Evaluation of SGEI rules applicable to health and social services and the SGEI de minimis Regulation - Public consultation

Fields marked with * are mandatory.

Introduction

The European Commission is carrying out an evaluation of the 2012 SGEI package as regards health and social services and of the SGEI de minimis Regulation. More information can be found <u>here.</u>

You are kindly invited to reply to a set of 18 questions. Please make sure you use the save button as you proceed with the questionnaire to avoid losing information that was already inserted - especially in the case of questions with open replies. At the end of the survey you will have an opportunity to provide broader, more general comments and to upload documents, which you consider as relevant.

The questionnaire will take approximately 30 minutes to complete.

A summary report of the public consultation will also be published in Q1 2020 on the European Commission' s public consultations page of <u>the better regulation portal</u>.

About you

- *1 Language of my contribution
 - Bulgarian
 - Croatian
 - Czech
 - Danish
 - Dutch
 - English
 - Estonian
 - Finnish
 - French
 - Gaelic
 - German
 - Greek
 - Hungarian
 - Italian
 - Latvian

- Lithuanian
- Maltese
- Polish
- Portuguese
- Romanian
- Slovak
- Slovenian
- Spanish
- Swedish
- *2 I am giving my contribution as
 - Academic/research institution
 - Business association
 - Company/business organisation
 - Consumer organisation
 - EU citizen
 - Environmental organisation
 - Non-EU citizen
 - Non-governmental organisation (NGO)
 - Public authority
 - Trade union
 - Other
- *3 First name

Maarten

*4 Surname

Janssens

*5 Email (this won't be published)

maarten.janssens@wvg.vlaanderen.be

*6 Scope

- International
- Local
- National
- Regional

*7 Organisation name

255 character(s) maximum

Ministerie Welzijn, Volksgezondheid en Gezin

- Micro (1 to 9 employees)
- Small (10 to 49 employees)
- Medium (50 to 249 employees)
- Large (250 or more)

9 Transparency register number

255 character(s) maximum

Check if your organisation is on the transparency register. It's a voluntary database for organisations seeking to influence EU decisionmaking.

0 Country of origin			
Please add your country of origin			
 Afghanistan Åland Islands 	DjiboutiDominica	 Libya Liechtenstein 	 Saint Martin Saint Pierre Sand Miguelon
Albania	Dominican Republic	Lithuania	and Miquelon Saint Vincent and the Grenadines
Algeria	Ecuador	Luxembourg	Samoa
 American Samoa 	 Egypt 	Macau	 San Marino
Andorra	El Salvador	Madagascar	São Tomé and Príncipe
Angola	Equatorial Guinea	Malawi	Saudi Arabia
Anguilla	Eritrea	Malaysia	Senegal
Antarctica	Estonia	Maldives	Serbia
Antigua and Barbuda	Eswatini	Mali	Seychelles
Argentina	Ethiopia	Malta	Sierra Leone
Armenia	Falkland Islands	Marshall Islands	Singapore
Aruba	Faroe Islands	Martinique	Sint Maarten
Australia	Fiji	Mauritania	Slovakia
Austria	Finland	Mauritius	Slovenia
Azerbaijan	France	Mayotte	Solomon Islands
Bahamas	French Guiana	Mexico	Somalia
Bahrain	French Polynesia	Micronesia	South Africa
Bangladesh	French Southern and Antarctic Lands	Moldova	South Georgia and the South Sandwich Islands
Barbados	Gabon	Monaco	South Korea
Belarus	Georgia	Mongolia	South Sudan

Belgium	Germany	Montenegro	Spain
Belize	Ghana	Montserrat	Sri Lanka
Benin	Gibraltar	Morocco	Sudan
Bermuda	Greece	Mozambique	Suriname
Bhutan	Greenland	Myanmar	Svalbard and
		/Burma	Jan Mayen
Bolivia	Grenada	Namibia	Sweden
Bonaire Saint	Guadeloupe	Nauru	Switzerland
Eustatius and	I I		
Saba			
Bosnia and	Guam	Nepal	Syria
Herzegovina			
Botswana	Guatemala	Netherlands	🔍 Taiwan
Bouvet Island	Guernsey	New Caledonia	Tajikistan
Brazil	Guinea	New Zealand	🔍 Tanzania
British Indian	Guinea-Bissau	Nicaragua	Thailand
Ocean Territory			
British Virgin	Guyana	Niger	The Gambia
Islands	_		
Brunei	Haiti	Nigeria	Timor-Leste
Bulgaria	Heard Island	Niue	Togo
	and McDonald		
	Islands		
Burkina Faso	Honduras	Norfolk Island	Tokelau
Burundi	Hong Kong	Northern	Tonga
O such s all's	A 11	Mariana Islands	Triviale de cord
Cambodia	Hungary	North Korea	Trinidad and Tobago
Comoroon	Iceland	North	Tobago © Tunisia
Cameroon		Macedonia	• Turnsia
Canada	India	 Norway 	Turkey
 Cape Verde 	 Indonesia 	 Oman 	Turkey Turkmenistan
-	 Indonesia Iran 	Pakistan	 Turks and
Cayman Islands		V Fanislan	Caicos Islands
Central African	Iraq	Palau	 Tuvalu
Republic			
Chad	Ireland	Palestine	Uganda
© Chile	Isle of Man	Panama	 Ukraine
 China 	 Israel 	Papua New	United Arab
onna		Guinea	Emirates
Christmas	Italy	Paraguay	United
Island	· ,		Kingdom
Clipperton	Jamaica	Peru	United States
Cocos (Keeling)	Japan	Philippines	United States
Islands	·		Minor Outlying
			Islands
Colombia	Jersey	Pitcairn Islands	Uruguay

Comoros	Jordan	Poland	US Virgin Islands
Congo	Kazakhstan	Portugal	Uzbekistan
Cook Islands	Kenya	Puerto Rico	Vanuatu
Costa Rica	Kiribati	Qatar	Vatican City
Côte d'Ivoire	Kosovo	Réunion	Venezuela
Croatia	Kuwait	Romania	Vietnam
Cuba	Kyrgyzstan	Russia	Wallis and Futuna
Curaçao	Laos	Rwanda	Western Sahara
Cyprus	Latvia	Saint Barthélemy	Yemen
Czechia	Lebanon	Saint Helena Ascension and Tristan da Cunha	Zambia
Democratic Republic of the Congo	Lesotho	Saint Kitts and Nevis	Zimbabwe
Denmark	Liberia	Saint Lucia	

*11 Publication privacy settings

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

Anonymous

Only your type of respondent, country of origin and contribution will be published. All other personal details (name, organisation name and size, transparency register number) will not be published.

Public

Your personal details (name, organisation name and size, transparency register number, country of origin) will be published with your contribution.

I2 I agree with the personal data protection provisions

General questions

13 Please describe the relevance of State aid rules for you

1500 character(s) maximum

Service provision in our policy domain (welfare, public health and family) does only partially fall within the scope of application of State aid rules (not all services count as economic activities, not all financial support counts as aid to an undertaking). Our main goal is to ensure these services are available, accessible and of sufficient quality. We do so, in part by financially supporting service providers and citizens. State aid rules are relevant for us, because they define to what extent we can - directly or indirectly - provide financial support to service providers.

14 How would you best describe the nature of your understanding and involvement in matters related to State aid rules?

1500 character(s) maximum

The question about the compatibility of systems for financial support arises whenever we develop new systems or adapt older ones.

In most cases we consider financial support either to be given to consumers, to entities not engaged in an economic activity or to fall within the scope of the 2012 SGEI Decision.

We almost never directly contact the services of the European Commission to discuss our systems for financial support and - until now - never had any trouble concerning any of our systems being investigated or declared incompatible with the internal market.

15 Are you familiar with the SGEI package?

	Very familiar, I use this document often	Familiar, I have heard about it and use it sometimes	heard about it and heard about it, but	
* <u>2012 SGEI</u> Decision	۲	0	0	۲
* <u>2012 SGEI</u> <u>Communication</u>	0	۲	۲	۲
* <u>2012 SGEI</u> <u>Framework</u>	0	0	۲	۲
* <u>SGEI de</u> <u>minimis</u> <u>Regulation</u>	۲	0	©	۲

16 How often do you grant compensation under the different documents that are part of the SGEI package?

	More than 12 times per year	Less than 12 times per year	Never	l do not know	This document is not relevant for me / I do not use it
* 2012 SGEI Decision	۲	0	O		0
* <u>2012 SGEI</u> <u>Framework</u>	0	0	۲		0
* <u>SGEI de</u> <u>minimis</u> <u>Regulation</u>	۲	©	0	0	O

Specific questions - Effectiveness (Have the objectives been met?)

In this section, we would like to have your opinion on the extent to which the SGEI rules for health and social services met their objectives, notably:

- Clarifying the basic concepts relevant for the application of the State aid rules to health and social SGEIs; and
- Providing a more diversified and proportionate approach for a large variety of health and social SGEIs, taking into account their nature and scope and the extent to which they posed a serious risk of competition distortions in the internal market

*17 Based on your experience, has the 2012 SGEI package in so far as applicable to health and social services overall led to a clearer and more simple set of rules?

1000 character(s) maximum

In general: yes.

In some cases, however, it is not entirely clear whether activities qualify as economic or non-economic. In these cases, the obligation to specifically mention the SGEI decision forces us - a prudent regional administration - to 'hand over' services in these grey areas to the application of not just state aid rules, but to competition rules in general, in exchange for protection under the current legislative framework. That leaves us in a difficult spot if the legislation changes over time and exceptions become less generous.

18 Based on your experience, did the factors below facilitate the compliance with the SGEI rules applicable to health and social services?

To help you answering this question, please find <u>here</u> the SGEI communication and <u>here</u> the SGEI Decision.

	Fully agree	Partially agree	Neutral	Partially disagree	Fully disagree	l do not know / no opinion
 Guidance in the 2012 SGEI Communication on when the SGEI rules apply 	۲	0	©	0	0	O
 Guidance in the 2012 SGEI Communication on the definition of a genuine SGEI 	۲	0	O	0	0	O
 Guidance in the 2012 SGEI Communication on the concept of 'market failure' 	۲	0	0	0	0	0
* The scope of social services as laid down in the 2012 SGEI Decision (Article 2(1)(c) and recital 11 of the preamble)	۲	0	O	0	0	0
*						

The definition of social housing as laid down in the 2012 SGEI Decision (recital 11 of the preamble)	0	۲		۲	۲	۲
 Publication by Member States or regional and local authorities of a Member State of aid awards above EUR 15 million on the internet 	0	O	0	۲	O	O

3000 character(s) maximum

20 Based on your experience, which other specific elements, besides the elements listed in the previous question, could be clarified to improve the implementation of the SGEI rules applicable to health and social services.

2000 character(s) maximum

The definition of an economic activity is not always clear-cut in the field of health and social services. A slightly simplified definition to be used in the context of the SGEI framework would be very welcome.

In the same way, it would be appreciated if the slightly simplified definition of an undertaking, used in article 2, 2 of the regular de minimis regulation (no 1407/2013) could also be used in the successor to the de minimis regulation for aid to SGEI's (no 360/2012).

21 Based on your experience, have the SGEI rules applicable to health and social services achieved the objectives listed below while maintaining a competitive internal market?

	To a large extent	To some extent	Neutral	Not at all	l do not know / no opinion
 To clarify basic concepts relevant for the application of the State aid rules to health and social SGEIs 	O	۲	0	۲	0
* To make a more diversified and proportionate approach for health and social SGEIs possible, taking into account their nature and scope and the extent to which they posed a serious risk of competition distortions in the internal market.	۲	0	0	٢	0
*					

To simplify the state aid rules applicable to health and social services/SGEIs compared to the 2005 Package by exempting them from notification to the Commission?	0	۲	©	۲	O
 * To make it possible for Member States to provide health and social services to the (vulnerable part of the) population at affordable conditions. 	۲	O	O	0	0

3000 character(s) maximum

See answer to question 17.

*23 Based on your experience, has the 2012 SGEI package with regard to health and social services had any **positive impacts** that were not expected or not intended?

- Yes
- No
- I do not know / no opinion

24 Please explain your answer

1000 character(s) maximum

*25 Based on your experience, has the 2012 SGEI package with regard to health and social services had any <u>negative impacts</u> that were not expected or not intended?

- Yes
- No
- I do not know / no opinion

26 Please explain your answer

1000 character(s) maximum

See answer to question 17.

Also, the constant monitoring and recovery of compensation is burdensome, both for service providers and subsidising, especially when tens or hunderds of small and medium sized care providers receive compensation, exceeding the limits of the SGEI de minimis regulation.

27 The content of the act assigning an SGEI to a beneficiary ('the entrustment act') and the amount granted to the company benefiting from the SGEI compensation and falling under the SGEI Decision, when exceeding EUR 15 million, have to be published by the Member State or its regional and local authorities on the internet, also with regard to health and social services defined as an SGEI (Article 7 of the $\underline{2}$ 012 SGEI Decision).

Based on your experience, did the publication on the internet or by other means of SGEI compensation for health and social services above EUR 15 million make it easier to check the entrustment acts, possibly to challenge them and did it make aid transparent for you, (other) stakeholders and companies and the general public?

	To a large extent	To some extent	Neutral	Not at all	l do not know / no opinion
 To increase transparency of SGEI compensation towards stakeholders, companies and the general public 	©	۲	©	0	0
 To enable companies and other interested parties to check whether aid was granted in line with the SGEI rules 	0	۲	0	0	O

28 Please explain your answers

1500 character(s) maximum

Specific questions - Efficiency (Were the costs involved proportionate to the benefits?)

In this section, we would like to have your view concerning the efficiency of the SGEI rules for health and social services analysed under this evaluation. Were the costs involved in complying with the rules proportionate to the benefits of having such rules?

29 To the best of your knowledge, has the 2012 SGEI package reduced the administrative burden with regard to health and social services compared to the rules in force under the 2005 package?

	Fully agree	Partially agree	Neutral	Partially disagree	Fully disagree	l do not know / this is not relevant for me
* For the public authorities	0	0	۲	0	0	0
 For the beneficiaries (health and social service providers entrusted with an SGEI) 	0	0	۲	0	0	0

2000 character(s) maximum

*31 To what extend did the amount of resources (for example money and personnel) you spent on administrative activities with regard to health and social services change, compared to the period 2005-2012 when the 2005 SGEI package was still in force

If you have never used the 2005 SGEI package, please tick 'I do not know / not applicable'

- Strong increase
- Limited increase
- No change
- Limited decrease
- Strong decrease
- I do not know / not applicable

*32 To what extend did the amount of resources (for example money and personnel) you spent on administrative activities with regard to health and social services change, since 2012 when the 2012 SGEI package entered into force

- Strong increase
- Limited increase
- No change
- Limited decrease
- Strong decrease
- I do not know / not applicable

33 Please support your answer with reference to statistics if possible and also explain if you believe the change in amount of resources spent on administrative activities has changed for reasons unrelated to the SGEI rules, 3000 characters maximum.

You can upload one file at the end of the questionnaire

Specific questions - Relevance (is EU action still necessary?)

In this section, we would like to understand if the SGEI rules for health and social services are still relevant considering , in particular new market developments.

*34 Based on your experience, how well do the objectives of the 2012 SGEI package as applied to health and social services still correspond to today's (EU internal) market situation?

Objectives as applied to health and social services: simplifying compatibility criteria and reducing the administrative burden for Member States which compensate undertakings entrusted to provide such services to the (vulnerable part of the) population at affordable conditions.

To a large extent

- To some extent
- Neutral
- Not at all
- I do not know / no opinion

1000 character(s) maximum

36 Based on your experience, to what extent does each separate element of the 2012 SGEI Decision below correspond to the (EU internal) market developments in the field of health and social services that have occurred since 2012? In other words, do these elements still serve a purpose?

	To a large extent	To some extent	Neutral	Not at all	l do not know / this is not relevant for me
 The requirement to define the nature and duration of the SGEI in the entrustment act 	۲	0	0	0	O
* The requirement to define the territory concerned in the entrustment act	0	۲	0	0	0
 The requirement to include exclusive or special rights assigned to the company in the entrustment act 	۲	0	0	0	0
 The requirement to define the parameters for calculating, controlling and reviewing the compensation in the entrustment act 	0	۲	0	0	0
 The requirement to include the arrangements for avoiding and repaying any overcompensation in the entrustment act 	۲	O	O	۲	0
 The requirement to refer to the 2012 SGEI Decision in the entrustment act 	0	۲	۲	۲	0
 The requirement that the amount of compensation shall not exceed what is necessary to cover the net cost incurred in discharging the public service obligations, including a reasonable profit 	۲	0	0	۲	0
 The requirement that the company does not receive more compensation than the amount determined in accordance with the requirements outlined above and in case this would happen that it can be recovered (recovery of overcompensation). 	۲	0	۲	۲	0

3000 character(s) maximum

*38 Have you experienced difficulties in calculating and applying the 'reasonable profit' requirement as explained in Article 5 of the 2012 SGEI Decision?

'Reasonable profit' means the rate of return on capital that would be required by a typical undertaking considering whether or not to provide the service of general economic interest for the whole period of entrustment, taking into account the level of risk.

- A lot of difficulties
- Few difficulties
- No difficulties
- I do not know / this rule is not relevant for me

39 Please explain your answer

1000 character(s) maximum

One of the difficulties we experience is the following: a considerable amount of health and social services in Belgium are provided by non-profit organisations. For these organisations, it is, however, difficult to calculate the reasonable return on capital, as it is usually underestimated and not reflected on the balance sheet (in Belgium non-profit organisations do not have capital in a legal sense).

Also, it is difficult to assess a reasonable profit for self-employed service providers, where compensation for labour and capital employed are mixed, where the SGEI Decision mainly focusses on a reasonable compensation for capital employed.

40 Based on your experience, compared to 2012, when the SGEI package entered into force, do you consider that the risk of distortion of competition in the health and social services sector is still lower than in other sectors?

	Fully agree	Partially agree	Neutral	Partially disagree	Fullly disagree	I do not know / this sector is not relevant for me
* Health sector	۲	0	0	0	0	0
* Social housing	\bigcirc	0	0	0	0	۲
* Long-term care	۲	0	0	0	0	0
* Childcare	\odot	۲	0	0	0	0
 Access and reintegration into the labour market 	0	0	0	0	0	۲
* Care and social inclusion of vulnerable groups	۲	O	0	0	0	0

3000 character(s) maximum

Specific questions - Coherence (Does the policy complement other actions or are there contradictions?)

In this section, we would like to understand the extent to which the State aid rules for health and social services are coherent with each other and with other EU rules.

*42 Based on your experience, are the SGEI rules (the SGEI Decision, SGEI Framework, the SGEI Communication and the SGEI de minimis Regulation) insofar as they are applicable to health and social services coherent with each other?

- Yes, fully coherent
- Yes, partially coherent
- Neutral
- No, partially incoherent
- No, fully incohorent
- I do not know / no opinion

43 Please explain your answer

1000 character(s) maximum

Specific questions - EU added value (Did EU action provide clear added value?)

In this section, we would like to have your view concerning the EU added value of the SGEI rules for health and social services subject to the current evaluation.

*44 To the extent you are in a position to answer this question, has the 2012 SGEI package, with regard to health and social services, allowed for a better task allocation between the Commission and Member States?

- Yes, fully agree
- Yes, partially agree
- Neutral
- No, partially disagree
- No, fully disagree
- I do not know / no opinion

45 Please explain your answer

1000 character(s) maximum

- *46 Is the amount of de minimis aid that can be granted under the <u>SGEI de minimis</u> <u>Regulation</u>, i.e. up to EUR 500 000 over any period of three fiscal years, still appropriate?
 - Yes
 - No, it is too high
 - Neutral
 - No, it is too low
 - I do not know
 - The SGEI de minimis Regulation is not relevant for me

3000 character(s) maximum

48 Do you have any additional comments on the application of the SGEI de minimis Regulation?

3000 character(s) maximum

Final comments and document upload

49 Is there anything else with regard to the 2012 SGEI package that you would like to add?

3000 character(s) maximum

In some cases, the constant monitoring and recovery of overcompensation is overly burdensome, especially when tens or hunderds of small and medium sized care providers receive compensation, exceeding the limits of the SGEI de minimis regulation. In these cases, the 2012 SGEI Decision is burdensome both for care provider and the subsidising governments, because it requires a meticulous bookkeeping and screening of overcompensation which doesn't fit well with the size of the care provider. In our region, to reduce administrative burdens, we started to provide 'envelope' subsidies some 20 years ago. Under this system, we sometimes pay care providers a fixed sum, without them having to prove all the expenses related to the service. If they can provide the service more cheaply, they can keep the extra, if their service provision is more expensive, they have to pay for the extra costs themselves. To avoid overcompensation, every couple of years, the size of the 'envelope' is adjusted to the costs a typical service provider might incur providing the service.

We are wondering whether next to the SGEI de minimis regulation and the SGEI decision, a third path could be elaborated which creates room for envelope subsidies to undertakings. In our view, this path could be build on the concept of the typical well-run company (Altmark-decision) and the idea of giving incentives to gains in productive efficiency (article 5, 6 of the 2012 SGEI Decision). Every couple of years, a peer reviewed study or an audit could then adjust the size of the envelope to the costs a typical service provider might incur.

50 You may upload a file that further explains your position in more detail or further details the answers you have given

The maximum file size is 1 MB Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

*51 Please indicate whether the Commission services may contact you for further details on the information submitted, if required.

- Yes
- No

THANK YOU FOR RESPONDING TO THIS QUESTIONNAIRE.

Contact

COMP-SGEI-EVALUATION@ec.europa.eu