



The financial situation of public hospitals after the pandemic

Performance audit

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FULL REPORT (FR) 

What we assessed and why

Already underinvested before COVID-19, public hospitals were one of the main players in the public sector during the pandemic. The aim of this report was to analyse the financial situation of hospitals after the pandemic and compare it to their previous situation.

What we found

Paradoxically, the financial situation of hospitals improved during the pandemic as a result of the exceptional measures. The additional costs associated with treating COVID-19 patients were covered by the public health system, and the guarantees for funding offset the revenue lost due to the reduced activity and the cancellation of operations. During the COVID-19 pandemic, public hospitals received €6.5 billion in aid to restore their financial capacity. In addition, the *Sécur de la santé* agreement¹ was signed in 2020, allocating €7.5 billion, which were also used to compensate for salary increases. However, the financial situation deteriorated significantly in 2022, particularly in hospitals already struggling, due to the gradual end of the crisis measures and significant increases in operating expenditure.

The financial model for public hospitals was affected by increasing imbalances that were exacerbated by the pandemic. Unlike their private counterparts, public hospitals did not return to their pre-pandemic level of activity in 2022, with stays down by 1.7 %. The reasons include patients not seeking care because of the pandemic, greater competition from the private sector, and the challenges posed by staff shortages. Human resources have become a major concern, with operating difficulties due to recruitment difficulties, an increase in absenteeism, and a growing reluctance among staff to work night or weekend shifts.

¹ The *Sécur de la santé* was a consultation of stakeholders in the French healthcare system which ran from 25 May 2020 to 10 July 2020 with the aim of drawing up a plan to improve the status of healthcare professions and the attractiveness of public hospitals and nursing homes (EHPAH – long-term care centres).





Aid to reduce debt, although distributed widely (80 % of public hospitals), was not selective enough. It shored up the position of many hospitals, but those with the greatest losses have not seen any lasting improvements. Although aid for current investments was envisaged in the *Ségur* investment plan, it was not dependent on a corresponding increase in investment expenditure, meaning that the impact varied from region to region. Aid for structural investments has been poorly managed, with too many high-cost projects selected and a risk of public hospitals falling further into debt.

What we concluded

Public hospitals remained weaker despite the aid received. Therefore, as part of the regional organisation of healthcare provision, they should draw up individual strategies for financial recovery.

The remainder of the aid to reduce debt should be paid and new loans should be issued, on the condition that public hospitals achieve the indicators stipulated in the contracts.

In the case of public hospitals with a planned structural investment project which will be partly financed by the €7.5 billion allocated by *Ségur de la santé*, we recommended:

1. thoroughly assessing, prior to any final decision on the project and the amount of aid, how appropriate the project is in terms of offering care, the quality of the technical proposal, the robustness of the financial estimate for the project, and the investment's financial sustainability (French Ministry of Health and Prevention; French Ministry of Economy, Finance and Industrial and Digital Sovereignty);
2. strengthening project expertise, particularly for projects which are not assessed at national level, by involving the French agency for care performance (ANAP) in assessing the technical details and the regional public finance directorates (DRFiP) in reviewing their financial sustainability (French Ministry of Health and Prevention; French Ministry of Economy, Finance and Industrial and Digital Sovereignty);
3. prioritising or staggering the implementation of projects, including those already validated, to reflect the capacity of the public hospitals concerned to carry them out without a structural increase in their financial debt (French Ministry of Health and Prevention; French Ministry of Economy, Finance and Industrial and Digital Sovereignty).

As regards the central management of the policy to promote hospital investment, we recommended establishing the procedures for suspending the payment of investment aid due to expire in 2023.