per patient in 2007, the average reimbursement rate was 20.1%, with an average overspending of 71.7%.

### Figures of the dental industry

According to Comident, the syndicat representing French companies involved in the **dental industry, the dental industry in France is composed of 130 companies**, prevalently small and middle sized enterprises, employing about 4,500 people.

In particular, the dental materials segment has 58 manufacturers employing 1,535 people and totalled €234 million revenues in 2010.

**The target market is represented by the 42,000 dentists**, 95% of which are self-employed, and almost 4,000 laboratories, for a global turnover of €1 billion registered in 2010, with about 85% of the demand coming from dental offices. Only 10% of dental companies register annual revenues over €10 million, while 55% of them make less than €2 million.

**Although the expenditure constraints and the crisis, the dental market has kept an attractive margin** especially in sectors such as implantology and CAD/CAM. **France obtains secretariat of ISO technical committee on Filling and restorative materials.** Starting from 3rd April 2012, **France was assigned the secretariat of the technical committee ISO TC 106 SC1**, with the responsibility to manage the rules for dental filling and restorative materials after 40 years of Canada's governance.

For further information:

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