e-card

Country: Austria
Partner Institute: Institute for Advanced Studies (IHS), Vienna
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Health Policy Issues: System Organisation/ Integration, Access, New Technology
Current Process Stages

Idea	Pilot	Policy Paper	Legislation	**Implementation**	Evaluation	Change

1. Abstract

The e-card is a chip card for insured persons, which will replace the vouchers previously needed for health service utilisation and thus will offer paper-free access to all health care services. Currently its main purpose is to demonstrate a patient's eligibility for services. It is planned that in the future these electronic cards will enable providers to access other patient data and that subsequent cards will be used to store health relevant information if patients wish so.

2. Purpose of health policy or idea

The low degree of integration between providers in the Austrian health care system is suspected to result in expensive diagnostic services performed more often than necessary. Patient e-cards in combination with provider key-cards should enable providers to get access to existing diagnostic results stored centrally.

During the introductory phase, the main purpose is to demonstrate a patient's eligibility for services.

The card is limited to information relevant for patient identification (Key card) but at first is not meant to store health data on it.

Main objectives

- e-cards shall offer paper-free access to social security and health care services for 8 million Austrians and are to replace the vouchers needed in the old system
- administration of the health and social security system is thought to be facilitated by this application of modern technology; this should help all four groups involved, health insurance, patients, providers and employers
- the same card integrates also the European health insurance card needed for service utilization in other EU countries
- the e-card will be equipped with a signature function. Thus it will be possible in the future to extend its application for identification purposes also outside of the social security and health sector

Type of incentives

- for patients/insured population: no more need to get vouchers before the first contact with a doctor in each three-month period, as the new card does not expire quickly
- for doctors/providers: no more hassle to get vouchers from patients who first forget to bring a new voucher
- for insurance: no more need to issue vouchers every three months for retirees
- for employers: no more need to issue vouchers for their employees and their dependents

3. Characteristics of this policy

Degree of Innovation	traditional	innovative
Degree of Controversy	consensual	highly controversial
Structural or Systemic Impact	marginal	fundamental
Public Visibility	very low	very high
Transferability	strongly system-dependent	system-neutral

Fo Austria, the idea of access to all services with a single card is innovative, even though not on an international level, see Germany and the European insurance card.

Public visibility of the e-card was dominated by media discussions on the troubles with the first contractor for developing the card.

4. Political and economic background

After lengthy preparations, the European Council decided in March 2002 in Barcelona that a European Health Insurance Card is to be introduced in the member countries until 2005.

This card replaces the formulary E111, thus facilitates access to health services abroad and finally improves mobility.

Health insurances in 1996 realized that this purpose alone would not suffice the cost involved in the development of such a card. In Austria it was therefore decided to integrate the European and the Austrian health insurance card into one "e-card".

Complies with

EU regulations -

5. Purpose and process analysis

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Origins of health policy idea

A new social security law in 1999 (56. Novelle des Allgemeinen Sozialversicherungsgesetzes) stated that the Federation of Austrian Social Insurance Institutions is to create a chip card (="e-card") as a basis for an electronic administration system for social insurance in Austria.

Main criteria were

- construction as a key-card
- access to personal data requires the patient's consent
- the card should allow that health data can be stored on it in future implementation phases, but currently no health data may be stored on the e-card at all

The first plan was to implement the card nationwide in 2001. Today, the plan is to distribute the cards during the year 2005.

Initiators of idea/main actors

- Payers: They are confident that cards can be issued to everybody in course of the year 2005 even though the schedule is quite tight already
- Civil Society

Approach of idea

The approach of the idea is described as: new:

Innovation or pilot project

Local level - early start on a local level (selected doctors offices in Burgenland)

Stakeholder positions

Doctors voiced opposition as they felt to be forced into costly investments (computer equipment, card reading device). By now, it seems that an agreement could be reached: contracted doctors ("Vertragsärzte") will be equipped with a card reading device and two doctors key-cards ("Ordinationskarten").

Consumer protection activists fear that the card will not be safe and will facilitate access to health data for the 'wrong' persons like employers.

Actors and positions

Description of actors and their positions

Payers

Social health insurance	very supportive	strongly opposed

Civil Society

Consumer protection organizations	very supportive	strongly opposed

Actors and influence

Description of actors and their influence

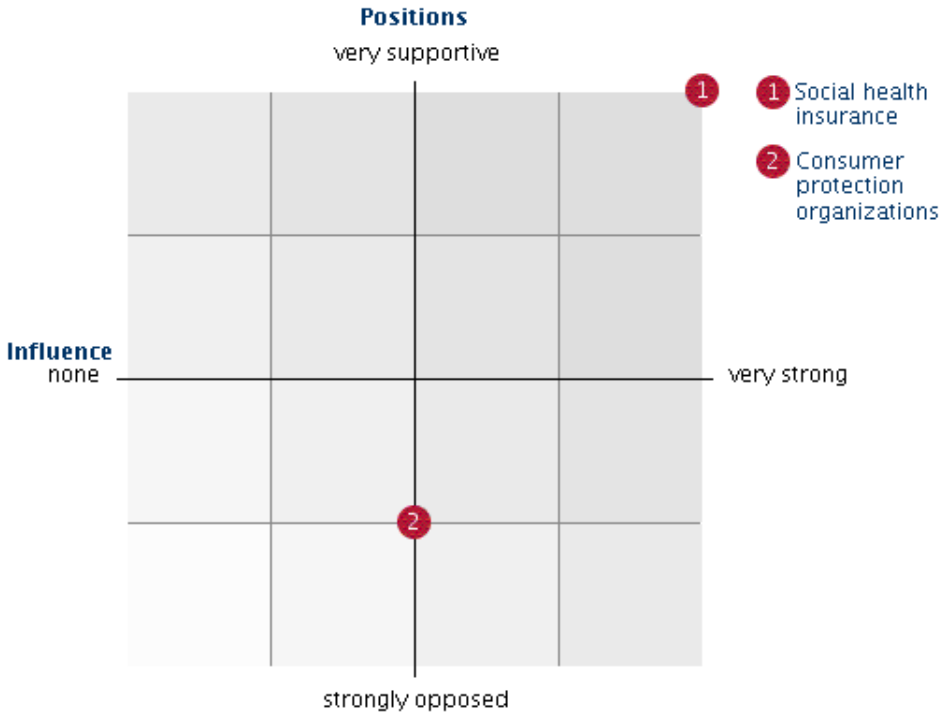
Payers

Social health insurance	very strong	none

Civil Society

Consumer protection organizations	very strong	none

Positions and Influences at a glance



Adoption and implementation

In 2001, the Austrian Federation of Social Security Institutions authorised the EDS/ORGA consortium to implement the e-card Austria-wide. The purpose of the consortium was an Austrian-wide roll-out of the e-card until May 2003. As the EDS/ORGA consortium was no even able to make a conceptual design the Austrian Federation of Social Security Institutions cancelled the contract with the consortium in March 2003.

As a consequence the Austrian Federation of Social Security Institutions set up a new tender for the e-card project. To guarantee an efficient and quick implementation, the Austrian Federation of Social Security Institutions decided to realize the project with 6 subprojects:

Subproject 1: set up the operation centre and the terminal software, so to say the heart of the e-card system

Subproject 2: creation of the chip card itself

Subproject 3: set up the communication services

Subproject 4: set up a call centre - to enable an efficient communication between the patients and contractual partners

Subproject 5: training of the users

Subproject 6: administrative client - to guarantee an simple and efficient system administration

Subproject 1, 2, and 4 are now in the implementation process.

On December 15th the test stage starts at one doctor's office in Burgenland, followed by a test run at 80 doctors offices in the first quarter of 2005. The Austria-wide roll-out is planned for the second quarter 2005.

6. Expected outcome

When a copayment of then ATS 50 (3,60 €) per voucher was introduced in 1997, it was stipulated that this co-payment once will be abolished together with the voucher. Now, in contrast to this, a copay of 10 € per person and year is charged to make up for revenue loss due to abolished copays per voucher. This copay is called a 'service fee' rather than payment for the card or simply copayment.

In an interview the MoH stated that because of the difference between voucher revenues (47 Mio €) and e-card revenues (37 Mio €) health insurance has to consider to generate additional copays.

Costs for introduction of the system are covered by the social insurance; however, employers contribute 21,8 Mio € once for their reduced administration expenses due to the abolished vouchers.

Early estimates (1999) by social insurance institutions were that efficiency gains caused by the e-card system will balance their introductory costs within two years. Total cost then was estimated at 700-800 Mio ATS (51-58 Mio €).

We believe that technical difficulties / time delays during the implementation process and the cost of introducing the card may outweigh efficiency gained by a reduction of medically unjustified diagnoses/treatments and by streamlined administration.

Quality of Health Care Services marginal  fundamental

Level of Equity	system less equitable	system more equitable
Cost Efficiency	very low	very high

Quality: If the utilisation of the e-card contributes to provide just the number of diagnostic services which is medically necessary, this would improve quality of care. This effect, however, can result only if indeed phase 2 (Key card) will be implemented.

Equity: Maybe a twofold effect:

- e-card fees are charged from everyone, regardless whether services are used or not. This is in contrast to the abolished copay for vouchers which was charged at the point of service utilisation
- e-card fees are a lump-sum payment regardless of income. However, the fee per head is roughly as high as 3 voucher copays in the old system (exemption rules have not been stipulated yet)

Cost efficiency: Early estimates (1999) by social insurance institutions were that efficiency gains caused by the e-card system will balance their introductory costs within two years. Total cost then was estimated at 700-800 Mio ATS (51-58 Mio €). The technical difficulties / time delays during the implementation process raise doubts that efficiency gains will indeed cover the cost of introducing the card.

We believe that the net effect of this policy will be neutral because expected outlays still may be higher than improvements in both, quality and cost efficiency.

7. References

Sources of Information

Websites in German:

www.chipkarte.at

www.sozialversicherung.at

various issues of Soziale Sicherheit, the monthly journal of the Federation of the Austrian Social Insuance Institutions

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