

Health under
analysis
*A vision for
the future*



In this study we describe the main solutions for the challenges currently facing the health sector in Portugal. This study was based on a thorough research by Deloitte and on inputs from 68 personalities related to the health sector.

The health sector in Portugal – recent developments

In recent years, Portugal has seen an improvement in its health indicators, but also a wide array of measures and reforms aimed at improving the efficiency and effectiveness of the SNS [National Health Service – NHS], of which the most important are:

- The reform of Primary Health Care, with the abolition of health sub-regions, the creation of ACES [Health Centre Groups] and the reorganisation of Health Centres, in which USFs [Family Health Units] play an important role.
- The reorganisation of the national hospital network, grouping several hospitals into Hospital Centres, the adoption of a private sector oriented managerial model by almost all NHS hospitals and the expansion of Local Health Units which, ten years after the creation of the first, Matosinhos Local Health Unit, have grown to six across the country.
- The expansion of the National Integrated Continuous Care Network, a joint initiative of the Ministry of Health and the Ministry of Employment and Social Solidarity that aims to provide care for citizens in a situation of dependency and/or in rehabilitation, mainly used by the elderly population.
- The new medicines policy, a range of measures that, among other things, is designed to reduce prices and encourage the use of generics to reduce expenditure on drugs.

In the private sector, recent years have also seen the emergence of several new hospitals and the introduction of the long-awaited Public-Private Partnerships, such as Braga Hospital and Cascais Hospital, with further contracts already signed for Loures Hospital and Vila Franca de Xira Hospital.



Problems

In identifying the problems in the sector, we benefited from the help of a wide range of health sector stakeholders who shared with us their views on the main difficulties currently facing the sector:

- The **financial non-sustainability of the health system**, which emerged at the top of the list of problems identified by the various stakeholders and which has various causes, in particular technological innovation and modernisation and demographic pressure, in the latter case involving not just the high health costs of an ageing population, but also a reduction in the revenue generated from the payment of taxes.
- The **absence of strategic planning**, exacerbated by the lack of epidemiological information and management, making the planning of care provision difficult. In addition, the system still lacks an evaluation and accountability culture which would make it possible to act on the clear gaps between the targets set and the results achieved; the majority of reforms and policies are rarely evaluated and adjusted.
- The **weaknesses of the funding model**, which does not always provide incentives for the desired behaviours. This is the case with hospital financing, in which differentiation, although correctly remunerated with higher prices, is not complemented by other types of incentives that would minimise the motivation of providers towards excessive specialisation as a way of increasing revenue. In addition, regional disparities (which impact on costs) and results-based payment (where applicable), are still not taken into account in funding models.
- The **inadequacy of the organisational and management model**, in which the tripartite role of the State as shareholder, regulator and payer, combining many responsibilities in a single organisation, makes it difficult to achieve optimal performance across all functions. The multiplicity of agencies involved in regulating the sector, not always aligned and lacking vision and a clear definition of responsibilities, ends up hampering the implementation of an attitude of accountability and a management culture that are essential to the functioning of the system.

- **Inadequate human resource planning and management**, since there is still no clear and well defined strategy for health sector human resources, resulting in a mismatch between resources and needs, exacerbating the inefficiencies in this area.

A very important issue is that the majority of reforms and policies are rarely evaluated and adjusted

- **Lack of accurate information**: rather than an information systems strategy, what is required is an information strategy that identifies the information needs for each health sector stakeholder, whether they are providers, payers or regulators, in order to avoid duplications and high costs.
- **Lack of clarity about the role of private entities**: the public, private and social sectors have coexisted in the health system without any coordination and in a climate of a certain mistrust of the private sector.

Challenges

We identified six major challenges for the sector, which point towards the resolution of many of the problems identified and to a more sustainable, better organized and more manageable health system. In this task, we benefited from the help of a number of personalities in the health sector, who discussed these challenges with us and whose comments we have included in this study.

Challenge: Organising and regulating the Portuguese health system

The main lines of action in this area are:

- Improving the organisation and governance of the health system:
 - Separate the roles of provider and payer and redistribute the responsibilities between different agencies, which would eliminate conflicts of interest in decision making.
 - Assign responsibilities for information about demand, financing and payment to a single body which would contract public, private and social providers based on the real needs of citizens.
 - Set up a ‘holding company’ of health care providers (primary, secondary and continuing) to be responsible for setting guidelines for the development of the health care offer, negotiate business plans and budgets, monitor performance, disseminate good practices among providers with a view to continuous improvement, implement common structural projects for all providers and promote better coordination between them all.
 - Create a technology assessment agency to evaluate the added value of new technologies and make proposals about their inclusion in NHS services, on what terms and at what maximum price.
- Creating competition mechanisms to encourage continuous improvement in the performance of health care providers, taking into account the particularities of the health sector and distortions of competition that are intrinsic to it. Extending freedom of choice within the NHS, except for highly specialised care. Paving the way for progressive freedom of choice also in the private and social sectors. The implementation of these measures implies previously

(i) having reliable information on the clinical performance of providers, (ii) creating mechanisms to close uncompetitive services and (iii) having the treating physician act as an adviser to the citizen in exercising that choice.

Challenge: Organising the offer of NHS health care

The sustainability of the health system requires a different organisation of health provision, of which we highlight the following:

- Significantly developing primary health care
 - Invest more in primary and outreach health care, allocating more financial resources and bringing about significant changes in activities that could and should be developed.
 - Transfer the care currently provided in hospitals to outreach health care, and transfer care traditionally performed by physicians to nurses, increase supply in CSP [Primary Health Care], and ensure easier access and better follow-up of citizens.
 - Promote the community ‘polyclinic’ model for the diagnosis and treatment of low differentiation diseases and significantly reduce the influx of patients to hospital emergency departments.
- Reorganising hospitals
 - Review hospital provision in the light of greater growth of CSP and the concentration of complex care services, ensuring the necessary case selection for the provision of quality health care. Create ‘small hospitals’ within large hospitals (whether management structures with greater autonomy or integrated responsibility centres or other models), aggregating similar activities and differentiating the offer.
 - Centralise services in areas of high complexity in order to ensure better allocation of resources, better clinical outcomes and lower costs. Increase information sharing between hospitals, returning citizens to their community as quickly as possible.
 - Increase resources allocated to diagnosis, promoting medicine based more on science than on medical intuition.

- Promoting the integration of care
 - Promote the coordination of care between the different levels, putting the citizen at the centre of the system.
 - Make the GP the linchpin in the relationship between people and the health system.
 - Support self-management of care and the sharing of relevant information with physicians at the different levels of health care.

Challenge: Promoting health and preventing disease

Health promotion and disease prevention should be the basis of strategic health planning, focusing efforts on:

- Health and the education of healthy citizens, aiming to reduce the investment needed for the treatment of disease.
- Health education and the empowerment of citizens, increasing the 'literacy' of citizens in matters related to healthy lifestyle habits and self-care.
- Cross-sectoral (education, social security, environment, local authorities, etc) initiatives and involving the stakeholders closest to citizens, planning and acting with benefits for all parties involved.

Challenge: Improving funding and resource allocation in the system

The main lines of action in this area are:

- Developing the system of payment/allocation of resources:
 - Review health care payment models, prioritising quality and results and not just quantity. Implement results-based payment models, where that makes sense and is technically feasible, in particular, for example, with chronic diseases.
 - Revise price lists regularly, creating mechanisms that provide incentives for the introduction of innovation where this results in lower prices, higher quality and greater convenience.

- Create a system that favours the use of primary health care.

- Promoting the involvement of society in health funding decisions, especially about the care that the NHS should pay for, and find mechanisms to encourage the continued involvement of the community.

Challenge: Improving the management of the National Health Service

Improving the efficiency of the system and management of the NHS will involve developing a set of information processes and systems and training people for this change, with an emphasis on planning, monitoring, human resources management and information systems. The principal measures are:

- Significantly improving strategic planning:
 - Determine the epidemiological state of the country and use this information continuously to plan health care provision, focusing on people and their needs.
 - Assign clear responsibilities for strategic planning (supply and demand), and set priorities for health regions, hospitals and health centres, to put the plan into practice on the ground.
 - Estimate and allocate the resources necessary for the implementation of actions on the ground and create a system to control and monitor the implementation of actions.

- Developing monitoring and evaluation mechanisms, including the evaluation of health outcomes, the evaluation of policies and strategy and the creation of a database of indicators and benchmarks to promote quality and efficiency.
- Implementing measures leading to a change in the management culture and management capabilities in the sector, including the evaluation of Management Boards (including their practical consequences), the assessment of people, affecting remuneration and career progression and the necessary cultural change and organisational affiliation.

- Develop a human resources policy which would make it possible to forecast future human resources requirements, create a technical and behavioural skills model, training plans and proper management of career progression.
- Implementing information systems and technology: develop clinical information and management systems at local and central level, and systems to perform the role of shareholder and payer/contractor.
- Create a team and resources to monitor the transformation of the sector.

Challenge: Optimising the management of medicines

In the area of medicines, cost control and economy of use must be achieved not only from the price side but also from the consumption side, with the following main lines of action:

- Liberalise prices in the generics market, maintaining a maximum salesprice as a benchmark in order to further reduce the prices of generics through increased competition in this area.
- Control the use of medicines by acting on prescribing and monitoring the implementation of treatment guidelines in the hospital and outpatient clinic market.
- Promote the sharing of risk and evaluation of the actual results of medicines, particularly in diseases that consume large public resources, such as cancer, AIDS, cardiovascular disease, etc.
- Improve treatment adherence and provide citizens with the information to make decisions.



These six challenges call for strong leadership by all health sector stakeholders, including citizens themselves. Moreover, it is essential that stakeholders act with a shared vision of the common good, rather than exclusively defend their own interests. Are we capable of making this happen?

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