



Article 51 of the French Social Security Financing Act: Ready for the adventure?

Paris, 28 May, 2019 Article 51, a new item in the 2018 Social Security Financing Act, embodies the French government's objective to promote structural innovation in the healthcare sector. The exceptions from the usual organizational and financial rules proposed by this article open up new and promising horizons. However, the extent of these exceptions is still difficult to assess. Alcimed, a consulting company specializing in innovation and the development of new markets, discusses this article which, while arousing public interest, is still surrounded by some mystery.

A framework encouraging innovation and open to all

The organization and financing of the health system poses a major problem for the French State: it no longer reflects the practice of holistic patient care. The current segmentation of funding modalities - financing of the medico-social sector, financing of city care and hospital financing - effectively adds to the considerable organizational constraints, such as accommodation, authorization of care activities or the intervention of service providers. Revitalizing the current system by promoting synergies between stakeholders is, therefore, a logical step towards a transformation aimed at improving care, patient pathways and the efficiency of the health system as a whole.

Article 51 is the French government's response to this profound need for transformation. Via this article, the government aims to **experiment with innovative structures and financing in order to break down silos in the French health system and to encourage cooperation between the different stakeholders**. In concrete terms, it will be possible for experimental projects with clear benefits to deviate from certain funding and organizational rules. In order not to put any brake on innovation, pilot projects may be proposed by all actors in the health sector, without any restrictions.

A difficult selection process

The proposed exemptions involve a **rigorous selection process** among the submitted applications. According to the assessment carried out at the end of 2018, if we consider all the applications examined, only 2% of them were approved while 80.5% were not selected. The remaining applications are still under assessment.

The selection process is divided into **three phases**. The first one questions the **admissibility** of the project and consists of a **letter of intent** to initiate dialogue between the project leader and the Agence Régionale de la Santé, the Regional Health Agency (local and regional level) or the general rapporteur (national and inter-regional level). At the end of this exchange, the second step consists in writing a **project specification**, which must show **the feasibility of the pilot project**. Finally, the **Technical Committee on Health Innovation** is responsible for issuing an **opinion on the project**, a requirement for authorization, and determining its territorial scope. This procedure is so complex because it requires rigor and precision to assess whether the project is in line with the spirit and objectives of Article 51: in addition to addressing the issues involved, it is important that the project is innovative, efficient and reproducible.

Creating win-win dynamics ...

While obtaining authorization is difficult, the high expectations it raises justify the trouble that actors take to try to take part in the adventure provided by article 51. The uniqueness of organizational innovations is that the search for efficiency for the patient is often effectively associated with **correlative productivity gains for project leaders**. As a result, organizational innovation, as defined in Article 51, is emerging as the place where **win-win dynamics can be established between the various stakeholders in the health sector**.

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These dynamics can be observed in some pilot projects which are already well advanced in the selection process under Article 51:

- One of the projects, carried out by a hospital team in close collaboration with the Regional Unions of Health Professionals of the Burgundy-Franche-Comté and Grand Est regions, focuses on patients who have suffered a vascular-cerebral arrest (stroke) or myocardial infarction (MCI). The innovative nature of the project lies in the introduction of a system of follow-up by city-hospital professionals to prevent and detect complications and recurrences. Such a project aims to reduce by 10 points the readmission rate of the patients concerned (currently 25% for stroke and 33% for MCI) and combines the pursuit of **patient well-being** with the prospect of **significant savings**.
- Another flagship project, the result of a national call for projects involving 45 health establishments, aims to encourage and promote the prescription of biosimilar medicines by health establishments in urban areas. Despite their efficacy, quality and safety being comparable to reference biological medicinal products, biosimilar medicinal products are still relatively rarely used in France. Beyond the **advantage for the patient** of being able to access a more diversified offer of products for a given pathology, the project would **reduce the risks of stock shortage** due to the greater diversity of supply and bring **potential financial gains** by encouraging competition between the available products. At the same time, it constitutes a promotional tool that is quite remarkable from an industrial point of view.

... of which the stakeholders can define the boundaries

Aside from the pilot projects currently being evaluated, **Article 51 hints at other possibilities** for stakeholders to take ownership by demonstrating their originality and creativity. For example, it would be possible for new **blockchain** companies to **promote the organizational improvements they propose** - in terms of storage and transmission of data via blockchains - **in the context of Article 51**. Other digital innovations could also be included within the framework, such as **applications to improve the patient experience**. Finally, the desire to implement certain new technologies, combined with innovative solutions, will be supported by Article 51, which will enable companies to tackle today's new challenges as quickly as possible.

"Article 51 of the Social Security Funding Act is an opportunity for all actors in the health system as it can create a winning dynamic for any stakeholder, while at the same time satisfying the commitment to help others" concludes Delphine Bertrem, head of Alcimed's healthcare business unit in Paris.

It remains to be seen whether these innovative ideas will indeed sustainably improve the French healthcare system.

ABOUT ALCIMED - www.alcimed.com

Founded in 1993, Alcimed is an innovation and new business consulting firm specialized in life sciences (healthcare, biotech, agri-food), chemicals, materials, energy and mobility; as well as in aeronautics, space & defense, and public policies. Today Alcimed works with major industrial groups, SMEs, private equity players, start-ups, and institutional players. ALCIMED relies on a team of 180 highly-skilled individuals to help its clients in the exploration and development of their uncharted territories: new technologies, new offers, new geographies, possible futures, and new ways to innovate. Alcimed is headquartered in Paris and has offices in Lyon and Toulouse in France, as well as in Germany, Belgium, Switzerland, the United-States and Singapore. Alcimed is a member of CroissancePlus and the ACI (Association des Conseils en Innovation – Association of Consultants in Innovation).

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