# IDIS REPORT

# PRIVATE HEALTHCARE,

**ADDING VALUE** 

**Situation Analysis** 







# PRIVATE HEALTHCARE, ADDING VALUE

**Situation Analysis** 



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# FOREWORD ADDING VALUE

Another year has brought us one step closer to society as we fulfil our commitment to transparency with a new edition of the study "Private Healthcare, Adding Value". This report has now become a point of reference in the sector, recognised by the different actors in the healthcare field.

Once again this new analysis emphasises the importance of private healthcare in shaping our healthcare system. Here we provide facts and figures that show how much this powerful and disruptive field has developed in terms of healthcare, innovation, training, wealth generation and the significant contribution to GDP (and therefore job creation). These facts also highlight how important the private healthcare sector is in Spain, one which has gained recognition even beyond the country's borders.

Private healthcare is a major partner of the public healthcare system because it helps the latter to be sustainable and achieve fundamental objectives for healthcare, such as fairness, accessibility and quality of care. The main conclusion and primary objective of the "Private Healthcare, Adding Value: 2014 Situation Analysis" report is to show how the private healthcare sector creates multiple benefits, making it the leading partner of public provision in terms of forming a single healthcare system.

This new edition of the report serves as an element of reflection to analyse the aspects that need to be improved or further emphasised so that the sustainability of the healthcare system is made clear. This is vital because the private healthcare sector frees up resources for public

healthcare, improves patients' access to care, uses high-tech equipment and contributes to the creation of skilled jobs, amongst other clear benefits.

With studies like the present Situation Analysis report, the Resa Study on Healthcare Outcome Indicators of Private Healthcare and the Spanish Private Healthcare Sector Barometer, IDIS hopes to demonstrate to society private healthcare's commitment to integrity and responsibility. We are well aware that nothing is more important than the patients and their families, because the entire system revolves around them. As such, all of us who participate in one way or another to manage the system and provide healthcare must acknowledge the importance of private healthcare in these turbulent times, which are especially marked by economic difficulties.

In any case, despite these trying times, we endeavour to find a common line of work by making the most of all available resources for the good of the patient and society, without wasted efforts or unnecessary expenses that lead to non-essential extra costs.

It is important to mention the integration projects that are in progress, such as interoperability and shared electronic medical records. These new forms of collaboration complement existing ones that are also recognised and can be further strengthened such as outsourcing agreements, concessions and civil service mutual schemes. In the near future, this initiative will allow access to patients' clinical data through different platforms, which will facilitate their management and eliminate redundancies in a transparent way.

The benefits that this measure would have are all too clear. Integrating clinical data would not only allow patients to manage and keep track of their clinical data, of which they are by law the rightful owners, but it would also lead to automatic savings for public funds while using the results of the tests carried out voluntarily in the private sector. This would thereby prevent redundancies and inefficiencies and allow the health of Spanish citizens to be monitored in all areas and fields: from outpatient monitoring of treatment, to proper coordination between the different levels of care (e.g. primary and specialty), or by adapting resources to the healthcare needs of citizens by coordinating with a socio-health sector where more than 70% of provision is private. Otherwise, how can we make guarantees to the government about people's healthcare if the clinical information of 70% of the socio-health centres in our country, or of the 452 private hospitals that exist, is not shared?

In addition to the projects related to system interoperability, IDIS has three major areas of work that are clearly defined. The first is to continue what we are doing, because we feel that we are doing it well. In this respect, we will proceed with the reports that we now have in progress and continue to update them, thus expanding and improving them. We also have two other goals in our strategy: the first is to work to achieve quality, transparency and excellence not only in the private healthcare sector but also overall. In that sense, we are working to develop a model of assessment, incentives and recognition of excellence applicable to any given centre – that is, we are not exclusive. We are aiming for an evaluation

model for the centres that voluntarily "submit themselves" to this auditing and in this way earn the IDIS stamps of quality and excellence in recognition of their efforts. The other strategic area, one which has a clear logic to it, is articulating new methods of public-private partnership so that we can benefit from all the resources we have and use them to serve patients.

Lastly I want to mention an important idea that might help provide the healthcare system as a whole with reliability and sustainability. Integrating the private system into the healthcare system is fundamental. The contributions that can be made towards building the future healthcare model are important. It is to our advantage to rely on the system's capacity for this collective responsibility project in order to sustain a quality healthcare system for all with the greatest possible efficiency. If we disregard this basic principle, it will be very difficult to solve the highly complex equation that is healthcare in Spain. The solution concerns us all, and because of this we need to promote dialogue, the spirit of collaboration, and agreements. This is our basic commitment, and we are working towards it by casting light on the reality of the private healthcare sector, which is unequivocally excellent in terms of health outcomes and of high quality with regard to processes and procedures.

#### Javier Murillo

President of Instituto para el Desarrollo e Integración de la Sanidad





Modern healthcare systems face mounting challenges related to increased healthcare expenditure stemming from factors such as an ageing population, chronic diseases and treatment costs. In Spain, total healthcare expenditure has shown an upward trend, at a rate higher than that of GDP growth, which threatens sustainability in the medium and long term.

The private healthcare sector, which functions as a complement and alternative to the public system, contributes significantly to the latter's sustainability.

Furthermore, in a country where the public system includes universal coverage, having a private system is justified by a co-payment which companies and individuals make voluntarily. Amongst other things, this improves accessibility and frees resources in the public healthcare system.

This report demonstrates that the private healthcare sector adds value in three different ways:

## **1.** Private healthcare represents a sizeable proportion of the Spanish economy

- Private healthcare expenditure accounts for 27% of total healthcare expenditure. In 2011, the figure reached 26.6 billion euros: 20.4 billion in out-of-pocket expenditure, 5.9 billion in private insurance and 322 million in not-for-profit institutions.
- When public expenditure with private provision is added to private healthcare expenditure, the total amounts to 34.2 billion euros, which is 3.2% of GDP.
- Based on the State budgets, public healthcare expenditure for 2013 has been estimated at €1,236 per capita. Private expenditure is estimated at €495 per capita.

### **2.** Private healthcare frees resources in the public healthcare system

- The private healthcare sector unburdens the public system and saves it money thanks to the more than 7.1 million policyholders (excluding mutual insurance policyholders) who do not use the resources of the National Healthcare System or use them sporadically. The savings generated by private insurance have been estimated to amount to between 4 hillion and 8.7 hillion euros.
- In this way, the private healthcare sector unburdens public healthcare, while complementing and expanding healthcare services. In 2011, private healthcare centres in Spain accounted for 29% of the surgeries performed in Spain, 22.9% of discharges and 22.8% of admissions.

### **3.** Private healthcare improves access to healthcare

- At present there are 452 private hospitals in Spain (representing 52.7% of all hospitals), which provide 52,346 beds (32% of all beds in Spain). The large number of hospitals and beds available in the private healthcare sector expands healthcare services, thus improving access to healthcare.
- Catalonia, Madrid and Andalusia are the regions with the largest number of private hospitals and beds.



- It is estimated that the private hospital market represents roughly 9.8 billion euros and registered an annual growth rate of 1.8% in the 2009–2012 period. In short, the sector continues to grow despite the economic crisis the country is experiencing.
- In addition to hospitals, the private healthcare sector has approximately 2,900 outpatient medical centres.

### **4.** Private healthcare works with the public system

- Collaboration between the public and private sectors is characteristic of the Spanish healthcare system. In terms of provision, this collaboration is done by way of outsourcing agreements and government concessions. In terms of insurance, it is done through civil service mutual schemes.
- Outsourcing agreements: in Spain, approximately 42% of private hospitals have some type of outsourcing agreement with the government.

- Government concessions that include healthcare service management: there are now 8 hospitals operating under this concession model.
- Civil service mutual schemes: cover roughly 2 million people. On an annual basis, beneficiaries may choose to receive healthcare through the National Healthcare System or through a network of private providers (most choose the private service). This model enables efficient public service provision, because the per capita expenditure for the population covered (€783) is far less than the per capita public healthcare expenditure (€1,236).



# **5.** Private healthcare provides highly-complex services using the latest technology

■ The private healthcare sector invests heavily in high-tech equipment: it includes 57% of MRI machines, 54% of PET machines and 36% of CT machines. It also contributes to incorporating cutting-edge and innovative technology into the National Healthcare System. Some technological innovations that have defined Spanish healthcare in recent years include high-field MRI, multislice CT, hybrid diagnostic techniques and interventional technology, such as radiosurgery and robot-assisted surgery.

■ In spite of the current economic crisis, the sector continues to invest in advanced technology. According to a survey conducted by IDIS, the main motivations for investing in technology are the need for differentiation from the competition (18% of respondents rated this motivation as the most important), obtaining greater efficiency (17%), and cost savings (12%).

### **6.** Private healthcare pursues continuous improvement in the quality of care

- In the constant search for improved quality of care, and to demonstrate the quality of their centres, the private healthcare sector fosters the use of a diverse set of tools in this field, such as comparability studies of results, international models of excellence, certifications or accreditations.
- The many certifications and accreditations received and the results obtained from recent quality studies (e.g. the 2013 RESA Study and TOP20 Hospitals Report) show that private healthcare centres are constantly improving their quality of care.

### 7. Private healthcare creates jobs and contributes to the training of healthcare professionals

- The healthcare sector creates jobs in Spain, as it employs approximately 230,000 professionals, 54,000 of whom are doctors. In all, 35.7% of the professionals working in private healthcare do so in hospitals.
- In terms of teaching, private healthcare demonstrates its commitment not only to society and public healthcare, but also to healthcare professionals through training. For 2014, the Ministry of Health, Social Services and Equality has announced a total of 161 specialty training places in private healthcare centres (including private hospitals and public hospitals with private management).







# **2.1.** Private healthcare represents a sizeable proportion of the Spanish economy

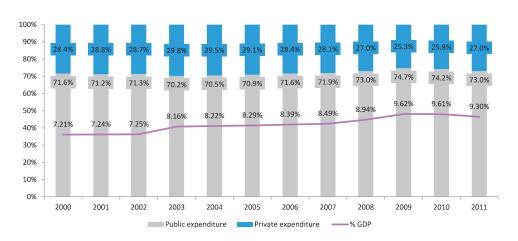
In the past, healthcare expenditure in Spain has shown an upward trend: in 2000 it represented 7.2% of GDP, and over the following ten years it has seen steady growth, reaching 9.6% of GDP in 2010.

However, in the current economic crisis, we have started to notice a downward trend in growth. In fact, in 2010, as initially registered in the past decade, there was a slight reduction in health expenditure (relative to GDP) from 9.62% in 2009 to 9.61% in 2010; and this decline was more noticeable in 2011, with a reduction of almost

0.3%, down to 9.3% (Chart 1). This decrease is mainly caused by heavy budgetary constraints that have affected public healthcare expenditure, owing to the lower price of medicines and salary cuts in the hospital sector.

HEALTHCARE EXPENDITURE
IN SPAIN REPRESENTED
9.3% OF GDP IN 2011

Chart 1 Healthcare expenditure in Spain in relation to GDP, 2000-2011

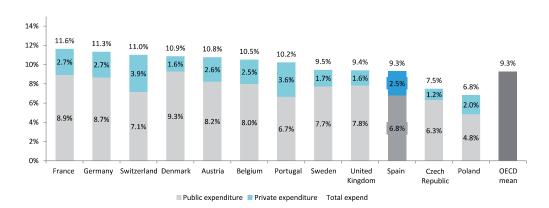


Source: OECD, Health Data 2013. Available at: http://www.oecd.org/health/health-systems/oecdhealthdata.htm (accessed on 14/11/2013)

At present, healthcare expenditure in Spain is on a par with the average for OECD countries (9.3%), but below the most-advanced economies

in the group (France, Germany and the United Kingdom) (Chart 2).

#### Chart 2 Total healthcare expenditure in relation to GDP in selected OECD countries, 2011



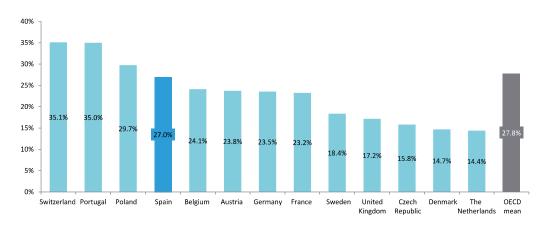
 $Source: OECD, Health \ Data \ 2013. \ Available \ at: http://www.oecd.org/health/health-systems/oecdhealthdata.htm (accessed on 14/11/2013)$ 



As for the financing of health expenditure, most of the spending (73%) is financed with public funds. Spanish families pay for roughly one-third of the expenditure (27%). In Europe, Spain is fourth in terms of having a higher proportion of private expenditure relative to total healthcare expenditure, behind only Switzerland, Portugal and Poland (Chart 3).

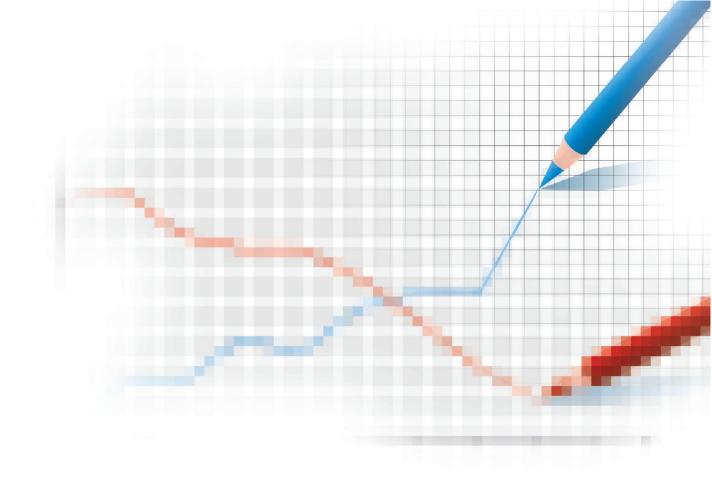
PRIVATE HEALTHCARE EXPENDITURE IN SPAIN ACCOUNTED FOR 27% OF TOTAL HEALTHCARE EXPENDITURE IN 2011

Chart 3 Private healthcare expenditure in relation to total healthcare expenditure in selected OECD countries, 2011



Source: OECD, Health Data 2013. Available at: http://www.oecd.org/health/health-systems/oecdhealthdata.htm (accessed on 14/11/2013)

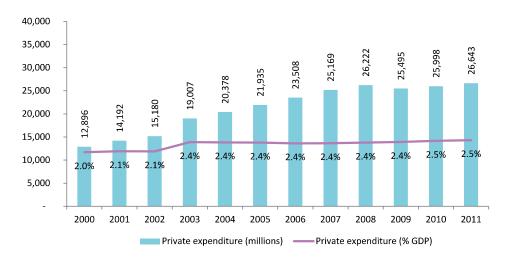




In terms of progression, Chart 4 shows that private healthcare expenditure has seen an upward trend over the past decade, from 2.0% of GDP in 2000 to 2.5% in 2011. Private expenditure was at historically high levels during the economic crisis (2008–2011), which is a result

of public disinvestment. Against a backdrop of financial difficulties, the government opts for a policy of transferring costs to families<sup>1</sup>.

Chart 4 Private healthcare expenditure in €mn and in relation to GDP, 2000-2011



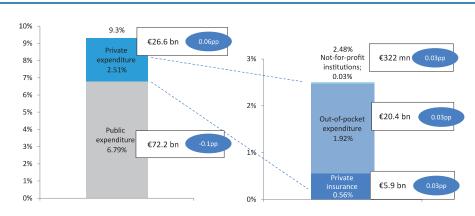
Source: OECD, Health Data 2013. Available at: http://www.oecd.org/health/health-systems/oecdhealthdata.htm (accessed on 14/11/2013). Because the accounting criteria changed after 2003, the data for 2000-2003 is not directly comparable with data from subsequent years.

<sup>&</sup>lt;sup>1</sup> Nuti, S., Vainieri, M. and Frey, M. Healthcare resources and expenditure in financial crisis: Scenarios and managerial strategies. The Journal of Maternal-Fetal and Neonatal Medicine, 2012; 25(54): 48-51

In 2011, private healthcare expenditure reached **26.6 billion euros.** Private healthcare expenditure consists of *out-of-pocket spending*<sup>2</sup> that amounted to approximately 20.4 billion euros, **private insurance** that exceeded 5.9 billion euros and expenditure by not-for-profit institutions of **322 million euros** (Chart 5).

In line with the above figures, in 2011 a reduction in public financing (downward trend of 0.1%) and a compensatory increase in household spending (0.06%) were registered.

Chart 5 Breakdown of private healthcare expenditure in relation to GDP (%, €mn), 2011



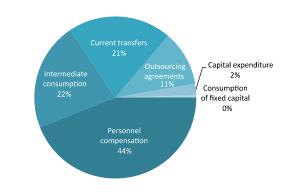
Difference from previous year

Source: OECD, Health Data 2013. Available at: http://www.oecd.org/health/health-systems/oecdhealthdata.htm (accessed on 14/11/2013)

In addition to "outright" private expenditure, i.e. out-of-pocket expenditure and private insurance expenditure, there is a considerable portion (7.6 billion euros, or 11% of public healthcare expenditure) of public money spent on financing private provision, particularly in the area of outsourcing agreements made between the National Healthcare System and private providers (Chart 6).

OUTSOURCING
AGREEMENTS BETWEEN
PUBLIC HEALTHCARE AND
PRIVATE HEALTHCARE
CENTRES REPRESENT 11%
OF PUBLIC HEALTHCARE
EXPENDITURE

Chart 6 Breakdown of public healthcare expenditure, 2011



Source: Ministry of Health, Social Services and Equality (MSSSI). Satellite Account for Public Healthcare Expenditure, 2002-2011, 2013

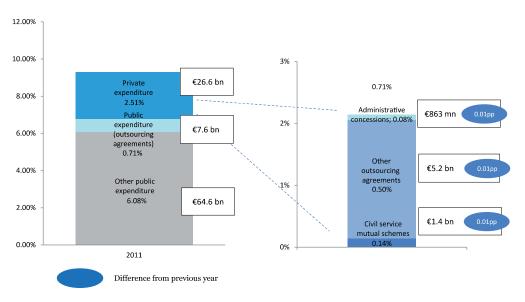
<sup>&</sup>lt;sup>2</sup> In accordance with the OECD methodology, out-of-pocket expenditure consists of spending by Spanish households on the following items: medicines and other pharmaceutical products, devices and therapeutical material; non-hospital medical and paramedical services, such as dentistry, clinical analyses and diagnostic imaging; hospital services; social welfare services; private healthcare insurance.



The line item for outsourcing agreements between public healthcare and the private sector accounts for 0.7% of GDP, 0.1% of which corresponds to civil service mutual schemes, 0.1% to government concessions, including the management of healthcare services, and the remaining 0.5% to other outsourcing agreements that public healthcare has with private centres

(Chart 7). Note that the volume of government concessions has been estimated based on the per capita premium, defined in the bidding specifications of the different operating concessions, and there may be differences with respect to actual expenditure involving the same concessions.

#### Chart 7 Breakdown of private healthcare expenditure in relation to GDP (%, €mn), 2011

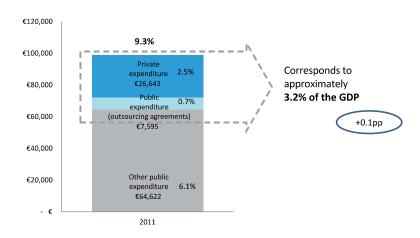


Source: Developed in-house based on OECD data (Health Data 2013. Available at: http://www.oecd.org/health/health-systems/oecdhealthdata.htm [accessed on 14/11/2013]) to estimate the private expenditure and other public expenditure and MSSSI data (Satellite Account for Public Healthcare Expenditure, 2002-2011, 2013) to estimate outsourcing agreement-related expenditure.

Adding expenditure from outsourcing agreements to private healthcare expenditure gives the total private healthcare sector expenditure, which in 2011 amounted to 34.2 billion euros, or 3.2% of GDP (Chart 8).

PRIVATE PROVISION
IN SPAIN IN 2011 IS
ESTIMATED AT 3.2% GDP

Chart 8 Estimated breakdown of private healthcare expenditure, 2011



Source: Developed in-house based on OECD data (Health Data 2013. Available at: http://www.oecd.org/health/health-systems/oecdhealthdata.htm [accessed on 14/01/2014]) to estimate the private expenditure and other public expenditure and MSSSI data (Satellite Account for Public Healthcare Expenditure, 2002-2011, 2013) to estimate outsourcing agreement-related expenditure.

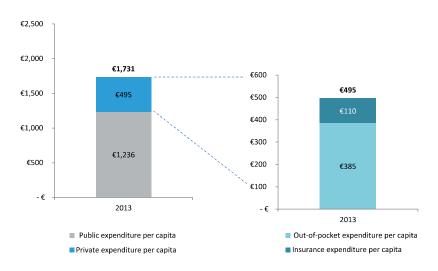




It has been estimated that, in 2013, per capita public healthcare expenditure rose to €1,236 and per capita private expenditure was €495 (Chart 9). Per capita public expenditure has been calculated based on the State budgets

by applying an average deviation rate of 7% to estimate actual expenditure. Private expenditure includes spending on health insurance (estimated at €110 per capita) and out-of-pocket expenditure (€385 per capita).

Chart 9 Estimated public and private healthcare expenditure per capita, 2013

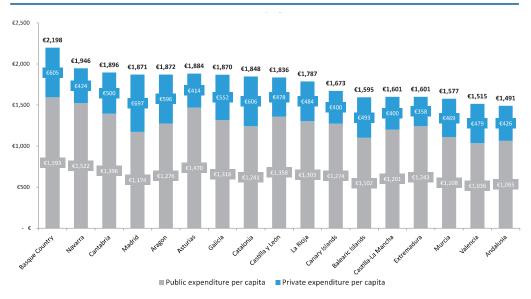


Source: Developed in-house, 2014. Per capita public expenditure calculated from the estimated actual cost based on 2013 budgets. Source: MSSSI. Initial estimates of the Autonomous Communities, 2013, and the Spanish National Statistics Institute (INE). Long-term population projections. 2012-2052 (2013). Per capita private cost calculated based on ICEA data. Health insurance: 2012 statistics. Report No. 1280, March 2013 and INE data 2012 household expenditure survey (it corresponds to the healthcare expenditure of families in addition to social security expenditure)

As for the pattern of spending by autonomous region, the **Basque Country**, **Navarra** and **Cantabria** have the highest total healthcare expenditure (Chart 10). **Madrid**, **Catalonia** and the **Basque Country** lead the list of communities with the highest private healthcare expenditure.

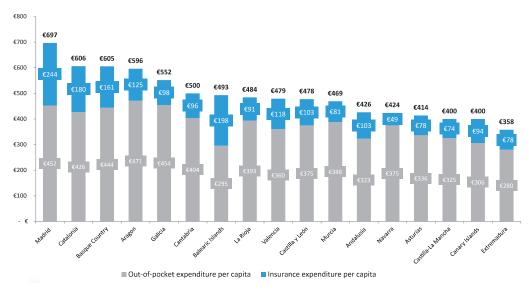
Private expenditure has been estimated based on spending by families with private insurance (source: ICEA) and on healthcare spending as indicated in the Household Expenditure Survey conducted by the INE (Chart 11).

Chart 10 Estimated public and private healthcare expenditure per capita by autonomous region, 2013



Source: Per capita public cost calculated from the estimated actual cost based on 2013 budgets. Source: MSSSI. Initial estimates of the Autonomous Communities, 2013. Private expenditure per capita: developed in-house (2014) based on ICEA data. Health insurance in June and September 2013 and INE data. 2012 household expenditure survey.

Chart 11 Estimated distribution of private healthcare expenditure by autonomous region, 2013



Source: Developed in-house (2014) based on ICEA data Health insurance in June 2013. September 2013 and INE data. 2012 household expenditure survey.

In relation to public expenditure, it should be noted that budgeted expenditure has been considered, but significant differences between budgets and their implementation are often recorded. The following table shows that, in 2011, all autonomous regions except Castilla y León registered a deviation due to excess actual expenditure relative to budgeted expenditure (Table 1).

Table 1 Difference between healthcare expenditure budgeted and spent by autonomous region (€mn) 2011

	Initial budget	Expenditure	Difference	Deviation from budget
Andalusia	9,379	9,442	62.91	1%
Aragon	1,849	2,051	201.92	11%
Asturias	1,552	1,721	169.31	11%
Balearic Islands	1,176	1,273	96.65	8%
Canary Islands	2,541	2,731	190.08	7%
Cantabria	730	767	37.25	5%
Castilla y León	3,462	3,332	-129.61	-4%
Castilla-La Mancha	2,814	3,067	252.9	9%
Catalonia	9,201	10,120	919.14	10%
Valencia	5,515	6,717	1201.7	22%
Extremadura	1,572	1,693	120.91	8%
Galicia	3,547	3,556	8.68	0%
Madrid	7,134	8,418	1283.62	18%
Murcia	2,023	2,266	242.55	12%
Navarra	972	988	16.07	2%
Basque Country	3,506	3,566	59.77	2%
La Rioja	434	461	26.67	6%
Total	57,408	62,169	4760.52	8%

Source: Initial budget: Secretariat-General for Health and Consumer Affairs, MSSSI. National Health System Resources, 2011. Expenditure: Ministry of Health, Social Services and Equality (MSSSI). Statistics on public healthcare expenditure: initial results, 2011. November 2013 edition.



# **2.2.** Private healthcare frees resources in the public healthcare system

Private healthcare frees resources in the public healthcare system in two major ways:

#### Private insurance

Replaces, in part, the National Healthcare System's public coverage

#### Private provision

Complements and frees up the public system

Leads to savings and frees resources in the public healthcare system

#### Savings generated by private insurance

In Spain, healthcare coverage is public and virtually universal, which means that private healthcare works as **double coverage** for people who are already covered by the public system.

In this dual model, people who have private healthcare coverage and opt for private healthcare generate savings for the National Healthcare System.

The savings generated by private insurance are estimated to amount to between 4 billion and 8.7 billion euros. (Figure 1).

IN SPAIN, PRIVATE HEALTH
INSURANCE COVERS MORE THAN
7 MILLION PEOPLE



Figure 1 Estimated savings generated by private insurance, 2013

It is estimated that public healthcare costs €1,236 a year for each Spanish citizen (calculated from the estimated budgets. Source: MSSSI. Initial estimates of the Autonomous Communities, 2013, and the Spanish National Statistics Institute (INE). Long-term population projections. 2012-2052 (2013).

PRIVATE INSURANCE SAVES THE NATIONAL HEALTHCARE actual expenditure based on 2013 SYSTEM UP TO €1.236 PER PERSON/YEAR

In Spain, there are 7,067,463 private insurance policyholders. This figure does not include beneficiaries of civil mutual schemes, because they are publicly financed. It is estimated that the cost for each policyholder is €563 (calculated based on the volume of benefits paid and number of policyholders. Source: ICEA. Health insurance in July 2013, September 2013. Annualised volume of benefits paid).

To estimate the savings generated by private insurance, different hypotheses have been assumed:

**HYPOTHESIS 1**: People covered by a private policy only use the private system.

If private insurance beneficiaries did not use the public healthcare system, a saving of **8.7 billion euros would be obtained,** estimated as follows:

7,067,463 beneficiaries €1,236 €8,736,891,235

HYPOTHESIS 2: People covered by a private policy go for a mixed use, i.e. they use public and private resources.

In this case, it is assumed that insurance beneficiaries also use public resources at a rate equal to the difference between the cost of public provision and the cost for each policyholder, i.e. €674.

€674 €563 €1,236

In this scenario, the savings generated by private insurance are estimated to be **4 billion euros,** calculated as follows:

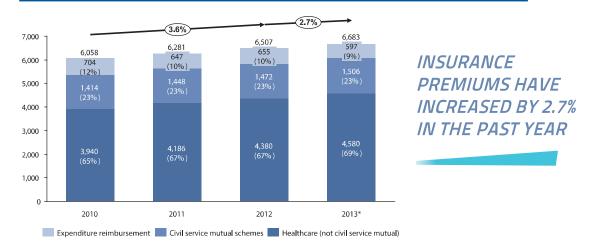
7,067,463 beneficiaries €563 €3,978,981,679

The savings generated by private insurance are estimated to amount to between 4 billion and 8.7 billion euros.

Despite the economic crisis in our country, the insurance sector has managed to maintain positive rates of growth. From 2010 to 2012,

premium volume increased 3.6%, reaching 6.5 billion in 2012. Estimates for 2013 predict this upward trend in growth (Chart 12).

Chart 12 Insurance premiums (€mn), 2006-2012 and 2013 estimate



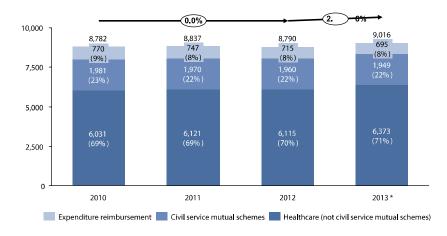
Source: ICEA, statistical reports on health insurance for 2010–2012 and the corresponding report for the first half of 2013. The growth rate for 2010–2012 corresponds to the compound annual growth rate.

\* Data estimated using ICEA data (Report No. 1305, September 2013) corresponding to the first half of 2013

The increase in premium volume was mainly due to the increased price of the premium, because the number of policyholders was basically stable during this period. In 2012, the number of policyholders came to 8.8 million, 70% of which corresponds to healthcare (without civil service mutual schemes), 22% to civil

service mutual schemes and the remaining 8% to reimbursement. However, social security data for 2013 shows a relative increase in the number of policyholders (2.6%) compared with the previous year (Chart 13).

Chart 13 Number of insurance enrollees (in thousands), 2010-2013



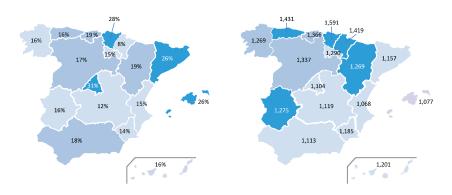
Source: Source: ICEA, statistical reports on health insurance for 2010-2012 and the corresponding report for the first half of 2013. The growth rate for 2010-2012 corresponds to the compound annual growth rate.

<sup>\*</sup> Corresponds to the first half of 2013.

Private insurance penetration is roughly 18%. The autonomous regions with the highest private insurance penetration (Madrid, Catalonia

and the Basque Country) are those with a lower public healthcare budget per capita (Figure 2).

Figure 2 Private insurance penetration and healthcare expenditure budget per capita, 2012

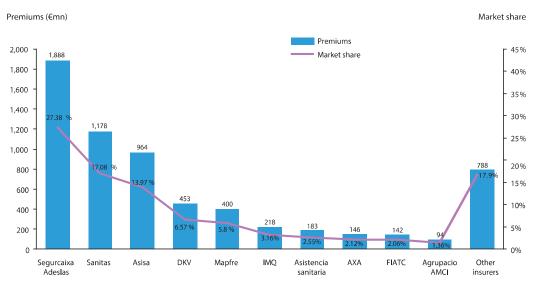


Source: Private insurance penetration: ICEA, Health insurance: 2012 Statistics, Report No. 1280, March 2013. Per capita budget: MSSSI, 2012 budgets of the autonomous regions, and INE, 2012 municipal census

In Spain, the health insurance sector is a highly concentrated market, with the top 10 insurance

companies representing approximately 82.1% of the market (Chart 14).

Chart 14 Main insurance companies: premiums and market share (€mn), 2013



Source: ICEA. Total health ranking. January to December 2013 (provisional data), 17 January 2014.

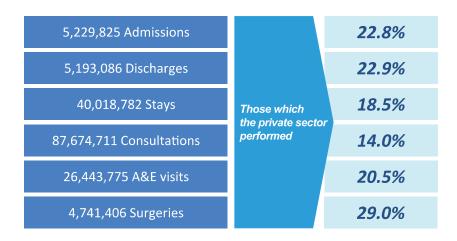
#### Private healthcare frees up the public healthcare system

The private healthcare sector complements and extends the range of public healthcare services. Not only does it offer patients an alternative for meeting their care needs, but, through public-private collaboration, it also helps to achieve the healthcare objectives of the public system and cut waiting lists.

The activity carried out by private hospitals in national healthcare as a whole continues to be significant, as can be seen below (Figure 3 and Table 2).

In 2011, Spanish hospitals carried out:

Figure 3 Care provided by inpatient healthcare institutions, 2011



Source: Ministry of Health, Social Services and Equality (MSSSI). Statistics on In-Patient Hospitals (ESCRI), 2011. ESCRI considers the activity of private hospitals in the Catalan Public Use Network and the activity of private hospitals with an alternative outsourcing agreement within the group of public National Healthcare System hospitals.

Table 2 Care provided by inpatient hospitals, 2010-2011

	Public hosp National Healthc		Private hos	pitals	% private/t	otal	Difference 2010/2011
	2010	2011	2010	2011	2010	2011	2010/2011
Admissions	4,060,108	4,039,934	1,191,021	1,189,891	22.7%	22.8%	0.1 pp
Discharges	4,047,294	4,005,171	1,191,893	1,187,915	22.7%	22.9%	0.1 pp
Stays	33,614,925	32,604,168	7,682,764	7,414,614	18.6%	18.5%	-0.1 pp
Total number of consultations	74,337,448	75,393,106	11,224,493	12,281,605	13.1%	14.0%	0.9 pp
A&E visits	20,959,970	21,010,549	5,007,382	5,433,226	19.3%	20.5%	1.3 pp
Surgeries	3,329,427	3,365,073	1,336,197	1,376,333	28.6%	29.0%	0.4 pp

Source: Ministry of Health, Social Services and Equality (MSSSI). Statistics on In-Patient Hospitals (ESCRI), 2010-2011. ESCRI considers the activity of private hospitals in the Catalan Public Use Network and the activity of private hospitals with an alternative outsourcing agreement within the group of public National Healthcare System hospitals. Since 2010, the group of National Healthcare System hospitals has included hospitals of Mutual Entities of Work Accidents and Occupational Diseases (MATEPS) because they are funded by public social security budgets according to the classification criteria of the national accounts. Until 2009 these MATEPS had been classified as private hospitals.



These figures illustrate how the private sector complements the service delivery of the public healthcare system and helps to free it up. Without it, the National Healthcare System would be overloaded, which would mean longer waiting lists and, most likely, a deteriorated quality of service.

Considering the number of stays, the rehabilitation and psychiatry specialties of private healthcare are the most representative (although they are not the specialties that carry out the highest volume of activity). As shown in the following table (Table 3), private healthcare in hospitals is responsible for nearly one-third of the national activity carried out in these specialties.

Table 3 Number of hospital stays by medical area (in thousands), 2010-2011

Care delivery	2010		2011		Difference
	Total stays	% private	Total stays	% private	2010/2011
Rehabilitation	483	27.6%	517	31.1%	-3.5 pp
Psychiatry	5,746	29.3%	5,468	28.7%	-0.6 pp
Long stay	4,480	27.3%	4,522	23.6%	-3.6 pp
Obstetrics and gynaecology	2,423	19.7%	2,290	20.6%	0.9 pp
Traumatology	3,149	19.5%	3,008	20.6%	1.1 pp
Other	1,022	24.3%	605	19.6%	-4.7 pp
General surgery and surgical specialties	6,723	14.4%	6,454	14.8%	0.4 pp
Internal medicine and medical specialties	14,304	13.9%	14,235	14.7%	0.8 pp
Intensive medicine	1,205	15.0%	1,206	14.0%	-1.0 pp
Paediatrics	1,764	10.0%	1,715	11.0%	1.1 pp

Source: Ministry of Health, Social Services and Equality (MSSSI). Statistics on In-Patient Hospitals (ESCRI), 2011.

Hospital discharges, traumatology, rehabilitation and general surgery and other surgical specialties are the care areas where the private sector most clearly plays its complementary

role, accounting for 34.8%, 28.3% and 27.8%, respectively, of the total activity carried out in these areas (Table 4).

Table 4 Hospital discharges by category (in thousands), 2010-2011

Care delivery	2010		201	Variation	
Care delivery	Total discharges	% private	Total discharges	% private	2010/2011
Traumatology	619	34.1%	610	34.8%	0.7 pp
Rehabilitation	14	22.4%	13	28.3%	5.9 pp
General surgery and surgical specialties	1,383	28.1%	1,353	27.8%	-0.3 pp
Obstetrics and gynaecology	788	22.8%	759	23.5%	0.7 pp
Intensive medicine	267	19.6%	287	18.1%	- 1.6 pp
Internal medicine and medical specialties	1,756	16.8%	1,799	17.2%	0.4 pp
Paediatrics	385	13.8%	377	14.8%	0.1 pp
Long stay	46	24.5%	49	13.9%	-10.6 pp
Psychiatry	98	11.7%	99	10.2%	-1.4 pp
Other	72	12.2%	55	8.9%	-3.3 pp

Source: Ministry of Health, Social Services and Equality (MSSSI). Statistics on In-Patient Hospitals (ESCRI), 2011.





As for surgical activity, private hospitals performed approximately 4.7 million surgical procedures, corresponding to 29% of all surgical activity performed. Most surgeries included

hospitalisation (private hospitals performed 32.7% of the surgeries with hospitalisation) (Table 5).

Table 5 Number of surgeries (in thousands), 2010-2011

	2010		201 <sup>-</sup>	Variation	
Care delivery	Total surgeries (public+private)	% private	Total surgeries (public+private)	% private	2010/2011
With hospitalisation	2,158	31.3%	2,164	32.7%	1.4 pp
With major surgery	1,331	26.3%	1,377	25.8%	-0.6 pp
Other surgeries	1,176	26.3%	1,200	26.1%	-0.2 pp
Total	4,666	28.6%	4,741	29.0%	0.4 pp

Source: Ministry of Health, Social Services and Equality (MSSSI). Statistics on In-Patient Hospitals (ESCRI), 2011.

It is concluded that the private sector plays an important complementary role in the public healthcare system. This level of complementarity largely depends on the capacity of the public sector to meet the needs and expectations of the population, but it is also influenced by individual preferences and patients' views on quality.

# **2.3.** Private healthcare improves access to healthcare

The private healthcare sector helps to **improve** access to healthcare by:

- Expanding the network of healthcare centres
- Improving geographic coverage
- Diversifying care
- Offering greater care flexibility (extended hours of care and new types of care, such as telemedicine, etc.)

The private healthcare sector has a network of centres that offer a wide variety of services and activities, including, amongst others, hospitals,

outpatient medical centres, diagnostic imaging centres, clinical analysis laboratories, private clinics and hospital-at-home programmes.

In particular, the **private healthcare in hospitals** plays a vital role in increasing the public's access, while providing quality, flexible and diverse care.

According to data from the latest RESA Study: Healthcare Outcome Indicators of Private Heathcare (2013), private hospitals in Spain have a high degree of flexibility in responding to the needs of the population, as evidenced by reduced healthcare waiting times (Table 6).

#### Table 6 Indicators of accessibility in private healthcare, 2012

Type of service	Days
Average waiting time for scheduling additional tests	
Mammograms	12.54
Magnetic Resonance Imaging	8.51
Computed Tomography	9.50
Average delivery time for additional test reports	
Mammograms	2.33
Magnetic Resonance Imaging	4.08
Computed Tomography	2.85
Average waiting time for specialist consultations	
Ophthalmology	12.90
Dermatology	13.95
Trauma	13.67
Obstetrics & Gynaecology	14.70
Average waiting time for first aid in A&E (minutes)	
Average triage time in A&E	07:35
Average waiting time for basic treatment in A&E	16:46
Average surgery waiting time	
Average surgery waiting time	33
Average time between diagnosis and treatment in cancer procedures	
Breast cancer	18.98
Colon cancer	13.75
Lung cancer	12.47

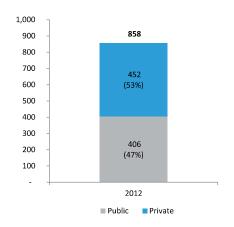
Source: IDIS. 2013 RESA Study: Healthcare Outcome Indicators of Private Healthcare, 2013. The study sample consists of 103 private healthcare entities, including: 82 private for-profit hospitals, 6 hospitals that are functionally integrated into the National Healthcare System and 15 outpatient clinics.

#### Significant figures for private hospitals in Spain

At present there are **452 private hospitals** in Spain (53% of all hospitals), which

provide **52,346 beds** (32% of all beds in Spain) (Chart 15 and Chart 16).

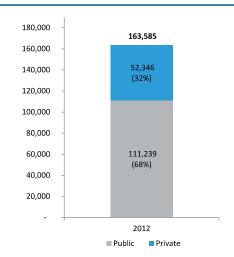
#### Chart 15 Number of hospitals in Spain, 2012



THE PRIVATE HOSPITAL SECTOR HAS 452 HOSPITALS AND 52,346 BEDS

Source: Ministry of Health, Social Services and Equality, 2013 National Catalogue of Hospitals. Does not include hospitals that closed. Hospitals that are part of groups are counted separately rather than counting the hospital group as a whole.

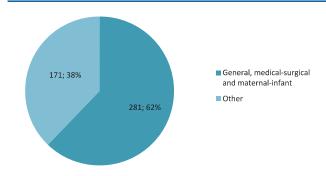
#### Chart 16 Number of beds in Spain, 2012



Source: Ministry of Health, Social Services and Equality, 2013 National Catalogue of Hospitals. Does not include hospitals that closed.

Most private hospitals (62%) are general, medical-surgical and maternal-infant hospitals. The remaining 38% are geriatric/long-stay, psychiatric, trauma/rehabilitation, monographic, ophthalmology/ORL, or for other reasons (Chart 17).

Chart 17 Private hospitals by care category, 2012



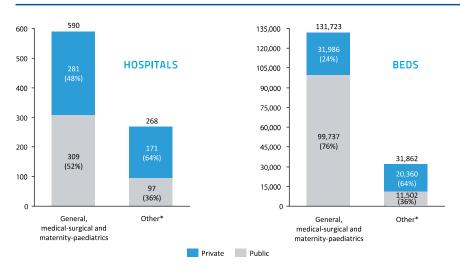
Source: Ministry of Health, Social Services and Equality, 2013 National Catalogue of Hospitals. Does not include hospitals that closed.

\* Other includes: geriatric/long-stay hospitals; psychiatric hospitals; trauma/rehabilitation hospitals; monographic hospitals, ophthalmology/ORL hospitals, other reason.

General, medical-surgical and maternal-infant private hospitals account for nearly half (48%) of the hospitals of this kind in Spain. However, they represent only 24% of the total number of existing beds.

In general, this means that the private hospitals that are intended for these purposes have an average size that is much smaller than that of public hospitals (Chart 18).

Chart 18 Number of hospitals and beds by care category in Spain, 2012



Source: Ministry of Health, Social Services and Equality, 2013 National Catalogue of Hospitals. Does not include hospitals that closed.

\* Other includes: geriatric/long-stay hospitals; psychiatric hospitals; trauma/rehabilitation hospitals; monographic hospitals, ophthalmology/ORL hospitals, other reason.

Geographically, **Catalonia**, **Madrid** and **Andalusia** have the largest number of private hospitals and the largest number of beds belonging to privately run hospitals (Table 7).

CATALONIA, MADRID AND ANDALUSIA HAVE THE LARGEST NUMBER OF PRIVATE BEDS

Table 7 Breakdown of hospitals and beds by autonomous region, ranked by number of private beds, 2012

	Hosp	itals	Bed	s
Autonomous region	Public	Private	Public	Private
Catalonia	65	146	14,987	19,450
Madrid	38	48	14,792	7,344
Andalusia	65	60	16,514	5,660
Canary Islands	20	22	5,003	2,691
Valencia	35	27	11,499	2,527
Basque Country	18	26	5,782	2,508
Castilla y León	24	23	7,248	2,450
Galicia	29	24	7,581	2,364
Murcia	12	15	3,244	1,445
Balearic Islands	12	11	2,544	1,131
Asturias	11	11	2,983	1,034
Aragon	20	9	4,403	1,001
Navarra	6	7	1,435	987
Cantabria	4	4	1,332	667
Extremadura	17	8	3,793	483
Castilla- La Mancha	20	9	5,328	478
La Rioja	5	2	834	126
Ceuta & Melilla	2	0	422	0
Total	403	452	109,724	52,346

Source: Ministry of Health, Social Services and Equality, 2013 National Catalogue of Hospitals.

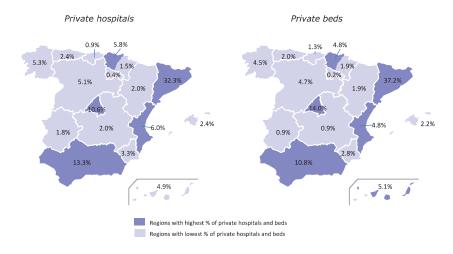




The geographic distribution of private hospitals shows that Catalonia has the largest number of private hospitals (including private hospitals integrated into the public hospital network, XHUP), as it has 32.3% of the private hospitals

and 37.2% of the private beds in Spain. Next come Madrid, with 10.6% of the private hospitals and 14% of the private beds, and Andalusia, which has 13.3% of the private hospitals and 10.8% of the private beds in Spain (Figure 4).

Figure 4 Geographic distribution of private hospitals and beds, 2012

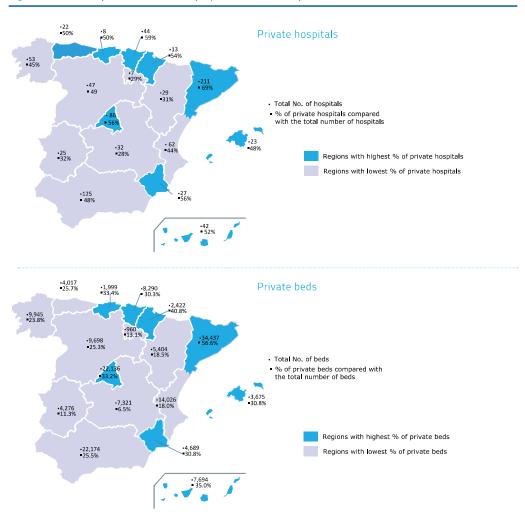


Source: Ministry of Health, Social Services and Equality, 2013 National Catalogue of Hospitals.

If the proportion of private hospitals and beds is analysed vis-à-vis the total number of hospitals and beds, there are significant differences between the different autonomous regions. Consequently, in Catalonia, the Basque Country, Madrid, Murcia, Navarra, Cantabria and Asturias the private sector represents more than half the number of hospitals. As for beds, Catalonia, Navarra and the Canary Islands have a higher percentage of private beds compared with the total number of beds; whereas in Castilla-La Mancha, Extremadura and La Rioja the proportion is lower (Figure 5).

CATALONIA, NAVARRA
AND THE CANARY
ISLANDS HAVE A
GREATER NUMBER
OF PRIVATE BEDS
COMPARED WITH THE
TOTAL NUMBER OF BEDS.

Figure 5 Private hospitals and beds as a proportion of total hospitals and beds, 2012

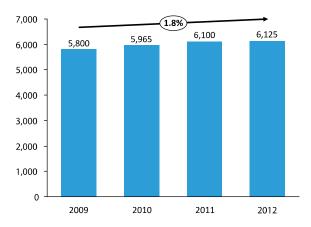


Source: Ministry of Health, Social Services and Equality, 2013 National Catalogue of Hospitals.

It is estimated that the private hospital market accounts for approximately 9.8 billion euros, 6.1 billion of which correspond to private forprofit hospitals,<sup>3</sup> and 3.7 billion to private not-for-profit hospitals.<sup>4</sup>

From 2009 to 2012, the private for-profit hospital sector registered an annual increase of 1.8%, which indicates that the sector is in good shape (Chart 19).

Chart 19 Private for-profit hospital market (€mn), 2009-2012

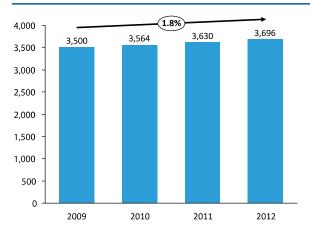


Source: DBK. Private clinics. April 2013

Assuming that the **private not-for-profit hospital market** behaves in a similar way to the for-profit hospital sector, revenues of **3.7 billion euros** in 2012 have been estimated (Chart 20). This estimate is based on applying

an annual growth rate of 1.8% to the revenues registered in 2009 (3.5 billion euros), similar to that registered by the for-profit sector in the same period.

Chart 20 Private not-for-profit hospital market (€mn), estimated 2009-2012



Source: Developed in-house based on DBK data (2010 report on public and not-for-profit hospitals)

<sup>&</sup>lt;sup>3</sup>DBK. Private clinics. April 2013

 $<sup>^{</sup>f 4}$  IDIS estimate based on DBK data. 2010 report on public and not-for-profit hospitals.

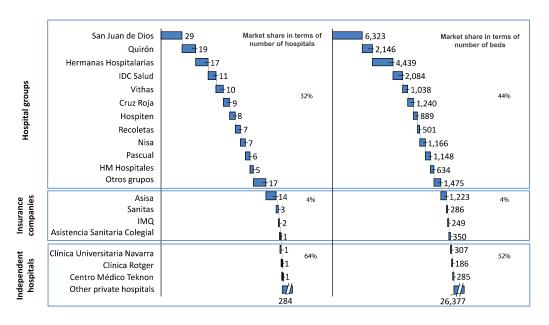
### Breakdown of the private hospital sector

The private hospital sector includes a number of operators that can be classified into three large groups: hospital management groups; hospitals owned by health insurance companies; and independent hospitals and clinics.

The distribution of hospitals and beds amongst the main operators shows that hospital groups have approximately 32% of hospitals and 44% of private beds in Spain. Insurance companies, meanwhile, have roughly 4% of hospitals and 4% of private beds, whereas independent hospitals and clinics have approximately 64% of hospitals and 52% of private beds (Chart 21).

52% OF PRIVATE BEDS IN SPAIN ARE FOUND IN INDEPENDENT HOSPITALS, WHILE 44% ARE OWNED BY HOSPITAL GROUPS AND 4% BY INSURANCE COMPANIES

Chart 21 Distribution of hospitals and beds among the main operators,\* 2012



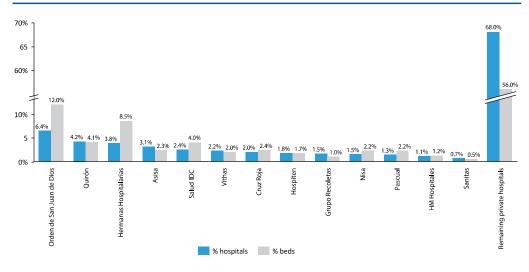
Source: Developed in-house based on the 2013 National Catalogue of Hospitals and the main operators' reports.

<sup>\*</sup> Does not include public-private partnership hospitals.

According to the market shares of the main operators in the private hospital sector in terms of number of hospitals and beds, Orden de San Juan de Dios is the private hospital group with

the largest number of hospitals and beds, with 6.4% and 12% respectively, compared with the private hospital sector overall (Chart 22).

Chart 22 Market share in terms of private hospitals and beds, 2013

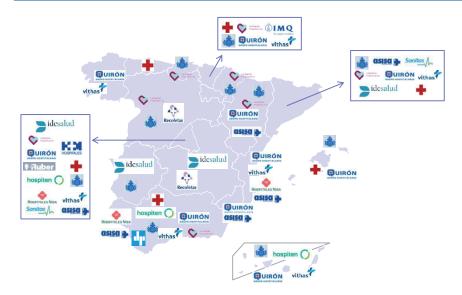


Source: Developed in-house based on data from the 2013 National Catalogue of Hospitals and reports from several hospital groups.

As for **geographic distribution**, most of the major operators in the sector are located in different autonomous regions, with Madrid,

Andalusia, Catalonia and the Basque Country as the regions operating with a higher presence of hospital groups (Figure 6).

Figure 6 Geographic distribution of the main hospital operators

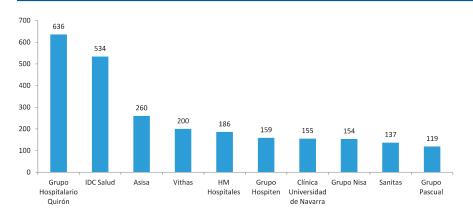


Source: Developed in-house based on data from the 2013 National Catalogue of Hospitals and reports from several hospital groups.

With regards to the revenues of the main operators, in 2012 the 10 biggest hospital groups achieved revenues of close to 2.5 billion euros,

or 41.5% of the revenue of private for-profit hospitals (Chart 23).

Chart 23 Revenues of the main hospital operators (€mn), 2012



Source: DBK. Private clinics. April 2013

In addition to hospitals, other centres that contribute significantly to improving access to healthcare are **outpatient medical centres**, which are healthcare establishments providing services that require neither admission nor hospitalisation. Small and medium-sized enterprises predominate in this highly fragmented sector, although there is an upward trend towards concentration and professionalised management.

In Spain there are approximately **2,900 medical centres**, 28% of which are dental clinics, 17% cosmetic surgery clinics, 8% ophthalmology clinics, 5% diagnostic imaging centres, 5% assisted reproduction centres, and the remaining 38% are other centres<sup>5</sup>.

In 2011, **ophthalmology clinics** registered revenues of 250 million euros, representing an increase of 1% compared with the previous period<sup>6</sup>.

Meanwhile, in 2011, **dental clinics**, which have experienced strong growth in recent years, saw revenues stagnate, remaining at 560 million euros<sup>7</sup>.

**Cosmetic surgery clinics** saw an even sharper drop, recording a negative change of 6% compared with 2010, reaching 192 million euros in revenues<sup>8</sup>.

As for assisted reproduction clinics, in 2012, their revenues exceeded 330 million euros, which represents an increase of 10% compared with 2011, the year during which there had been an increase of 11.1%. The demand for these services has grown significantly in Spain, and is estimated to remain dynamic in the short and medium term.

<sup>&</sup>lt;sup>5</sup>DBK. Outpatient medical centres. October 2010 and DBK. Assisted reproduction centres. February 2013

<sup>&</sup>lt;sup>6</sup>DBK. Specialised medical centres. October 2012

<sup>7</sup> Idem

<sup>&</sup>lt;sup>8</sup>Idem

<sup>&</sup>lt;sup>9</sup>DBK. Assisted reproduction centres. February 2013

## **2.4.** Private healthcare works with the public system

Spain has a **long tradition** of different kinds of public-private partnerships, both from a healthcare provision perspective as well as from an insurance one (Figure 7).

As for provision, **outsourcing agreements** made between regional healthcare services and private centres are the most common form of collaboration between the government and private providers, and these include agreements for testing and diagnostic and therapeutic procedures, agreements for specific healthcare service delivery (e.g. respiratory therapy, dialysis, rehabilitation, etc.), and special agreements.

Another form of collaboration in the area of provision is **government concessions**, which include healthcare service management, also known as PPP (public-private partnerships). Public debate concerning PPPs has been intense and is motivated by recent tenders announced in Madrid for the concession of 6 hospitals.

OUTSOURCING AGREEMENTS
BETWEEN PUBLIC
HEALTHCARE AND PRIVATE
CENTRES SUPPORT THE
SUSTAINABILITY OF THE
SYSTEM

As for health insurance for civil servants, the **civil service mutual scheme** is a mechanism with which beneficiaries may choose to receive private or public provision. Strikingly, 85% of beneficiaries choose private provision.

Public-private partnerships are particularly relevant in an economic crisis characterised by heavy budgetary constraints and the consequent decrease in public investment.

Figure 7 Most frequent types of cooperation between the public and private healthcare systems

Outsourcing agreements



- Outsourcing agreements for diagnostic tests and the rapeutic procedures which alleviate waiting lists, e.g. diagnostic imaging (MRI, PET, CT, etc.) and surgeries.
- Outsourcing agreements for specific healthcare services such as respiratory therapy, dialysis, rehabilitation, speech therapy, etc.
- **Special outsourcing agreements:** private hospitals that provide healthcare in an area with poor infrastructure. Notable examples: Fundación Jiménez Díaz (Madrid), Povisa (Vigo), several hospitals of Orden de San Juan de Dios, several hospitals in Catalonia, etc.

Civil service mutual schemes



- Mechanism for providing  ${\bf healthcare}$  coverage to approximately 2 million civil servants via MUFACE, MUGEJU and ISFAS.
- Funding is public, and the beneficiaries elect each year whether to receive healthcare from the public system or a private provider. Approximately 85% of civil servants choose a private provider.

Administrative concessions that include management of healthcare services



- Concession models which include hospital construction and the management of healthcare and non-health services have expanded in Spain in recent years. There are currently 8 hospitals operating in Spain under this system (5 in Valencia and 3 in Madrid) as well as Madrid's central clinical laboratory. One new hospital in Collado (Madrid) is expected to be opened under this system in the coming months.
- The main players are Ribera Salud, the IDC Salud group and the private insurance companies (Asisa, Sanitas and DKV).

Source: Developed in-house, 2014.

### Overview of outsourcing agreements between public healthcare and private centres

Outsourcing agreements with private centres in different areas of activity (hospitals, medical centres, diagnostic imaging, oncology, haemodialysis, etc.) contribute greatly to sustaining the public system's fundamental values, such as fairness, accessibility, shorter waiting lists and support in meeting maximum response times (Table 8).

CATALONIA IS THE
AUTONOMOUS REGION THAT
ALLOCATES THE MOST MONEY
TO OUTSOURCED CARE

As mentioned in section 2.1, a significant percentage of public healthcare expenditure (11%) is allocated to the outsourcing agreement line item in the budget, which speaks to the importance and effects of this concept.

Table 8 Maximum response times for scheduled non-urgent care

Autonomous Community	Surgery**	Consultations	Diagnostics
Andalusia	Guarantees certain procedures within 120-180 days	60	30
Aragon	Guarantees certain procedures and priorities within 30-180 days	-	-
Asturias			-
Canary Islands	Guarantees certain procedures and priorities within 90-150 days	-	-
Cantabria	180	60	30
Castilla y León	130 days except for cancer and non-valvular cardiac surgery (30 days max.)	35	22
Castilla-La Mancha	90	15	7
Catalonia	Guarantees certain surgical procedures within 180 days	-	90 (120 days for polysomnogram)
Valencia	60	-	-
Extremadura	180	60	30
Galicia *	180		-
Balearic Islands	180 days for certain surgeries: valvular and coronary heart surgery, cataracts and artificial hip and knee replacement	-	-
La Rioja	100	45	30
Madrid	The hospital has a maximum of 30 working days to perform preoperative testing	-	-
Murcia	150	50	30
Navarra	120 days; 60 days for cardiac surgery: 180 days for non-life threatening	30	45
Basque Country	Oncological surgery: 30 days; cardiac surgery: 90 days; other procedures: 180 days	30	30

Source: Developed in-house, 2014.

<sup>\*</sup> Bill currently before parliament to decrease the maximum response time to 60 days for surgery and to 45 days for consultations and diagnostic procedures.

<sup>\*\*</sup> The maximum limit may not exceed 180 days in all communities for 5 of the most common surgeries.

#### **OUTSOURCING AGREEMENTS WITH PRIVATE HOSPITALS**

Regionally, **Catalonia** spends more money on outsourcing agreements in absolute and relative terms than any other autonomous region: more than 2.5 billion euros, or close to 24% of community healthcare expenditure (Table 9). Next comes **the Canary Islands**, which allocates 10.3% of its budget to outsourcing agreements.

The communities where outsourcing agreements take up less economic resources in proportion to healthcare expenditure are **Aragon, Extremadura and Cantabria,** with only 4%, 4.3% and 4.5% of their budgets devoted

to outsourcing agreements, respectively. In Cantabria, although few economic resources are earmarked for outsourcing agreements with the private sector, private hospitals have a significant presence, representing 50% of the total number of hospitals.

In the past few years (2009-2011), **Galicia** and **Catalonia** have reduced their outsourcing agreement allocations by 11.1% and 8.6%, respectively. By contrast, the **Balearic Islands** registered an increase of 72% in this period.

Table 9 Outsourcing agreements in place, by autonomous region (in thousands of €), 2009–2011

	2009		20	010	20		
	Amount	% of healthcare expenditure	Amount	% of healthcare expenditure	Amount	% of healthcare expenditure	Change 2009/2011
Catalonia	2,679,565	25.3	2,577,635	23.9	2,450,073	24.1	-8.6%
Madrid	608,961	7.5	572,710	7.8	713,657	8.5	17.2%
Andalusia	485,994	4.7	515,167	5.1	446,568	4.7	-8.1%
Valencia	388,395	5.8	429,289	6.3	442,269	6.6	13.9%
Canary Islands	287,424	9.5	287,846	10.0	286,071	10.3	-0.5%
Basque Country	257,089	7.1	251,130	7.0	248,374	7.0	-3.4%
Galicia	225,299	5.6	215,371	5.6	200,259	5.6	-11.1%
Casti <b>ll</b> a-La Mancha	210,203	6.6	202,202	6.3	206,808	6.7	-1.6%
Murcia	159,785	7.1	161,892	7.2	162,621	7.2	1.8%
Casti <b>ll</b> a y León	139,937	3.9	156,738	4.3	169,007	5.1	20.8%
Asturias	116,886	6.7	128,524	7.7	123,790	7.2	5.9%
Balearic Islands	65,564	4.7	80,513	5.1	112,769	8.8	72.0%
Aragon	79,784	3.9	74,961	3.8	81,767	4.0	2.5%
Extremadura	69,386	3.9	66,839	3.8	72,644	4.3	4.7%
Navarra	65,071	6.5	66,110	6.6	75,057	7.6	15.3%
La Rioja	32,728	7.0	41,213	8.6	33,848	7.3	3.4%
Cantabria	30,302	3.7	33,803	3.9	34,540	4.5	14.0%

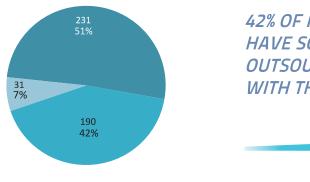
Source: Ministry of Health, Social Services and Equality (MSSSI). Satellite Account for Public Healthcare Expenditure, 2002-2011, 2013. Available at: http://www.msssi.gob.es/estadEstudios/estadisticas/inforRecopilaciones/gastoSanitario2005/home.htm (accessed on 15/11/2013)



In Spain, approximately 42% of private hospitals have some type of outsourcing agreement with the government<sup>10</sup>. In addition, 7% of private

hospitals (31 establishments) are integrated into the Catalan Public Hospital Network (Chart 24).

Chart 24 Private hospitals with outsourcing agreements, 2012



42% OF PRIVATE HOSPITALS HAVE SOME TYPE OF OUTSOURCING AGREEMENT WITH THE GOVERNMENT

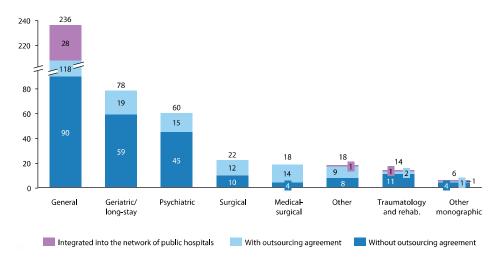
■ Without outsourcing agreement ■ With outsourcing agreement ■ Integrated into the network of public hospitals

Source: Ministry of Health, Social Services and Equality, 2013 National Catalogue of Hospitals.

The private hospitals with the largest number of outsourcing agreements are general hospitals, with a total of 118 hospitals with some type of outsourcing agreement, followed by geriatric

and/or long-stay hospitals, with 19 hospitals, and psychiatric hospitals with a total of 15 hospitals with some type of outsourcing agreement (Chart 25).

Chart 25 Number of private hospitals by care type and type of outsourcing agreement, 2012



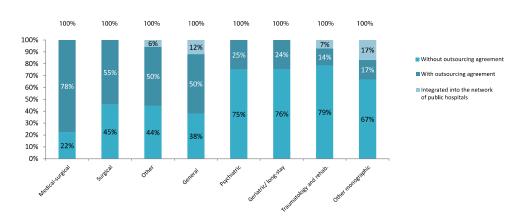
Source: Ministry of Health, Social Services and Equality, 2013 National Catalogue of Hospitals.

<sup>&</sup>lt;sup>10</sup> According to the classification of the 2013 National Catalogue of Hospitals

Considering the percentage of hospitals with some type of outsourcing agreement vis-à-vis the total number of private hospitals, medical-surgical and surgical hospitals have the highest percentage of outsourcing agreements, with 78% and 55% respectively (Chart 26).

# OUTSOURCING ACTIVITIES AT PRIVATE CENTRES IS ESTIMATED TO AMOUNT TO 24% OF TOTAL ACTIVITY

Chart 26 Outsourcing agreements with private hospitals by care category, 2012

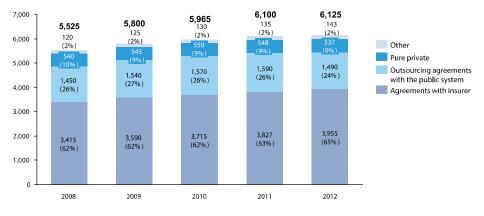


Source: Ministry of Health, Social Services and Equality, 2013 National Catalogue of Hospitals.

In market terms, private for-profit hospitals had revenues of 1.5 billion euros in outsourcing agreements in 2012, or 24% of their revenues. Compared with previous years, in 2012, a

decrease in revenues from outsourcing agreements of approximately 100 million euros was registered, which represents a drop of 6.3% (Chart 27).

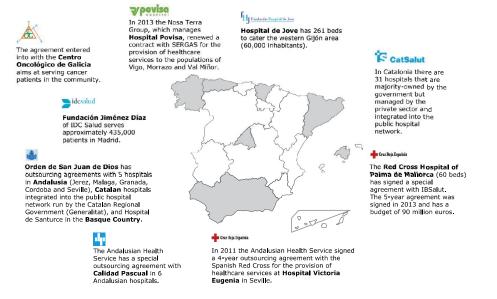
Chart 27 Breakdown of market by demand segments: private for-profit hospitals (€mn), 2008-2012



Source: DBK. Private Clinics. April 2013

Outsourcing agreements with centres other than hospitals or that conduct different activities, such as outpatient medical centres and diagnostic testing, oncology, radiotherapy, haemodialysis, etc., also help to provide better patient care in terms of fairness and accessibility (Figure 8). The most recent data on the outsourcing agreements between the government and these providers is for 2009, and so a qualitative analysis of same has not been included in this report.

Figure 8 Main special outsourcing agreements, 2014



Source: Developed in-house, 2014

### Government concessions that include healthcare management

Government concession models (or PPPs) respond to insufficient funding from the government because they enable the necessary capital investment to be made without increasing public debt. Under this model, the private sector becomes responsible for obtaining private funds to finance the design, structure and operation of the infrastructure, against payment of a fixed remuneration over a period of time previously agreed on with the government. This remuneration model not only distributes the financial burden over time but also increases the predictability of future public expenditure and allows greater control of spending.

THE PAST FEW YEARS HAVE SEEN MORE GOVERNMENT CONCESSIONS THAT INCLUDE HEALTHCARE SERVICE MANAGEMENT

Furthermore, it has been shown that PPP models, introducing the aspect of **efficiency**, which usually characterises the private sector, to the public system, allows for **cost savings**, thus contributing to the sustainability of the healthcare system.<sup>11</sup>

<sup>&</sup>lt;sup>11</sup>IASIST. Evaluation of results from hospitals in Spain by management model. October 2012.

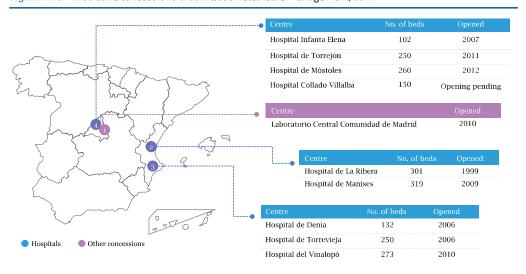
The quality of service is ensured by the payment mechanism—per capita payment—which not only transfers the risk of demand to the private provider but also works as an incentive to keep the population healthy in order to reduce future demand for healthcare. Moreover, there are incentives and penalties indexed to the fulfilment of certain quality criteria.

The quality of service is verified by means of the results of surveys given to patients that use these services: satisfaction with care results is high, according to the satisfaction surveys. 12

In Spain, the government concessions that include healthcare service management are based mainly in Valencia and Madrid (Figure 9). There are now a total of **8 hospitals operating** under this concession model in Spain, with plans to open a hospital in Collado Villalba soon.

In the healthcare sector, this concession model is not limited to hospitals; it has been implemented at other centres, such as the Madrid Central Laboratory (launched in 2010).

Figure 9 Administrative concessions that include healthcare management, 2014



Source: Developed in-house, 2014

We estimate that the turnover represented by the 8 operational government concessions amounts to **1.1 billion euros.** 

Furthermore, although technology has traditionally been excluded from the operations of public-private partnerships, there are now some cases of collaboration in Spain in this area.

VALENCIA AND MADRID LEAD THE WAY IN GOVERNMENT CONCESSIONS THAT INCLUDE HEALTHCARE MANAGEMENT

<sup>&</sup>lt;sup>12</sup> BUPA. Public-private partnerships: improving health outcomes and tackling the rising costs of healthcare. Available at: https://www.bupa.com/media/704549/bupa-factsheet-ppp.pdf (accessed on 08/01/2014)



Murcia, the Balearic Islands and Catalonia are examples of communities where contracts have been executed between public hospitals and health technology companies in order to provide, refurbish and maintain clinical equipment and/or advise on the competitive dialogue used to acquire technological equipment. In Galicia, SERGAS has launched a tender worth 73 million euros to award one private company with the management of testing equipment and diagnostic imaging, and interventional procedures, nuclear medicine and radiotherapy.<sup>13</sup>

The main advantages of these new forms of collaboration include reducing the economic impact in the early stages of the project, despite the initial high level of complexity of the bidding stage and dialogue; encouraging quality of the goods and services supplied; fostering innovation and the efficient use of public resources; and integrating the skills and experience of the public and private sectors, thus making the supplier a technology partner for the long term.

<sup>13</sup> Official State Gazette (BOE). Number 224. Record OC-SER 1-13-054

### Civil service mutual schemes

The civil service mutual scheme is a special coverage mechanism of the social security scheme for civil servants and comprises three major mutual societies: the Mutual Fund for Civil Servants (MUFACE), the Mutual Legal Insurance Company (MUGEJU) and the Social Institute for the Armed Forces (ISFAS).

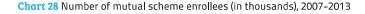
Each year the beneficiaries of this model may choose to receive healthcare with the public healthcare service or with a network of private insurance organisations that have outsourcing agreements with mutual insurance companies. As such, civil service mutual schemes function as a **substitute** health insurance where beneficiaries who choose private provision cannot use the public healthcare service.

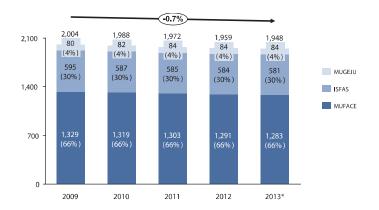
In other words, civil service mutual schemes arguably promote a balance between the public and the private healthcare systems, thereby providing efficient public service delivery,

ensuring the National Healthcare System's portfolio of services and alleviating the pressure of patient demand on the public system.

In 2013, approximately **2 million people** were covered by civil service mutual schemes. MUFACE had the most beneficiaries, with 66% of mutual insurance policyholders (Chart 28).

2 MILLION PEOPLE ARE COVERED BY CIVIL SERVICE MUTUAL SCHEMES





Source: ICEA. 2012 health insurance. Report No. 1280, March 2013 and ICEA. Health insurance in June, 2013. Report No. 1305, September 2013.

\* Data for the first half of 2013.

In terms of **premiums**, civil service mutual schemes reached **1.5 billion euros** in 2012, representing an annual increase of 2.3% in the 2009-2012 period. Estimates indicate that 2013 will see similar growth (increase of 2.4%).

MUFACE not only enrols the most beneficiaries but also has the highest volume of premiums, representing 67% of the total (Chart 29).

Chart 29 Civil service mutual scheme premiums (€mn), 2009-2012 and 2013 estimate



Source: ICEA. 2012 health insurance. Report No. 1280, March 2013 and ICEA. Health insurance in June, 2013. Report No. 1305, September 2013.

In 2013, civil service mutual schemes signed agreements with 7 insurers; SegurCaixa Adeslas and Asisa provide healthcare services to enrollees of all three mutual schemes in Spain (Table 10).

IN 2013, 7 INSURERS SIGNED HEALTHCARE DELIVERY AGREEMENTS WITH CIVIL SERVICE MUTUAL SCHEMES

Table 10 Insurers that have agreements with civil service mutual schemes, 2014

	SegurCaixa Adeslas	Asisa	DKV	Caser	MAPFRE	Igualatorio Médico- Quirúrgico Colegial	Sanitas
MUFACE	✓	✓	$\checkmark$			$\checkmark$	
ISFAS	✓	<b>✓</b>					
MUGEJU	✓	✓	$\checkmark$	$\checkmark$	$\checkmark$		✓

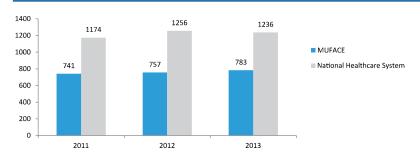
Source: Official State Gazette (BOE): BOE of 23 December 2013, BOE of 8 January 2014 and BOE of 30 October 2013

<sup>\* 2013</sup> data annualised based on the first half of the year.

Under this model, insurance companies must provide healthcare benefits under the same conditions as those of the public system. Insurance companies bear 100% of the healthcare costs of their policyholders, except for transplants. Mutual insurance policyholders who choose private provision should always use the private system, because if they use public healthcare, they must pay for the costs incurred, except in cases of medical emergencies.

In economic terms, the civil service mutual scheme is a model that provides efficient public service delivery, because the per capita expenditure for the population covered is far less than the per capita public healthcare expenditure. In this regard, the average MUFACE premium in June 2013 was 783 euros a year per policyholder, whereas per capita public healthcare expenditure was estimated at 1,236 euros, which involves a saving of 453 euros for the government per policyholder (Chart 30).

Chart 30 Spending comparison: National Healthcare System and MUFACE mutual insurance company, 2011-2013

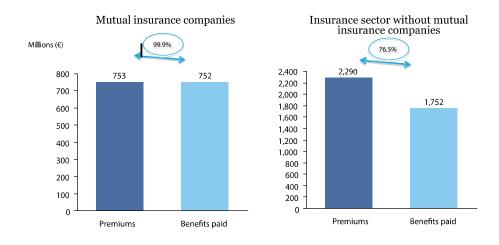


Source: Per capita National Healthcare System expenditure: calculated from the estimated actual cost based on State budgets. Source: MSSSI. Initial estimates of the Autonomous Communities, 2011–2013. MUFACE premium: ICEA. Statistical reports on health insurance, 2011, 2012 and June 2013.

In the first half of 2013, civil service mutual schemes registered a claims ratio of 99.9%, well above the average in the insurance sector,

where the claims ratio in the same period was 76.5% (Chart 31).

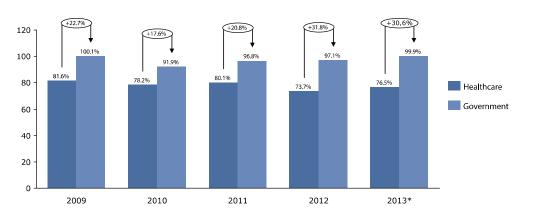
Chart 31 Claims under the mutual health insurance schemes and healthcare insurance (€mn), June 2013



Source: ICEA. Health insurance in June 2013. Report No. 1305, September 2013.

THE CLAIMS RATIO OF CIVIL SERVICE MUTUAL SCHEMES WAS 99.9% IN THE FIRST HALF OF 2013 In recent years (2009–2013) the **claims ratio** of civil service mutual schemes has remained at levels between 90% and 100%. Comparing the claims ratio of mutual insurance companies with the average of the insurance sector in the same period shows a difference of 18% to 32% between the claims ratio of civil service mutual schemes and the average of the insurance sector for each year, peaking in 2012 with a difference of 31.8% (Chart 32).

Chart 32 Claims under mutual health insurance schemes and healthcare insurance, 2009-2013



Source: Developed in-house based on ICEA data (statistical reports on health insurance, 2009, 2010, 2011, 2012 and June 2013). \* Data for the first half of 2013.

This indicates that civil service mutual schemes are **underfunded**, with the price of the premium clearly insufficient to cover the high numbers of claims. This underfunding could jeopardise

the sustainability of the sector, because some insurance companies have indicated that they intend to leave the system. <sup>14</sup>

<sup>14</sup> Cristóbal, C. SegurCaixa Adeslas "da tregua" a MUFACE hasta 2015 [SegurCaixa Adeslas "calls a truce" with MUFACE until 2015]. Redacción Médica, 13 November 2013. Available at: http://www.redaccionmedica.com/secciones/privada/segurcaixa-adeslas-da-una-tregua-a-muface-hasta-2015-6147 (accessed on 15/01/2014)

# 2.5. Provides highly-complex services using the latest technology

The use of technology in healthcare entails a range of benefits for patients, professionals and the healthcare system as a whole, including:

- Contribution to the prevention of diseases, reducing the need for future healthcare, and consequently, healthcare costs.
- Improvement of diagnosis and help in detecting diseases early on, which facilitates more effective treatment.
- Improvement of therapy in terms of speed, efficiency and efficacy. For instance, diseases that in the past had a high mortality rate are now treatable in many cases, thanks to technological advances.
- Support in patient monitoring.
- Allows for better management of clinical information.
- Enables new, more efficient, connected and holistic ways of working.

In particular, technological advances in e-health and m-health, which are based on new information and communication technologies and mobile devices, have changed the way healthcare is provided, bringing the benefits of lower costs, better safety and greater comfort for the patient and the professional.

THE PRIVATE HOSPITAL SECTOR HAS 57% OF MRI MACHINES, 54% OF PET MACHINES AND 36% OF CT SCAN MACHINES

The private healthcare sector plays a significant role in incorporating cutting-edge and innovative technology into the National Healthcare System.

By using high-tech equipment, private healthcare can use its financial and human resources more efficiently and gain a greater capacity for managing the pressure of healthcare demand. This also allows for differentiation from the competition, which consists of the universal public healthcare system and other private sector operators.

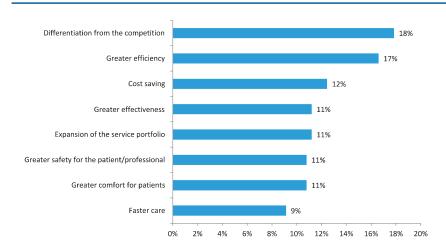
According to a survey conducted by IDIS, for the private sector, the main motivations for investing in technology are the need for differentiation from the competition, efficiency and cost savings.



The main areas of investment include diagnostic technology, but there is a growing interest in investing in interventional technology,

especially in the technology of minimally invasive surgery (Chart 33).

Chart 33 Main reasons for investment in high-tech equipment (rated by respondents)



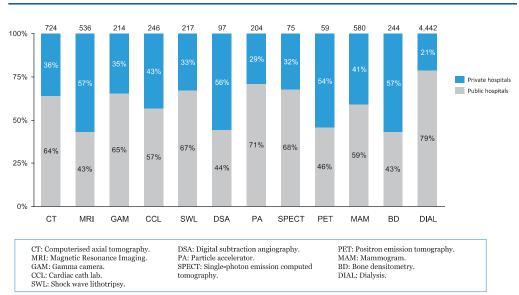
Source: Source: Developed in-house (2014) based on results from a questionnaire given to high-tech companies, 2014.

### Technological equipment of the private healthcare sector

The private hospital sector in Spain is clearly committed to investing in high-tech equipment. For example, it has 57% of MRI machines,

54% of PET machines and 36% of CT machines. (Chart 34).

Chart 34 High-tech equipment at hospitals, 2012



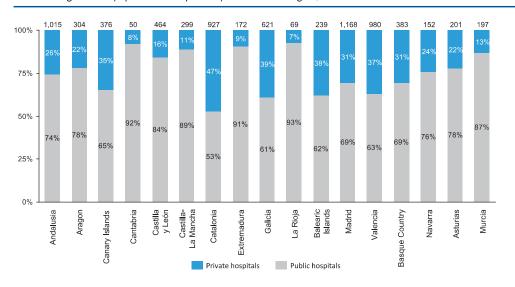
Source: Ministry of Health, Social Services and Equality, 2013 National Catalogue of Hospitals.

Analysing the high-tech equipment in the autonomous regions shows that Madrid, Andalusia and Valencia have the largest amount of high-tech equipment. In the communities with the most equipment in private centres, Catalonia, Galicia and the Balearic Islands have the highest percentages of high-tech equipment in private hospitals: 47%, 39% and 38% respectively. By contrast, Extremadura, Cantabria and La Rioja have only 9%, 8% and 7%, respectively, of their high-tech equipment located in private hospitals (Chart 35).

CATALONIA, GALICIA AND THE BALEARIC ISLANDS HAVE THE HIGHEST PERCENTAGES OF HIGH-TECH EQUIPMENT AT THEIR PRIVATE HOSPITALS



Chart 35 High-tech equipment in hospitals by autonomous region, 2012



Source: Ministry of Health, Social Services and Equality, 2013 National Catalogue of Hospitals.

### The private sector invests in cutting-edge technology

The private healthcare sector's commitment to technological innovation is a differentiation strategy. This allows the sector to convey a good image of quality and service and to respond to the highest levels of patient demand.

In spite of the current economic crisis, private operators continue to invest in cutting-edge technology.

Some of the most important technological innovations to define Spanish healthcare in recent years include:

- In terms of diagnostics, the development of imaging techniques, such as high-field MRI, multislice CT or hybrid techniques (e.g. PET/CT, PET/MRI), have provided greater diagnostic accuracy, cut measurement times and increased patient safety, amongst other benefits. These technologies allow further studies to be conducted (e.g. multislice CT enables whole-organ perfusion) and support treatment and monitoring (e.g. PET/CT and PET/MRI assess the patient's response to treatment).
- Regarding treatment, radiosurgery and robotassisted surgery stand out. Radiosurgery is an innovative technique where surgical procedures are performed using gamma rays, with high precision and without incisions. In addition, this reduces the risk of surgical complications and cuts patient recovery time.

Robot-assisted surgery involves the use of robotic technology in the operating theatre (including remote-control surgery, minimally invasive surgery and surgery without human intervention), which enables surgical procedures to be carried out with greater precision and better safety and comfort for patients (smaller incisions, minimal bleeding, less pain, shorter recovery time and shorter average stay).

The private healthcare sector will continue to invest in cutting-edge technology. According to the IDIS survey given to high-tech companies, some areas of future investment in the sector include<sup>15</sup>:

- Advanced imaging technologies, such as synthesis imaging.
- Combining in vivo and in vitro techniques to diagnose diseases.
- Intraoperative diagnostic systems (e.g. tumour localisation).
- Microwave ablation.

Although diagnostic technologies will continue to be the main area of investment by the private healthcare sector, according to expert opinion, there is a growing interest in interventional technology, especially in minimally invasive surgical procedures.

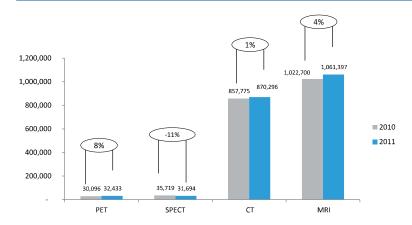
<sup>&</sup>lt;sup>15</sup> IDIS. Survey of high-tech companies, 2014.

### Highly complex techniques and procedures carried out by the private healthcare sector

Private healthcare sector investment in equipment enables highly complex activity to be performed.

In terms of **diagnosis**, the private sector is currently able to perform the full range of diagnostic testing required with sophisticated imaging equipment. The chart below shows the large number of high-resolution imaging tests performed in private hospitals, specifically PET, SPECT, CT and MRI (Chart 36).

#### Chart 36 Diagnostic activity in private hospitals (2010-2011), selected tests



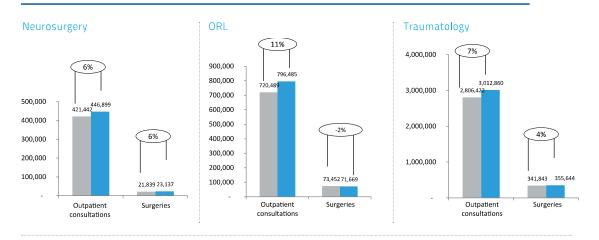
Source: MSSSI. Specialised Care Information System (SIAE): diagnostic activity. Available at: http://pestadistico.inteligenciadegestion.msssi.es/ArbolNodos.aspx (accessed on 13/01/2014)

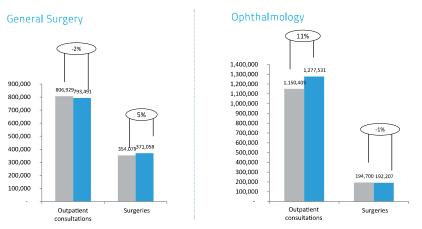


In terms of care, private hospitals currently perform a significant amount of activity in specialties such as neurosurgery, ORL, traumatology, general surgery and ophthalmology, amongst others. The following

chart shows the growth of private activity in terms of consultations and surgery (discharges not available) registered by these specialties (Chart 37).

Chart 37 Consultation and surgical activity in private hospitals (2010-2011), selected specialties





Source: MSSSI. Specialised Care Information System (SIAE): care delivery. Available at: http://pestadistico.inteligenciadegestion. msssi.es/ArbolNodos.aspx (accessed on 13/01/2014)

The number of **A&E visits** received by private hospitals is low. In 2011, private hospitals treated more than 5.4 million emergencies, an increase of 9% compared with the previous year. Though clinical complexity varies greatly

from case to case, urgent care often has an average level of complexity higher than that of planned care, and requires more technical and human resources.

# **2.6.** Private healthcare pursues continuous improvement in the quality of care

By **quality** we mean the extent to which a set of inherent characteristics fulfils an established need or **expectation**, which is generally implicit and obligatory. <sup>16</sup> It is a **multidimensional** concept where the expectations of different operators must be taken into account.

In healthcare, the concept of quality encompasses a set of dimensions, such as clinical effectiveness, patient safety, efficiency, etc. The perspectives of the patient, the professional, the companies, the government

and all other actors taking part in this sector must be considered.

Studies in Spain showed that the private healthcare sector continues to invest in improving the quality of healthcare delivery, in a clear effort to pursue constant improvement. Data from the latest RESA Study, sponsored by IDIS, highlights the encouraging developments in quality indicators, as seen in the following table (Table 11):

Table 11 Private healthcare sector results on selected quality indicators, 2012

Indicator	Result	Reference in the literature
Survival rate for patients hospitalised for	96.9%	98.5% -96.8%
acute coronary syndrome		
Rate of hip replacement surgery within 48 hours	93.9%	30% -50%
after hospital admission		
Rate of colonoscopies performed under deep sedation	78.1%	
Rate of gastroscopies performed under deep sedation	80.5%	
Readmission rate for outpatient surgery at 30 days	0.8%	1%-2%

Source: IDIS. 2013 RESA Study: Healthcare Outcome Indicators of Private Healthcare, 2013.

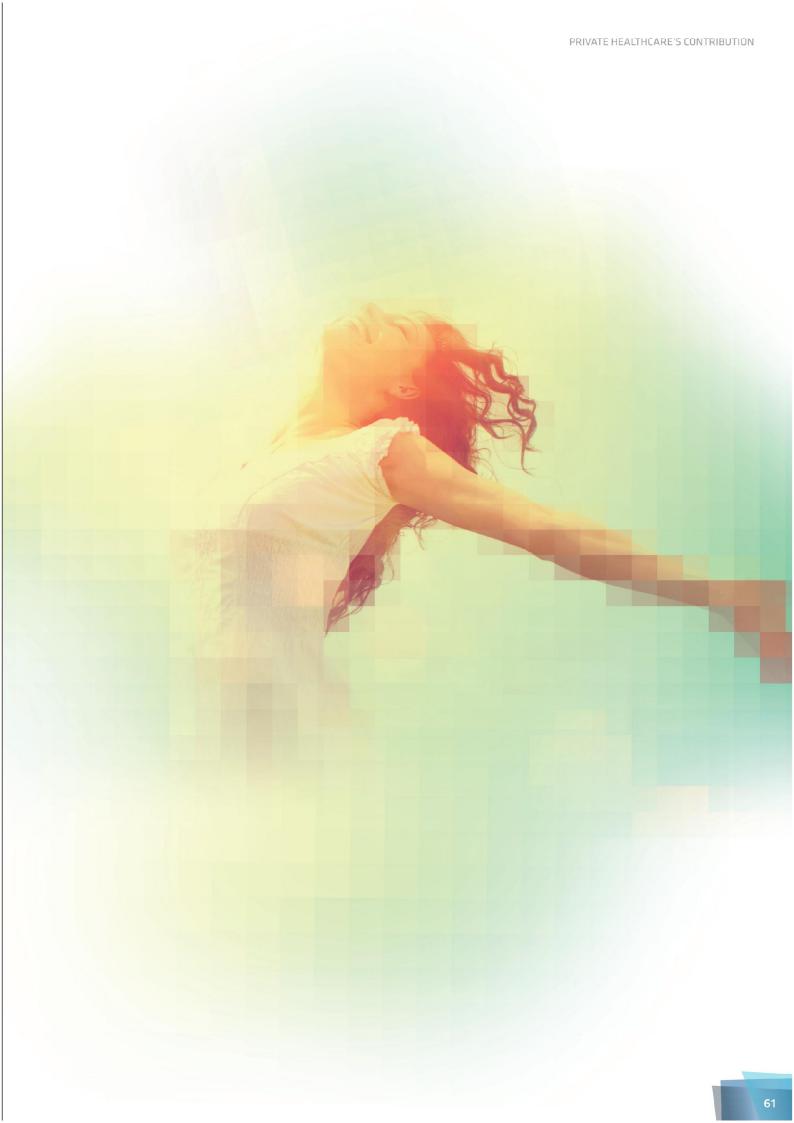
The quality of care provided by the private healthcare sector is further evidenced by the large number of certifications it has obtained, including:

- ISO (International Organization for Standardization) certification: Already many private healthcare companies hospitals, clinical analysis laboratories, diagnostic imaging companies, insurance providers have ISO certifications. In particular, ISO 9001 specifies the requirements for a quality management system.
- European Foundation for Quality Management: This is a model based on constant improvement by way of self-evaluation. It encourages

establishing improvement plans based on facts and achieving a shared vision of the goals to be met and the tools to be used.

- Joint Commission Accreditation: The benefits of this accreditation, amongst others, are improved public confidence in the organisation's concern for patient safety and quality of care at all levels.
- OHSAS 18001 Certification: This consists of the internationally recognised evaluation of management systems of occupational health and safety. Many organisations have already implemented a system for managing occupational health and safety as part of their risk management strategy.

<sup>&</sup>lt;sup>16</sup> ISO 9000 (International Organization for Standardization). International Standard: Quality management systems — fundamentals and vocabulary. Geneva: ISO; 2005



# 2.7. Private healthcare create jobs and contributes to the training of healthcare professionals

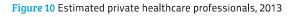
The private healthcare sector generates employment in Spain, employing **230,540 professionals**<sup>17</sup> in all activities in the sector, and providing new skilled jobs.

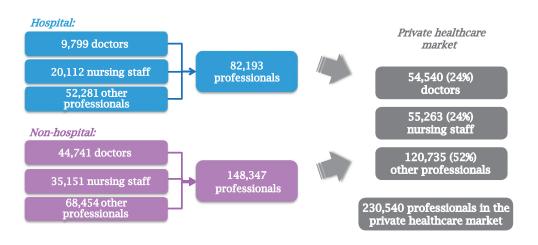
The number of doctors practising in the private sector is estimated to be 54,540, or 24% of all professionals working in the private healthcare sector.

Of the 230,000 professionals in the private healthcare sector, 64% (148,347) work in outpatient centres and the remaining 36% (82,193) practise in hospitals (Figure 10).

The latest data available shows a decrease of 1.5% in the number of professionals working in the private healthcare sector, as a result of the economic crisis. The biggest drop occurred in hospitals (8%), with part of the professionals leaving to join the outpatient sector (which led to a 2.7% increase in the number of professionals in this setting).

THE PRIVATE HEALTHCARE
SECTOR EMPLOYS 230,540
HEALTHCARE PROFESSIONALS





Source: Developed in-house based on Ministry of Health, Social Services and Equality (MSSSI) data. Statistics on specialised care: Hospitals. Results from 2011, July 2013 (revised in October 2013); Primary Care Information System; Spanish National Statistics Institute (INE). Central Business Directory: Companies by autonomous community, main activity (2009 SIC groups) and workforce numbers, 2013.

<sup>17</sup> Calculated based on data from the Impact Report of the tax deduction for voluntary subscription to private health insurance, March 2011. The number of dentists and stomatologists has been calculated based on the number of practising professionals as contained in the INE report, considering that 90% of them practise in the private healthcare sector in outpatient centres (non-hospital).



As might be expected, the autonomous regions where the private healthcare sector figures more prominently are those with the largest number of private healthcare professionals.

Catalonia, Madrid and Andalusia have the largest number of doctors and other healthcare professionals (Table 12).

Table 12 Estimated private healthcare professionals

					Hospital			Non-hospital	
Autonomous region	Doctors	Nursing staff	Other professionals	Doctors	Nursing staff	Other professionals	Doctors	Nursing staff	Other professionals
Andalusia	6,246	6,909	15,532	1,506	3,185	8,279	4,740	3,724	7,253
Aragon	1,142	1,376	3,164	338	744	1,933	804	632	1,230
Asturias	925	1,030	2,343	274	518	1,346	651	512	996
Balearic Islands	1,024	1,146	2,574	236	526	1,369	788	619	1,206
Canary Islands	1,701	1,882	4,240	428	882	2,292	1,273	1,000	1,948
Cantabria	1,397	1,268	2,641	117	263	682	1,280	1,006	1,959
Casti <b>ll</b> a y León	2,738	2,818	6,200	539	1,091	2,835	2,199	1,728	3,365
Castilla-La Mancha	1,172	1,423	3,331	456	860	2,235	716	563	1,096
Catalonia	8,834	8,907	19,432	1,571	3,201	8,320	7,263	5,706	11,112
Va <b>l</b> encia	4,470	4,604	10,173	966	1,851	4,811	3,504	2,753	5,362
Extremadura	747	846	1,925	210	425	1,105	536	421	821
Galicia	4,047	3,916	8,404	580	1,193	3,100	3,466	2,723	5,304
Madrid	15,726	14,243	29,726	1,482	3,051	7,932	14,245	11,192	21,795
Murcia	1,184	1,300	2,932	310	614	1,595	874	686	1,337
Navarra	518	659	1,536	172	387	1,007	346	272	529
Basque Country	2,319	2,539	5,684	529	1,133	2,945	1,790	1,407	2,739
La Rioja	223	260	592	60	132	343	163	128	249
Autonomous cities	127	138	307	26	58	152	101	79	155
Total	54,540	55,264	120,736	9,799	20,112	52,281	44,741	35,151	68,454
				82,193 professionals hospital			14	18,347 profess non-hospit	

Source: Developed in-house based on Ministry of Health, Social Services and Equality (MSSSI) data. Statistics on specialised care: hospitals. Results from 2011, July 2013 (revised in October 2013); Primary Care Information System; Spanish National Statistics Institute (INE). Central Business Directory: Companies by autonomous region, main activity (2009 SIC groups) and workforce numbers, 2013. The number of professionals in hospitals has been estimated based on the distribution of associated professionals by autonomous region (public and private sectors). The number of non-hospital professionals has been estimated based on the volume distribution of employees in healthcare companies by autonomous region.

The private healthcare sector **balances the public system** thanks to the complementary activity it offers doctors. Private healthcare provides doctors with an alternative, complement or replacement for public healthcare for their professional growth.

Furthermore, the private healthcare sector is committed to training healthcare professionals

working in the sector, in order to ensure excellence in healthcare.

In support of undergraduate training, the private healthcare sector has a total of **11 university hospitals** (Figure 11). Grupo Hospital de Madrid is the best example of this type of training, with 4 university hospitals with teaching accreditation.

Figure 11 Geographic distribution of private university hospitals, 2014

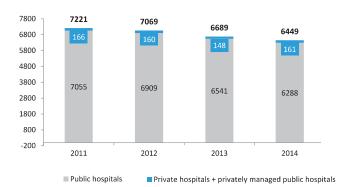


Source: Developed in-house in 2014 based on MSSSI data on accredited centres. Available at: http://sis.msssi.es/fse/CentrosAcreditados/CentrosAcreditados.aspx?Menuld=QE-00&SubMenuld=QE-04&cDocum=. (accessed on 18/12/2013)

For 2014, the Ministry of Health, Social Services and Equality has announced **161 specialty training places in private healthcare centres** (including private hospitals and public hospitals with private management). This means there are 13 more places compared with last year,

although since 2011 the general trend is towards reducing the total number of places (in private and public hospitals) (Chart 38). These cuts are justified against a backdrop of tightened budgets.

Chart 38 Distribution of specialty training places in private hospitals, 2011-2014



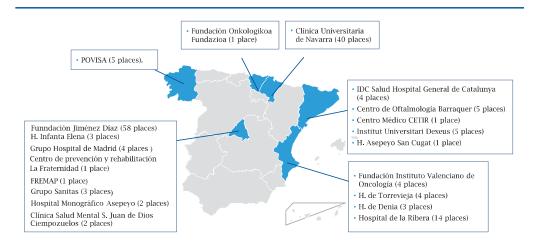
IN 2014, THE
HEALTHCARE SECTOR
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SPECIALTY TRAINING
PLACES

Source: Official State Gazette (BOE), Order No. SSI/1695/2013 of 12 September 2013; Order No. SSI/1998/2012 of 18 September 2012; Order No. SPI/2549/2011 of 19 September 2011; Order No. SAS/2447/2010 of 15 September 2010.

In 2014, private centres offering specialised healthcare training places under specialty training are based in 6 autonomous regions, with Navarra, Catalonia and Madrid having the largest number of them. The centres with

the largest number of places include Navarra University Clinic (CUN), which has a total of 40 places (Figure 12).

Figure 12 Geographic distribution of specialty training places



Source: Official State Gazette (BOE), Order No. SSI/1695/2013 of 12 September. Does not include hospitals integrated into the Catalan Public Hospital Network. Includes privately managed public hospitals.

The specialties that offer more training places are **orthopaedic surgery and traumatology**, and **internal medicine**, both with 14 places. Next come **anaesthesiology and resuscitation**,

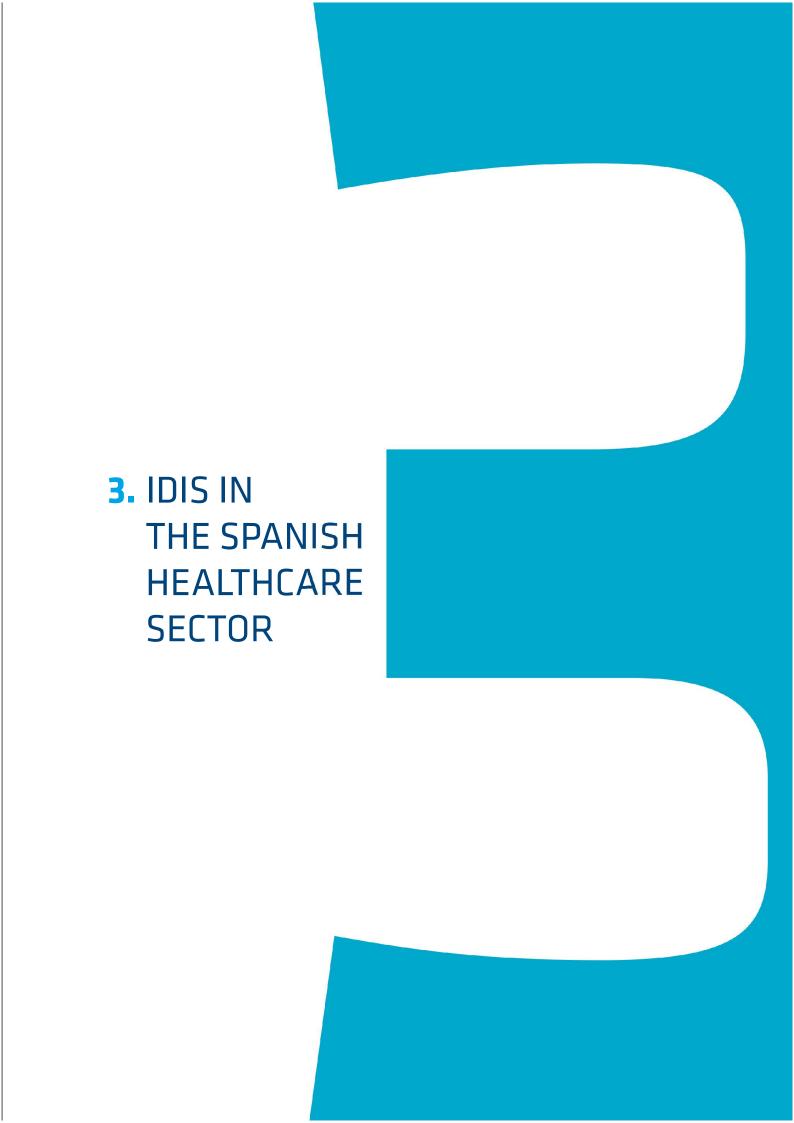
**ophthalmology and mental health** (including the specialties of clinical psychology and psychiatry), with 11 places each. (Table 13).

Table 13 Specialised healthcare training places in private centres, 2014

Speciality	Capacity
Other specialties	43
Orthopaedic surgery and traumatology	14
Internal medicine	14
Anaesthesiology and resuscitation	11
Ophthalmology	11
Mental health (Clinical psychology and psychiatry)	11
Obstetrics and gynaecology	10
General and digestive surgery	8
Paediatrics and other specific areas	8
Radiology	7
Medical oncology	6
Hospital pharmacology	5
Cardiology	4
Oncological radiotherapy	4
Neurology	3
Nuclear medicine	2
Total	161

Source: Official State Gazette (BOE), Order No. SSI/1695/2013 of 12 September.





Today, Instituto para el Desarrollo e Integración de la Sanidad (IDIS) plays a leading role in the private healthcare sector in Spain. Its members include:



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