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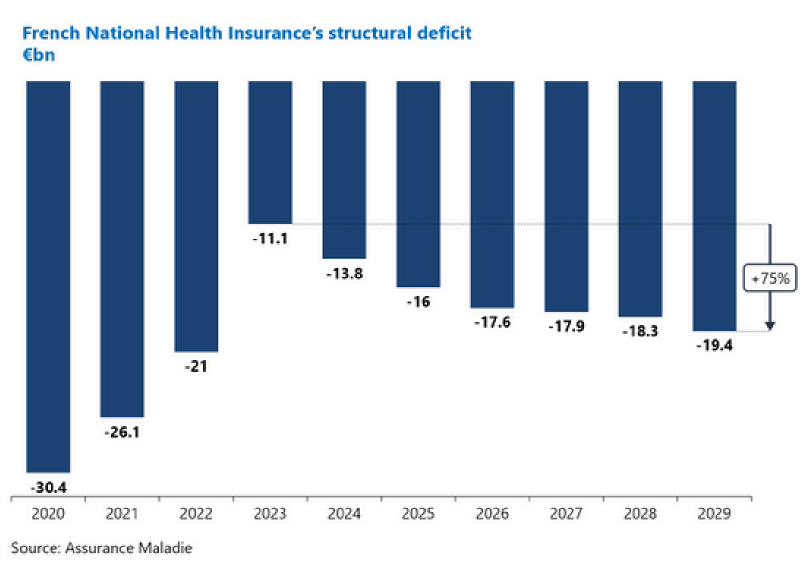
EXCESSIVE PROFITS IN FRENCH HEALTHCARE? INSIDE CNAM'S PUSH TO REGULATE PRIVATE RETURNS

A health system at breaking point triggers 60 proposals from the National Health Insurance Fund, some targeting areas with private equity involvement

France's National Health Insurance Fund (CNAM) is confronting a profound financial imbalance. After posting a €14 billion deficit in 2024, projections show it worsening to €16 billion in 2025 and a staggering €41 billion by 2030 if no corrective measures are taken. This spiral is driven by familiar forces: an aging population, the growing burden of chronic diseases, and public revenues that lag behind expenditure growth.



Faced with this troubling scenario, CNAM's latest *Charges & Produits 2026* report published on Tuesday, July 24, outlines 60 proposals aimed at reining in costs. One of its most striking sections is a detailed, unprecedented analysis of profit levels in key privately financed healthcare sectors - an exercise that could reshape the political economy of healthcare in France for years to come.

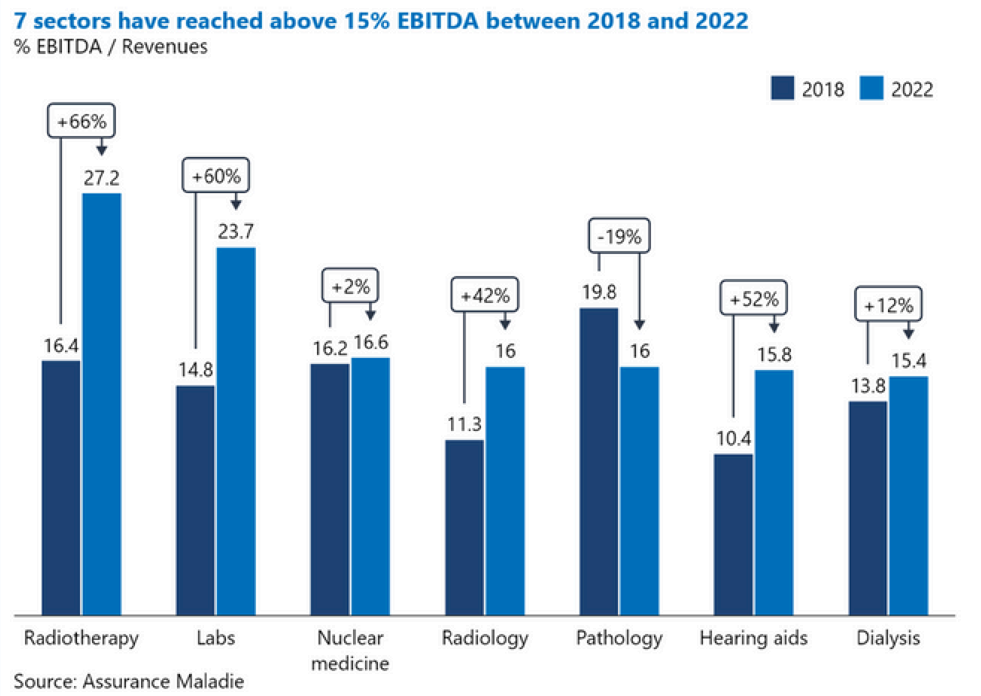
Seven verticals under crosshairs

The report identifies seven healthcare sectors where margins consistently exceed what the Insurance qualifies as "reasonable in a solidarity-based health system":

- **Radiotherapy:** EBITDA of 27.2% and net profits of 21.1% in 2022
- **Medical biology:** 23.7% EBITA, 18.7% net profits
- **Audiology, radiology, dialysis, and nuclear medicine:** Each reporting EBITDA of 15–17%

The CNAM gives 'the context' other companies to highlight distortions, with 'the average operating margin of non-agricultural, non-financial companies in France that were just 7.8% in the same year". These sectors alone absorbed €13 billion of CNAM's budget in 2022.

Beyond the raw numbers, the report highlights public vs private distortions. In radiotherapy, for example, the cost per patient in the private sector grew 42% between 2015 and 2020—three times faster than in public or non-profit institutions. In radiology, the CNAM highlights that the reimbursement of technical fees for scanners and MRIs appears significantly higher than the real depreciation or use cost of these machines, incentivising overuse and early replacement.



Private Capital and Healthcare Consolidation in France

The report, in an unprecedented deep dive on the sector, advocates that "high margins" in these sectors have triggered a surge in private investment and market consolidation. Across the board CNAM observes, with a somewhat hostile wording, a clear shift from independent practice to corporate ownership structures backed by financial investors.

- In medical biology, six large groups (Biogroup-LCD, Cerballiance, Inovie, Synlab, Eurofins and Unilabs) now control 62% of sampling sites. Since 2010, the number of legal structures in the sector has "collapsed" from over 2,600 to under 400.
- In radiology, a dual trend of consolidation and capital opening to financial investors (with 57% of structures remaining independent in 2022, down from 61% in 2016, according to DREES). This shift is driven by "a need for significant and regular investments, linked to technological innovation, the lifecycle of imaging equipment, and advances likely to trigger substantial restructuring".
- In health centres, nominally non-profit organisations are linked to for-profit service companies providing HR, billing, IT and purchasing—charging elevated fees and effectively "siphoning public reimbursements into private hands".
- In private hospitals, a few dominant players like Ramsay Santé and Elsan have come to represent over 40% of the for-profit hospital market. These groups are also buying up outpatient centres to control full care pathways.

CNAM also notes similar patterns of "financialisation" in dental centres and community pharmacies, where capital constraints have been circumvented through complex arrangements like debt instruments convertible to equity.

What the CNAM Wants to Change

To prevent the public healthcare system from becoming “a vehicle for excessive private returns”, the CNAM proposes a set of interventions, grounded in two main principles: restoring balance between care value and reimbursement, and ensuring transparency on who profits from public money.

Among the proposed reforms:

- Adjust reimbursement tariffs in sectors with high structural profitability, to bring margins back in line with average benchmarks.
- Establish a National Observatory of healthcare profitability and debt, to institutionalize long-term financial oversight.
- Set return thresholds to guide pricing policy and discourage overcompensation.
- Enhance transparency by tracing ownership structures and capital flows up to ultimate shareholders, especially when public funds are involved.
- Reform “obsolete” billing systems, such as those used in radiotherapy and imaging, which currently reward volume over medical relevance and distort incentives.

CNAM also calls for stricter supervision of commercial contracts signed between care providers and private service companies, which often act as vehicles for value extraction beyond the clinical act.

The Broader Question: Who Should Benefit from Public Health Spending?
CNAM has reaffirmed that its position is not anti-investment. It recognises that private capital has played a role in modernising infrastructure, improving logistics, and filling gaps left by public-sector constraints. But it draws a clear line: returns financed by social insurance must be proportional, transparent, and socially justified.

“Moreover, in a context of significant and structural deficits in the health insurance branch, CNAM considers that such high levels of profitability require the implementation of economic regulatory measures. The proposals put forward at the end of this chapter reflect a dual objective: to promote greater equity between different income levels among healthcare providers, and to ensure better control of public spending, given that the role of National Health Insurance is not to finance economic rents.”

With its 2026 report, the CNAM is signalling a new phase of healthcare governance in France—one that moves beyond technical efficiency and cost control, toward active regulation of financial flows and market dynamics. Whether the proposed measures are adopted remains to be seen. But the direction is clear: France is preparing to draw the line between what it calls fair investment and excess profit in healthcare.

Marc Kitten, Senior Partner
Dr Marco Mazevet, Engagement Manager

Would you like to discuss how these proposals may impact your investments and companies? Contact Dr Marco Mazevet at mmazevet@candesic.com (+33749254459)