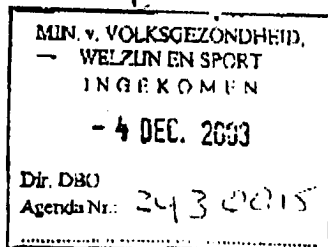


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Brussels, 25 -11- 2003
CAB/PVB/D(03)0843

Subject: Dutch Health Insurance system. Letter of Mr. Hoogervorst dated 8th October to Commissioner Bolkestein

Dear Minister, *beste Hans,*

Let me first thank you for our meeting on 1st October and for your helpful explanations of the plans of the Dutch government to reform the health insurance system. In your letter of 8th October you kindly provided further details.

I would like to point out that, in the system laid down by the Treaty, Member States are free to organise their social security systems as they see fit. It is therefore for the legislation of each Member State to determine, firstly, the conditions concerning the right or duty to be insured under a social security scheme and secondly, the conditions for entitlement to benefit. The Commission may not determine how a Member State organises the financing of medical products and services provided under its own statutory social security system. All healthcare systems in the EU are facing major challenges and it falls primarily to Member States to meet this challenge. Nevertheless, as the Internal Market impacts on national health policies in a number of ways, particularly as regards cross-border provision of, and access to, treatment, the Commission is keen to participate in any reflection on this issue.

The Court has made clear that, irrespective of the way in which Member States organise the provision of healthcare in their territories, the system chosen should respect Community Law and, in particular, the principle of the free provision of services set out at Article 49 of the EC Treaty. Furthermore, any system needs, of course, to respect provisions enshrined in secondary Community legislation. This concerns, in particular, the obligations undertaken by Member States under Regulation (EEC) 1408/71 relating to the coordination of social security systems.

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